

# TEXAS STATE GOVERNMENT SPENDING ON RESTRICTED TECHNOLOGY

MAY 2023

## Overview

- Between 2016 and 2023, the state of Texas spent \$12,282,700 on restricted Chinese technology from Lexmark, Inc. and Lenovo, Inc. Just a few of the agencies holding sensitive information that have purchased these products include:
  - The Attorney General's Office
  - The Texas Legislative Council
  - The State Auditor

## Recent Progress

- On January 26, 2023 Texas Governor Greg Abbott released a [Model Security Plan for Prohibited Technologies](#), which includes a website site that lists all technologies including apps, software, hardware, or technology providers that are prohibited and will be regularly updated by the Department of Public Safety and Texas Department of Information Resources. This follows the 2021 [Lone Star Infrastructure Protection Act](#) enacted to combat threats to Texas' cybersecurity by preventing businesses with ties to "hostile" nations from accessing the state's energy grid and other critical infrastructure.

## The Problem

- Chinese government-owned technology manufacturers Lenovo and Lexmark have been restricted from U.S. military and intelligence agencies due to their connection to the Chinese government and military. While federal policy directs information security at the federal level, states must determine their own security standards making states vulnerable to intrusion through the purchase of these risky Chinese technology products. For more detail on these two manufacturers and others, see our briefing paper at [www.StatesStopChinaTech.com](http://www.StatesStopChinaTech.com).

## The Process

- In January 2023, China Tech Threat (CTT) obtained Texas's detailed financial records of payments to Lexmark and Lenovo, showing payment amounts, dates and check numbers, payor agencies or departments, and descriptions of services, through

comptroller.Texas.gov, a database generated by the state's accounting system and made available to improve transparency.

- However, purchases of restricted technology through third-party resellers, which can be significant, are not yet captured in our research. Any future efforts to identify and restrict purchases of Chinese-owned technology manufacturers should include resellers.

---

## Lenovo

Between 2023 and 2016, the state of Texas spent \$5,483,981 on Lenovo technology.

In 2023, \$16,685 of technology purchased, including:

- The Texas Historical Commission: \$11,079
- The Texas Department of Licensing and Registration: \$4,786

In 2022, \$1,493,958 of technology purchased, including:

- The Department of Criminal Justice: \$1,313,096
- The Department of Licensing and Registration: \$3,418
- Select purchases made by the University of Houston and the Texas Historical Commission

In 2021, \$186,792 of technology purchased, including:

- The Texas Historical Commission: \$138,609
- The Texas Military Department: \$40,505
- Select purchases made by the Texas State Board of Public Accountancy and the Department of Criminal Justice

In 2020, \$293,527 of technology purchased, including:

- The Texas Historical Commission: \$211,368
- The Comptroller of Public Accounts: \$43,740
- The Texas Department of Criminal Justice: \$22,232

In 2019, \$1,868,001 of technology purchased, including:

- The Texas Department of Criminal Justice: \$1,616,292
- The Comptroller of Public Accounts: \$43,033
- Select purchases made by the Department of Insurance and the Department of Licensing and Registration

In 2018, \$460,869 of technology purchased, including:

- The Texas Legislative Council: \$383,504
- The Attorney General's Office: \$49,841
- The Health and Human Services Commission: \$4,400

In 2017, \$1,038,504 of technology purchased, including:

- The Texas Department of Insurance: \$752,084
- The Comptroller of Public Accounts: \$42,953
- Select purchases made by the Texas State Board of Public Accountancy and the Department of Public Safety

In 2016, \$125,645 of technology purchased, including:

- The Texas Legislative Council: \$26,039
- The Texas Military Department: \$8,440
- Select purchases made by the State Board of Public Accountancy and the Department of Criminal Justice

---

## Lexmark

Between 2016 and 2023, the state of Texas spent \$6,798,719 on Lexmark technology.

In 2023, \$87,557 of technology purchased:

- All purchases made by the Attorney General's Office

In 2022, \$701,704 of technology purchased, including:

- The Attorney General's Office: \$701,668
- Select purchases made by the Texas Legislative Council

In 2021, \$361,396 of technology purchased, including:

- The Attorney General's Office: \$361,415
- Select purchases made by the Texas Legislative Council

In 2020, \$929,357 of technology purchased, including:

- The Attorney General's Office: \$929,195
- Select purchases made by the Texas Legislative Council

In 2019, \$1,094,064 of technology purchased, including:

- The Attorney General's Office: \$1,093,635
- Select purchases made by the Texas Legislative Council

In 2018, \$1,180,793 of technology purchased, including:

- The Attorney General's Office: \$1,177,818
- Select purchases made by the Texas Legislative Office and the State Auditor

In 2017, \$1,442,844 of technology purchased, including:

- The Attorney General's Office: \$1,238,495
- Texas State Technical College System: \$138,344
- Select purchases made by the Texas Public Finance Authority and the Texas Legislative Council

In 2016, \$1,001,044 of technology purchased, including:

- The Attorney General's Office: \$828,657
- The Texas State Technical College System: \$165,792
- Select purchases made by the Texas Legislative Council