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**Congress of the United States**  
**House of Representatives**

**SELECT COMMITTEE ON THE CHINESE COMMUNIST PARTY**  
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October 4, 2023

Robert J. Bianchi  
Chief Executive Officer  
Navy Exchange Service Command  
U.S. Department of Defense  
Washington, DC

Dear Mr. Bianchi,

We write today to urge you to take immediate action to prevent computer and information technology (IT) products made by companies with significant connections to the government of the People's Republic of China (PRC) and links to state-directed espionage from being sold to active-duty U.S. servicemembers. It has come to our attention that Navy Exchange offers at least ten Lenovo computer and IT product models on its marketplace. Indeed, not only is Lenovo's largest shareholder closely connected to the PRC government, but the company also has been linked to PRC state-directed espionage campaigns.

Lenovo is closely affiliated with the People's Liberation Army (PLA), the Chinese Academy of Sciences (CAS), and the PRC government. Its links to state-run cyberespionage campaigns are well documented, and it is believed to have "been complicit in installing Superfish spyware and potentially a BIOS backdoor on a number of its computer products."<sup>1</sup> In 2018, the Federal Trade Commission filed a complaint against Lenovo for preinstalling software on U.S.-bound computers which "interfered with how a user's browser interacted with websites and created serious security vulnerabilities."<sup>2</sup> In 2016, the Pentagon's Joint Staff warned that "cyber security officials are concerned that Lenovo computers and handheld devices could introduce compromised hardware into the Defense Department's [global network of suppliers],

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<sup>1</sup> *Supply Chain Vulnerabilities from China in U.S. Federal Information and Communications Technology*, U.S.-CHINA ECONOMIC AND SECURITY REVIEW COMMISSION (Apr. 2018) available at [www.uscc.gov/research/supply-chain-vulnerabilities-china-us-federal-information-and-communications-technology](http://www.uscc.gov/research/supply-chain-vulnerabilities-china-us-federal-information-and-communications-technology)

<sup>2</sup> *FTC Gives Final Approval to Lenovo Settlement*, FEDERAL TRADE COMMISSION (Jan. 2, 2018) available at [www.ftc.gov/news-events/news/press-releases/2018/01/ftc-gives-final-approval-lenovo-settlement](http://www.ftc.gov/news-events/news/press-releases/2018/01/ftc-gives-final-approval-lenovo-settlement).

posing cyber espionage risks.”<sup>3</sup> In addition, the largest shareholder of Lenovo is Legend Holdings, a Chinese entity whose largest shareholder is the Chinese Academy of Sciences.

According to the 2023 Annual Threat Assessment of the U.S. Intelligence Community, China “probably represents the broadest, most active, and persistent cyber espionage threat to U.S. Government and private-sector networks.”<sup>4</sup> PRC espionage campaigns are highly sophisticated and could certainly target U.S. servicemembers on their personal computer and IT devices. We are concerned that these actors could gain access to servicemembers’ sensitive personal information and exploit this access to compromise U.S. national security.

The Navy Exchange is a valuable asset for U.S. servicemembers as its marketplace offers competitive prices with no sales taxes. Additionally, a portion of the profits go to the Navy’s Morale, Welfare & Recreation program.<sup>5</sup> That being said, the Exchange should not be selling Lenovo products to U.S. servicemembers, let alone incentivizing such purchases with tax-free, discounted prices. Doing so creates a major cybersecurity threat and undermines the U.S. Department of Defense’s 2023 Cyber Strategy, which commits to “foster[ing] a culture of cybersecurity and cyber awareness[.]”<sup>6</sup>

Therefore, we respectfully request that you provide the Select Committee with a briefing regarding the Navy Exchange’s decision to sell Lenovo computers and IT products on its marketplace as soon as possible but no later than October 20, 2023.

The House Select Committee on the Strategic Competition Between the United States and the Chinese Communist Party has broad authority to “investigate and submit policy recommendations on the status of the Chinese Communist Party’s economic, technological, and security progress and its competition with the United States” under H. Res. 11.

To make arrangements to deliver a response or ask any questions please contact Select Committee staff at (202) 226-9678.

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<sup>3</sup> Bill Gertz, *Military Warns Chinese Computer Gear Poses Cyber Spy Threat*, WASHINGTON FREE BEACON (Oct. 24, 2016) available at [www.freebeacon.com/national-security/military-warns-chinese-computer-gear-poses-cyber-spy-threat/](http://www.freebeacon.com/national-security/military-warns-chinese-computer-gear-poses-cyber-spy-threat/).

<sup>4</sup> *Annual Threat Assessment of the U.S. Intelligence Community*, OFFICE OF THE DIRECTOR OF NATIONAL INTELLIGENCE (Feb. 6, 2023) available at [www.dni.gov/files/ODNI/documents/assessments/ATA-2023-Unclassified-Report.pdf](http://www.dni.gov/files/ODNI/documents/assessments/ATA-2023-Unclassified-Report.pdf).

<sup>5</sup> *Your Benefits: Navy Exchange & Commissary*, NAVAL SERVICES FAMILY LINE (Oct. 21, 2020) available at [www.nsfamilyline.org/post/102120202#:~:text=Prices%20are%20competitive%20and%20there,store%20at%20a%20reduced%20cost.](http://www.nsfamilyline.org/post/102120202#:~:text=Prices%20are%20competitive%20and%20there,store%20at%20a%20reduced%20cost.)

<sup>6</sup> *2023 Cyber Strategy*, U.S. DEP’T OF DEFENSE (Sep. 12, 2023) available at [www.media.defense.gov/2023/Sep/12/2003299076/-1/-1/1/2023\\_DOD\\_Cyber\\_Strategy\\_Summary.PDF](http://www.media.defense.gov/2023/Sep/12/2003299076/-1/-1/1/2023_DOD_Cyber_Strategy_Summary.PDF).

Thank you for your attention to this important matter and prompt reply.

Sincerely,

A handwritten signature in blue ink, appearing to be "MG", followed by a horizontal line extending to the right.

Mike Gallagher  
Chairman  
Select Committee on China