NEBRASKA STATE GOVERNMENT SPENDING ON RESTRICTED TECHNOLOGY



FEBRUARY 2024

Update

- In January 2024, China Tech Threat (CTT) obtained Nebraska's detailed financial records through StateSpending.Nebraska.Gov
- The system reported that, since CTT'S last report, the state of Nebraska spent even more taxpayer dollars on restricted Chinese technology from Lenovo, Inc.

Background

- Between 2018 and 2023, the state of Nebraska spent a combined \$207,848 on restricted Chinese technology from Lenovo, Inc. Just a few of the agencies holding sensitive information that have purchased these products include:
 - Nebraska State Patrol
 - Attorney General

Recent Progress

 On January 16, 2024, Nebraska State Senator Eliot Bostar introduced the Adopt the Pacific Conflict Stress Test Act and the Foreign Adversary Contracting Prohibition Act (<u>LB 1300</u>).

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

StateSpending.Nebraska.Gov, the state's public financial database maintained by the State Treasurer and made available to improve transparency. (See CTT's <u>prior Fact</u> <u>Sheet</u>, dated May 2023.)

• 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

In 2023, \$57,183 of technology purchased, including:

- Nebraska State Patrol: \$51,324
- Select purchases by the Attorney General, Secretary of State, and Board of Engineers and Architects

In 2022, \$5,918 of technology purchased including:

- Board of Engineers and Architects: \$4,772
- Game and Parks Commission: \$1,146

In 2021, \$41,415 of technology purchased, including:

- Nebraska State Patrol: \$38,664
- Board of Engineers and Architects: \$2,751

In 2020, \$100,322 of technology purchased, including:

- University of Nebraska: \$97,208
- Board of Engineers and Architects: \$3,114

In 2019 there were no recorded purchases.

In 2018, \$3,010 of technology purchased by the University of Nebraska.