



Ralph Campbell, Jr.  
State Auditor

STATE OF NORTH CAROLINA  
Office of the State Auditor

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May 19, 2004

Mr. Bill Ross, Jr., Secretary  
North Carolina Department of Environment and Natural Resources  
512 North Salisbury Street  
Raleigh, North Carolina 27604-1148

Dear Secretary Ross:

The Office of the State Auditor's Information Systems Audit Division conducted tests from October 16, 2003 to November 24, 2003, on computers transferred to the Department of Administration's Division of Surplus Property. The purpose of these tests was to determine compliance with the Information Resource Management Commission's (IRMC) Enterprise Security Standard Number S003, *Permanent Removal of Data From Electronic Media*. The tests revealed that an abundance of pornographic material had been viewed using a computer assigned to the North Carolina Department of Environment and Natural Resources. Upon discovery of this material, this matter was referred to the Office of the State Auditor's Investigative Audit Division. A subsequent investigation resulted in the following findings and recommendations.

As stated above, pornographic material was discovered on a computer surplused by the Department of Environment and Natural Resources (DENR). During our examination of the surplused computer, we retrieved an illicit instant messaging screen name that was similar to the name of a Processing Assistant currently employed with DENR in the Environmental Education Section. Upon this discovery, we examined the Processing Assistant's current state-assigned computer. During this examination, we found several pornographic images saved in a folder titled My Documents, as well as a floppy disk containing what appeared to be personal pornographic images.

The Processing Assistant admitted visiting pornographic websites on both the surplused computer and his current state-assigned computer and confirmed the illicit instant messaging screen name belonged to him. Additionally, the Processing Assistant stated the floppy disk was a personal disk with photos he had taken. The Processing Assistant said he used his state-assigned computer for personal instant messaging in addition to viewing pornography. The Processing Assistant said he was not aware of a policy prohibiting personal use of state computers until our office released an audit titled *Surplus Computer Assessment* on February 18, 2004. The Processing Assistant said he stopped viewing pornography and instant messaging after his supervisor, the Acting Director, reprimanded

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him for instant messaging. However, our examination revealed that pornographic images were accessed on March 26, 2004, after he was told not to use instant messaging and after our audit report was released. The Acting Director stated during a staff meeting on March 10, 2004, she informed all employees of DENR's Internet policy. An employee in the Environmental Education Section confirmed employees were notified of the policy as well as warned by the Acting Director that auditors from our office may perform an examination of all employee's hard drives.

DENR's Internet policy states,

*1. While in performance of work-related functions, while on the job, or while using publicly owned or publicly provided information processing resources, public employees and North Carolina Integrated Information Network (NCIIN) users are expected to use the NCIIN and the Internet responsibly and professionally and shall make no intentional use of these services in an illegal, malicious, or obscene manner....*

The Processing Assistant violated this policy when he used his state-assigned computer to view pornography.

We recommend DENR reinforce its Internet policy and have each employee sign an acknowledgement stating they have read and understand the policy. We also recommend DENR take the appropriate action against employees who do not comply with the policy.

We are presenting our 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 the delivery of your written response by May 17, 2004.

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 malfeasance, misfeasance, or nonfeasance by an officer or employee. In accordance with the mandate, and our standard operating practice, we are providing copies of this special review to the Governor, the Attorney General and other appropriate officials.

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,



Ralph Campbell, Jr., CFE  
State Auditor



North Carolina Department of Environment and Natural Resources

Michael F. Easley, Governor

William G. Ross Jr., Secretary

May 14, 2004

Mr. Ralph Campbell  
State Auditor  
2 S. Salisbury Street  
20601 Mail Service Center  
Raleigh, NC 27699-0601

Dear Mr. Campbell:

We have received your letter dated May 4, 2004 that outlines a discovery of inappropriate personal files on a state owned computer in our department and recommendations for corrective action. Secretary Ross has asked me to respond since I have been personally involved with the incident.

Your previous examination of computers surplused to the Department of Administration found pornographic material on a computer from our department, the Department of Environment and Natural Resources (DENR). A subsequent investigation of that same computer found information indicating that a specific employee within our department was responsible. During a follow-up review, that individual's current state-assigned computer also yielded several pornographic images in violation of DENR's internet use policy.

Upon your discovery of continued computer misuse, we took immediate action to impound the computer and placed the employee on investigative leave. Having concluded the investigation, we have since taken appropriate and final action against the employee.

We have reviewed your recommendations to reinforce our Internet Use Policy and agree that a signed acknowledgement stating that the employee has read and understands the policy is appropriate. Our current process includes an orientation checklist on which new employees certify that the information (including computer use policy) was covered during orientation sessions. In response to your recommendation and within the next thirty days, we will revise the current certification requirement to also acknowledge that the employee understands the policies shared with them during orientation. We will also generate a notice to all work units within our agency about our computer and internet use policies so that existing employees will have the benefit of a reminder.

We thank you for your time and assistance in making our agency a better work environment. If questions arise, please feel free to call me at (919) 733-4908.

Sincerely,

Jimmy Carter,  
Assistant Secretary for Operations and Development

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