

September 30, 1998

Dr. H. David Bruton, Secretary
N.C. Department of Health and Human Services
Adams Building
101 Blair Drive
Raleigh, NC 27626-0526

Dear Dr. Bruton:

We received an allegation through the State Auditor's Hotline that a male employee with the Department of Health and Human Services, Division of Medical Assistance had pornographic material on his computer and uninvitedly displayed this material to a female employee.

As a result of this allegation, we immediately took action with the cooperation of the division's management to investigate this complaint. We examined the files on the male employee's computer and interviewed the male employee, as well as, other employees.

Our examination of the computer used by the male employee revealed two pornographic videos filed under the employee's name. Additionally, we found the computer had been used to access multiple pornographic websites. The employee in question admitted he viewed pornographic material in the presence of the female employee. However, he stated it was by accident that the female viewed this material. The employee said he asked the female employee if she was offended and apologized for the incident.

The female employee said she inquired how to download screensavers from the INTERNET and the employee in question volunteered to show her. The female employee said the employee showed her several screensavers and then entered into his personal files and retrieved a pornographic video. She said she was embarrassed and told the employee to exit from the screen. She said the employee never apologized and asked her not to tell anyone about the incident.

On February 11, 1998, the male employee signed a division document that states, "All information, and data processing systems to which I am given access are only to be used to conduct activities authorized by the division;..." The viewing of pornographic material on a state owned computer is clearly not a division authorized activity. We recommend the Department take appropriate action to ensure that all employees adhere to the Department's policies and regulations regarding use of the INTERNET.

Dr. H. David Bruton
Page 2
September 30, 1998

We are presenting these findings for your review and written response. The purpose of the response is to allow you the opportunity to outline any corrective actions taken or planned. We request that your written response be delivered to us by October 14, 1998.

If you have any questions or wish to discuss this matter further, please contact us. We appreciate the cooperation received from your staff during the course of our review.

Sincerely,

Ralph Campbell, Jr., CFE
State Auditor

RCjr/DP:dj

Management letters and responses receive the same distribution as audit reports.



North Carolina
Department of Health and Human Services
101 Blair Drive • Post Office Box 29526 • Raleigh, North Carolina 27626-0526
(919) 733-4534 • Courier 56-20-00

James B. Hunt Jr., Governor

October 12, 1998

H. David Bruton, M.D., Secretary

Mr. Ralph Campbell, Jr., CFE
State Auditor
Office of the State Auditor
300 North Salisbury Street
Raleigh, North Carolina 27603-5903

Dear Mr. Campbell:

Thank you for your recent letter explaining your audit findings concerning the inappropriate use of the INTERNET by an employee at the Division of Medical Assistance. Although the employee in your letter was unnamed, staff in my Human Resources Office informed me that the employee in question chose to resign from his position when confronted by Medical Assistance management about the issue.

The Department is currently finalizing a policy governing the use of the INTERNET which will be communicated to all employees. This policy will clearly define acceptable and unacceptable use and should deter this type of behavior in the future. The INTERNET policy will supplement an existing DHHS directive which outlines procedures for reporting the theft and misuse of state property.

If you have further questions concerning this matter, please call Jim Edgerton, Assistant Secretary for Budget, Planning and Analysis, at 733-4534.

Sincerely,

A handwritten signature in dark ink, appearing to read "H. David Bruton".

H. David Bruton, M.D.

HDB:dw