

TENNESSEE STATE GOVERNMENT SPENDING ON RESTRICTED TECHNOLOGY

FEBRUARY 2024

Update

- In February 2024, China Tech Threat (CTT) accessed [Transparent Tennessee](#).
- The portal reported that since CTT's last report, the state of Tennessee spent even more taxpayer dollars on restricted Chinese technology from Lenovo, Inc. and Lexmark, Inc.
- Factoring in the updated numbers, the state of Tennessee spent a combined \$350,950 on restricted Chinese technology from Lenovo, Inc. and Lexmark, Inc. between 2019 and 2024.

Recent Progress

- The Procurement Protection Act ([HB 1841](#)) introduced in January 2024 by House Government Operations Committee Chairman Representative John Ragan and the companion Senate bill introduced by Senator Kerry Roberts ([SB 2859](#)) prohibits certain foreign entities including China, from submitting bids for contracts with the state or a political subdivision of the state and requires entities bidding on contracts to make certain disclosures and certifications related to the entities' business relationship with certain foreign entities.

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

- In January 2023, China Tech Threat (CTT) obtained Tennessee'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

TN.Gov's Transparent Tennessee, a database generated by the state's accounting system and made available to improve transparency (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 Tennessee: CDWG, SHI, GovConnection, Insight, and Unistar Sparco. Any future efforts to identify and restrict purchases of Chinese-owned technology manufacturers should include resellers.
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Lexmark

UPDATE: In 2024, \$6,030 of Lexmark technology purchased by the Department of Finance and Administration.

UPDATE: In 2023, \$6,330 of Lexmark technology purchased, including:

- Department of Finance and Administration: \$6030
- Department of Corrections: \$300

In 2022, \$6,030 of Lexmark technology purchased by the Department of Finance and Administration.

In 2021, \$7,042 of Lexmark technology purchased, including:

- Courts System: \$1,710

In 2020, \$11,453 of Lexmark technology purchased, including:

- Department of Finance and Administration: \$5,281
- Department of Revenue: \$1,989

In 2019, \$85,081 of Lexmark technology purchased, including:

- Department of Finance and Administration: \$61,564
 - Department of Treasury: \$14,858
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Lenovo

UPDATE: In 2023, \$2,116 of Lenovo technology purchased by the Tennessee Housing Development Agency.



In 2022, \$22,180 of Lenovo technology purchased, including:

- Department of Education: \$15,525
- Tennessee Housing Development Agency: \$4,346

In 2021, \$93,382 of Lenovo technology purchased, including:

- Department of Education: \$93,151

In 2019, \$111,306 of Lenovo technology purchased, including:

- Department of Education: \$102,671