



Ralph Campbell, Jr.
State Auditor

STATE OF NORTH CAROLINA
Office of the State Auditor

2 S. Salisbury Street
20601 Mail Service Center
Raleigh, NC 27699-0601
Telephone: (919) 807-7500
Fax: (919) 807-7647
Internet <http://www.osa.state.nc.us>

August 24, 2000

Ms. Katie G. Dorsett, Secretary
N.C. Department of Administration
116 West Jones St.
Raleigh, NC 27603

Dear Secretary Dorsett:

On May 2, 2000, our office received an allegation through the State Auditor's Hotline concerning political activities being conducted at the North Carolina Council for Women. According to the complaint, telephone calls were made to solicit support for a candidate running for 10th District Court Judge. The calls were made the weekend before the primary election.

We conducted a Special Review that included interviewing N.C. Council for Women employees and ex-employees, examining documents maintained on State computers, and other relevant documents. Based on our review, the following items were noted:

- ◆ According to the Executive Director, on Saturday, April 29, 2000, for approximately two hours, the office building housing the N.C. Council for Women was used to make approximately 200 local telephone calls soliciting support for the Executive Director's son, who is running for 10th District Court Judge. The Executive Director's granddaughter and two of the granddaughter's friends made the telephone calls. The Executive Director's daughter-in-law said she supervised the teenagers while they made the telephone calls. The Executive Director said she provided a key to her daughter-in-law to gain access to the building. According to the Executive Director, no State employees participated in making telephone calls and no State employees were in the building that day.
- ◆ The Communication and Education Director for the N.C. Council for Women stated, she designed brochures, postcards and invitations and maintained the campaign receipt spreadsheets for the Executive Director's son's campaign. These activities took place on State property, using State equipment, while the employee was on duty. The Communication and Education Director stated she spent approximately two hours per week performing these activities. She said that many times the Executive Director would assign campaign duties to her and she would return the completed work the same day to either the Executive Director or the Executive Director's daughter-in-law.



- ◆ According to two support staff employees, they contacted individuals on behalf of the Council's Executive Director, to determine if these individuals would volunteer to work on the Executive Director's son's campaign. The two employees said the Executive Director provided them with a small list of names and the list was returned the same day showing which individuals had volunteered. This activity was conducted while the employees were on duty, using State equipment.
- ◆ Campaign yard signs and bumper stickers were delivered to the Council's office. Yard signs were stored at the office but none of the employees could recall just how long the signs remained in the office.

According to the Council's Executive Director, she could not recall the support staff making calls while on duty. She did recall asking the Communication and Education Director to do work for her son's campaign. The Executive Director stated that she did not explicitly tell her employee this work could not be performed while on duty. However, the Executive Director said she felt this was implied.

The State Personnel Manual addresses political activity by state employees:

Limitation of Political Activity

...G.S. § 126-13... provides: As an individual, each employee retains all the rights and obligations of citizenship...; however, no employee subject to the Personnel Act shall:

- ◆ Take any active part in managing a campaign, or ...engage in political activity while on duty or within any period of time during which he/she is expected to perform services for which compensation is received from the State:
- ◆ Otherwise use the authority of his/her position, or utilize State funds, supplies ...to secure support for ...any candidate ...in a partisan election involving candidates for office...

No State employee shall use any promise of reward or threat of loss to encourage or coerce any employees subject to the Personnel Act to support or contribute to any political issue, candidate, or party.

Employees in federally aided programs are also subject to the Federal Hatch Political Activities Act, as amended, 5 U.S.C. 1501-1508.

Failure to comply with this Article is grounds for disciplinary action, which in case of deliberate or repeated violation, may include dismissal or removal from office.

Therefore, we recommend the N.C. Council for Women comply with the State Personnel regulations and G.S. § 126-13 by ceasing to use the State building and State equipment for

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political activities. In addition, management should educate employees on the State Personnel regulations related to political activity.

General Statute § 147-64.6(c)(12) requires the State Auditor to provide the Governor, the Attorney General, and other appropriate officials with written notice of apparent instances of violations of penal statutes or apparent instances of malfeasance, misfeasance, or nonfeasance by an officer or employee. In accordance with this mandate, and our standard operating practice, we will provide copies of this management letter to the Governor, the Attorney General and other appropriate officials.

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 delivery of your written response by September 8, 2000.

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

Sincerely,

A handwritten signature in black ink that reads "Ralph Campbell, Jr." in a cursive script.

Ralph Campbell, Jr. CFE
State Auditor

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



North Carolina Department of Administration

James B. Hunt Jr., Governor

Katie G. Dorsett, Secretary

August 31, 2000

The Honorable Ralph Campbell, Jr.
State Auditor
20601 Mail Service Center
Raleigh, North Carolina 27699-0601

Dear Mr. Campbell:

This letter is my official response for the Department of Administration ("DOA") with regard to your management letter dated August 24, 2000, on allegations that political activities were being conducted at the offices of the North Carolina Council for Women ("Council"). I have reviewed your findings carefully and acknowledge that mistakes were made at the Council as you found. I have determined that those mistakes resulted from the Council's Executive Director failing to appreciate and understand the applicable statutes and rules and also due to inadequate communication between the Executive Director and staff at the Council.

I am glad to report that the following steps have already taken place in response to your recommendations:

- There is no inappropriate activity currently taking place at the offices of the Council and no State real or personal property is being used for political purposes. I am satisfied that the Council staff now understand the rules in this area.
- All DOA management staff through the division director level have been informed of the rules and regulations governing political activity on State time and in State buildings. This information will be disseminated to all staff through memoranda, presentations or other appropriate means.
- While it was not a recommendation in your letter, in order to avoid the appearance of any impropriety, the Executive Director has reimbursed the State of North Carolina the sum of six hundred dollars (\$600.00) for any costs the State might have incurred due to the inappropriate use of its employees and property.

Mailing Address:
1301 Mail Service Center
Raleigh, NC 27699-1301

Telephone: (919) 807-2425
Fax (919) 733-9571
State Courier #51-01-00

Location:
116 West Jones Street
Raleigh, North Carolina



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In addition, it is important to acknowledge that all parties have been truthful to my knowledge. Prior to receiving your report, the Executive Director made full disclosure of the facts to her immediate supervisor, DOA legal counsel and me. She is a dedicated employee with a strong work ethic who strives for perfection; unfortunately, she made mistakes in judgment in this area. While not connected to this incident, you may wish to know that the Executive Director has had to retire due to health reasons effective October 1, 2000; her contributions will be sorely missed.

In conclusion, these problems occurred some months ago and there are currently no problems requiring correction. The educational efforts we have undertaken will insure no such errors occur during this fall's political campaign. I now consider this matter appropriately resolved.

Sincerely,

A handwritten signature in cursive script that reads "Katie G. Dorsett". The signature is fluid and elegant, with a large initial "K" and a long, sweeping underline.

Katie G. Dorsett