

ARIZONA STATE GOVERNMENT SPENDING ON RESTRICTED TECHNOLOGY

FEBRUARY 2024

Update

- In January 2024, China Tech Threat (CTT) accessed [Arizona's Financial Transparency Portal](#).
- The portal reported that since CTT's last report, the state of Arizona spent an additional \$648,129 in 2024 and \$543,881 in 2023 on restricted Chinese technology from Lenovo, Inc.
- Factoring in the updated numbers, the state of Arizona spent a combined \$7,012,317 on restricted Chinese technology from Lenovo, Inc. between 2016 and 2024.

Recent Progress

- In January 2024, Representative Lupe Diaz introduced The Protection Procurement Act ([House Bill 2436](#)) which amends Arizona's procurement code to prohibit "covered companies," which are defined as those with ties to foreign adversaries or federally banned corporations, from bidding on, proposing, or entering into contracts with state agencies or political subdivisions for goods or services.

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.

The Process

- Originally, on August 15, 2022, CTT reached out to the Arizona Department of Administration requesting documents relevant to purchases of Lexmark and Lenovo products and services. Following a series of subsequent emails and phone calls to advance the request, the Public Records Manager provided the contract information on October 26, 2022. The contracts provided date from 2016 to 2022 (see CTT's prior [Fact Sheet](#), dated February 2023).

- However, purchases of restricted technology through third-party resellers, which can be significant, are not yet captured in our research. For example, the National Association of State Procurement Officers identifies the following [qualified resellers](#) in Arizona: CDWG, SHI, Better Direct, QCM Technology, Riverside Technology (RTI), Insight, Key Information Systems, All Covered, and DHE. Any future efforts to identify and restrict purchases of Chinese-owned technology manufacturers should include resellers.
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Lenovo

UPDATED: In 2024, \$648,129 of Lenovo technology purchased, including:

- Department of Health Services: \$357,711
- Department of Education: \$108,661
- Department of Juvenile Corrections: \$65,161
- Select purchases by the Lottery Commission and Court of Appeals

UPDATED: In 2023, \$1,775,289 of Lenovo technology purchased, including:

- Department of Juvenile Corrections: \$431,297
- Department of Environmental Quality: \$426,496
- Schools for the Deaf and the Blind: \$345,670
- Select purchases by the Board of Fingerprinting and State Treasurer

In 2022, \$2,236,573 of Lenovo technology purchased, including:

- The Corporation Commission: \$171,108
- The Department of Administration: \$271,588
- The Department of Public Safety: \$78,568
- Select purchases by the Lottery Commission

In 2021, \$1,511,274 of Lenovo technology purchased, including:

- The Department of Juvenile Corrections: \$174,915
- The Department of Public Safety: \$150,824
- The Department of Education: \$60,600
- The Lottery Commission: \$18,600

In 2020, \$974,542 of Lenovo technology purchased, including:

- The Department of Health Services: \$586,209
- The Department of Education: \$103,866
- Select purchases made by the Arizona Finance Authority



In 2019, \$360,957 of Lenovo technology purchased, including:

- The Department of Education: \$249,329
- The Lottery Commission: \$47,093
- Select purchases by the Industrial Commission

In 2018, \$240,110 of Lenovo technology purchased, including:

- The Department of Education: \$161,897
- The Lottery Commission: \$26,681
- The Department of Health Services: \$13,637

In 2017, \$569,709 of Lenovo technology purchased, including:

- The Department of Health Services: \$459,680
- The Department of Corrections: \$82,867

In 2016, \$191,110 of Lenovo technology purchased, including:

- The Department of Health Services: \$148,954
- Select purchases by the Department of Economic Security