

STATE OF NORTH CAROLINA  
**Office of the State Auditor**

**Leslie W. Merritt, Jr., CPA, CFP**  
State Auditor

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January 10, 2008

The Honorable Beverly Perdue  
Office of the Lieutenant Governor  
310 North Blount Street  
Raleigh, North Carolina 27601-8006

Dear Lieutenant Governor Perdue:

On the afternoon of September 18, 2007, the State Treasurer's campaign manager sent a letter to the State Auditor requesting an investigation into potential political operations within the Office of the Lieutenant Governor. The allegations concerned state property, including computers, being used for campaign activity and the use of the North Carolina State Highway Patrol for transportation to campaign events. While we recognize the potential partisan political intent of this request, the Office of the State Auditor has a statutory obligation to review allegations of misconduct, abuse of power, and misuse of state resources. Pursuant to North Carolina General Statute §147-64.6(c)(16), our investigation of this matter resulted in the following findings and recommendations.

**Monitoring of Campaign Activity on Privately-owned Computers**

We reviewed computer files from three state-owned computers assigned to personnel in the Office of the Lieutenant Governor. We found a few incoming e-mails that appeared to be related to the Lieutenant Governor's current campaign for governor and several drafts of speeches, letters, and press releases related to a previous campaign. According to the Lieutenant Governor's legal counsel, the e-mails were unsolicited and the drafts were prepared prior to the Lieutenant Governor's initial election. He also stated the drafts were on state-owned computers because they were used as reference materials that contained the goals and agenda for the Lieutenant Governor.

In addition to the above activity, we determined that a private internet connection and wireless internet router<sup>1</sup> were installed in the Lieutenant Governor's office in May 2005. The Lieutenant Governor stated that the line and router were installed to provide internet access for individuals attending meetings in the office and for her employees' personal use. The Lieutenant Governor's campaign committee paid for the equipment and currently pays for the internet service.

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<sup>1</sup> Equipment used to examine and forward data to a specific computer device.

According to employees we interviewed, they were told to use their privately-owned computers rather than their state-owned computers for any personal or campaign activity. Four employees said they use their privately-owned computers to access and respond to campaign-related matters. Also, one employee stated that she was furnished a laptop computer by the Lieutenant Governor's campaign when her privately-owned laptop failed. The current campaign manager stated that, while employed as the Lieutenant Governor's chief of staff, he also used his privately-owned computer for campaign activities.

No written policies and procedures exist in the Lieutenant Governor's office governing the use of privately-owned computers. In addition, no monitoring of computer or router use is performed. Therefore, employees are allowed to perform un-monitored personal and campaign-related activities using their privately-owned computer.

Employees interviewed said they only use their privately-owned computers during lunch periods, breaks, or hours outside of the scheduled workday. However, because there is no method established to monitor the use of the privately-owned computers, we could not verify these claims. When asked about the lack of monitoring, the Lieutenant Governor stated that she had confidence in her employees and trusted that they would not abuse this privilege.

State policy<sup>2</sup> allows public employees to make reasonable personal use of a provided state network or Internet resource as long as:

- a. *The direct measurable cost to the public is none or is negligible or access supports the mission of the agency;*
- b. *There is no negative impact on employee performance of public duties;*
- c. *The policy is applied equitably among all employees of the agency;*
- d. *Employees shall reimburse the agency if costs are incurred, provided that costs may be incurred only in critical situations.*

In addition, North Carolina General Statute § 126-13 (a) states "...no State employee subject to the Personal Act or temporary State employee shall: (1) Take any active part in managing a campaign, or campaign for political office or otherwise engage in political activity while on duty or within any period of time during which he is expected to perform services for which he receives compensation from the State."

A state-owned building, equipment and property were provided to the Lieutenant Governor's office to conduct official state business only. The State's reasonable computer use policy adequately addresses the issue of employees' personal use of state-owned computers. In addition, the General Statutes specifically forbid the use of state funds, supplies, or employees' time to be used for political purposes. Therefore, it is inappropriate for the Lieutenant Governor (or her campaign) to provide equipment that invites the abuse of those policies and statutes.

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<sup>2</sup> Statewide Information Technology Policy, Version No. 1, August 2004, Security Policy

### **Recommendation**

The Lieutenant Governor should remove the private internet access from the Office of Lieutenant Governor and communicate to staff that access to the internet and general use of state-owned computers should be limited to official state business with minimal personal use allowed in accordance with state policy. Also, we recommend the general statute forbidding any political activity while on state time be reiterated to the Lieutenant Governor's staff and periodic monitoring be undertaken to ensure compliance to the policy.

### **State Highway Patrol Security**

Our review determined that the Lieutenant Governor was transported to campaign events by the State Highway Patrol (Patrol). However, this activity is permissible and included in the responsibilities of the officers providing security. The protection afforded the Lieutenant Governor is an on-going practice since 1989. The overall security function is authorized by the Governor and provided by members of the Patrol assigned to the Governor's executive protection detail. The security procedures for the Patrol are the same for campaign events as other personal activities except that miles driven to campaign events are logged and provided to the Department of Crime Control and Public Safety<sup>3</sup> (Department). The Department is subsequently reimbursed at \$0.485 per mile by the Lieutenant Governor's campaign. Our review verified six payments were made to the Department between April and September 2007 that totaled \$290.05.

During our investigation, we determined that there are no North Carolina General Statutes, rules, or regulations that specifically address the protection provided the Lieutenant Governor. This protection is authorized and performed at the discretion of the Governor. If the Governor chooses not to grant it, then the person that is constitutionally first in line to succeed the Governor is without security protection. This would leave the State's leadership in a vulnerable position.

### **Recommendation**

We recommend the Governor consider issuing an Executive Order that formally authorizes security protection for the Lieutenant Governor. In addition, we recommend the General Assembly, along with the Department of Crime Control and Public Safety and the Lieutenant Governor's Office; develop laws, rules and regulations related to the security protection of the Lieutenant Governor.

Please provide your written response to these findings and recommendations, including corrective actions taken or planned, by January 24, 2008. In accordance with General Statute § 147-64.6(c) (12), the Governor, the Attorney General and other appropriate officials will receive a copy of this management letter. If you have any questions or wish to discuss this matter

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<sup>3</sup> State Highway Patrol is administratively located in the Department of Crime Control and Public Safety

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further, please contact us. We appreciate the cooperation received from employees of the Office of the Lieutenant Governor.

Sincerely,

A handwritten signature in black ink that reads "Leslie W. Merritt, Jr." in a cursive script.

Leslie W. Merritt Jr., CPA, CFP  
State Auditor

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



**State of North Carolina  
Office of the Lieutenant Governor**

BEVERLY EAVES PERDUE  
LIEUTENANT GOVERNOR

January 24, 2008

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The Honorable Leslie W. Merritt, Jr.  
North Carolina Office of the State Auditor  
20601 Mail Service Center  
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Dear Auditor Merritt:

Thank you for providing me a copy of the findings and recommendations from the inquiry your staff conducted in response to the request made by Treasurer Moore's campaign.

I commend your representatives for conducting themselves courteously and professionally at all times throughout the matter. As I told Mr. Dziepak and Mr. Becote when we met in my office back in November, I have looked forward to receiving your report and welcome your insights.

Any time an elected official chooses to run for public office, it creates a challenge to ensure that governmental and campaign matters are appropriately segregated. People are only human and mistakes do occur, but it has been my goal in this office to strike the proper balance and keep campaign activities separate from state business.

My responses to your recommendations are as follows:

**Recommendation No. 1**

*The Lieutenant Governor should remove the private internet access from the Office of the Lieutenant Governor and communicate to staff that access to the internet and general use of state-owned computers should be limited to official state business with minimal personal use allowed in accordance with state policy. Also, we recommend the general statute forbidding any political activity while on state time be reiterated to the Lieutenant Governor's staff and periodic monitoring to ensure compliance with the policy.*

**Response**

As you note in your report, several years ago I did have wireless Internet access installed in the office. At that time, I felt it important to provide staff and guests working in the office with private wireless access to the Internet. As you may know, I serve as



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chairman of the Business Education Technology Alliance and use of and access to new technologies is important to me.

After Mr. Dziepak and Mr. Becote and I talked in November, I reflected on the concerns they raised about the impressions that might be created by continuing the presence of a separate wireless Internet service in the office at a time when I am also a candidate for elected office. Frankly, they made a good point, and my Chief of Staff disconnected the wireless Internet router at my request two months ago. At my direction, he has also instructed all staff in my office that, henceforth, they are to use only state-provided Internet service while working in the office.

I have asked my Chief of Staff and my General Counsel to hold regular briefings with staff to ensure that all in my office are clear on the laws relating to political activity and state offices.

#### **Recommendation No. 2**

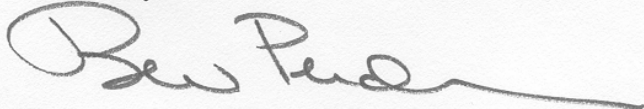
*We recommend the Governor consider issuing an Executive Order that formally authorizes security protection for the Lieutenant Governor. In addition, we recommend the General Assembly, along with the Department of Crime Control and Public Safety and the Lieutenant Governor's Office; develop laws, rules and regulations related to the security protection of the Lieutenant Governor.*

#### **Response**

I will share a copy of your letter with the Governor, the Secretary of Crime Control and Public Safety, the President Pro Tem of the Senate and the Speaker of the House and will carefully consider their views of this subject. As I discussed with Mr. Dziepak and Mr. Becote, I take very seriously the advice and recommendations of the troopers that have been assigned to provide security for the Office of the Lieutenant Governor.

I appreciate the time your staff has taken to meet with and advise me and my office on these matters. As I said, I found them to be professional and courteous as they went about their work.

Sincerely,

A handwritten signature in dark ink, appearing to read "Beverly Eaves Perdue", with a long, sweeping horizontal line extending to the right.

Beverly Eaves Perdue

BEP/srn