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**PRESS RELEASE**

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## **Surplus computers give identity thieves easy access to sensitive data, Ralph Campbell says in new audit**

RALEIGH \_ Identity thieves intent on finding sensitive information like Social Security numbers or bank accounts do not have to run the risk of cracking into the state's computer network. Instead, they can just buy old computers from the Surplus Property office, State Auditor Ralph Campbell says in a new audit released Wednesday.

The audit was conducted to find out if state agencies are following a rule approved in July 2002 that requires them to erase information on agency computers before they turn them over to Surplus Property for refurbishing or sale. The study, using a random sample of computers sent to Surplus in October and November last year, indicated they are not.

Auditors were able to read information on 62 of 96 computers they picked from discarded machine shipments. Of those that could be read, auditors found "sensitive" information on 35 machines. For the purposes of the audit, sensitive data was defined as information not normally released to the public by state agencies.

The sensitive information included Social Security numbers, applications for loans, paperwork to garnish wages, lists of National Guard members with their Social Security numbers and timesheets. Agency password lists also could be accessed. On several machines, pornographic material also was found. That information has been turned over to our Investigative Division. Most of the information related to the employee who had formerly used the computer, but some pertained to agency clients and members of the public.

"People have to give confidential information to government agencies, but they correctly expect that the information will be carefully guarded by those agencies," Campbell said. "As we discovered, this has not been the case.



“Information security is an on-going issue from acquisition to disposal,” he said. “This study shows that information too often is left on discarded machines. This is unacceptable if we are to maintain the confidence of our citizens.

“Even more disconcerting is that the computers that can be repaired are sent to a special program in our prison system that trains inmates in computer repairs,” Campbell said. “That means that convicted criminals have a chance to locate Social Security numbers and other sensitive information they can use for illegal purposes.”

The Information Resources Management Commission ordered state agencies to erase data from their discarded computers in response to growing concerns about computer security and identity theft. Campbell chairs that commission.

In addition to confidential information found on the machines, auditors also found information on most of them that would help intruders penetrate North Carolina’s computer network. The information can be erased by several methods, including special software programs or destroying the hard drive itself.

One method recommended for erasing data – reformatting the hard drive – was found to be ineffective by auditors. Using basic computer skills, they were able to reverse the reformatting and restore all of the information to the hard drive.

The agencies involved, which included the General Assembly, courts and Executive branch departments, were notified in writing and in person about the information found on their discarded computers. The audit recommends that those agencies, and all state agencies, be more diligent in destroying the information contained in discarded computers.

The report is available on-line at <http://www.ncauditor.net/EPSEWEB/EDSreportdetail.asp?RepNum=ISA-2004-4100>.

Copies of the report may be obtained at the office’s web site at [www.ncauditor.net](http://www.ncauditor.net). Printed copies of the report can be obtained by filing a request under the Audits section of the web site or by calling the Office of the State Auditor at 919-807-7500.

