

TOWN OF SANDWICH

ANTI-FRAUD POLICY

(Policy Attachment #7)



JULY 21, 2022

Amended:

April 20, 2021
October 25, 2018
June 25, 2015
July 26, 2012
May 3, 2007

Town of Sandwich

Anti-Fraud Policy and Response Program

Introduction:

The Town of Sandwich is committed to its duty to ensure effective stewardship of public money and other assets and resources for which we are responsible. It is the policy of the Town of Sandwich to prevent and deter all forms of fraud that could threaten the security of our assets or our reputation. The Town is committed to the prevention, detection, investigation and corrective action relative to fraud.

What is Fraud?

Fraud is a violation of trust that is defined as a deception deliberately practiced to secure unfair or unlawful gain. The term includes but is not limited to such acts as deception, bribery, forgery, extortion, theft, embezzlement, misappropriation of money or assets, false representation, the concealment of material facts relating to any of the above and collusion or conspiracy to commit any or all of the above.

What to do if you suspect fraudulent activity:

The Town recognizes there may only be a suspicion of fraud however; any concerns should be reported to the Town Accountant. If the concern involves the Town Accountant, any concerns should be reported to the Town Manager. The Town Accountant has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. The Town Manager has the responsibility for the investigation if the suspected fraudulent act involves the Town Accountant.

Actions:

All cases of suspected fraud will be investigated and appropriate action will be taken.

Applicability

This Policy applies to all employees of the Town of Sandwich.

Fraud

Fraud can cover many activities; however this Policy is directed primarily at financial matters. It may include, but is not limited to:

Misappropriation of Assets

1. Forgery, alteration or misappropriation of checks, drafts, promissory notes or securities
2. Unauthorized use, or disposition of funds or property (for example, misuse of city owned computer hardware, software, data and other records; use of city owned equipment, vehicles or work time for non city purposes)
3. Embezzlement
4. Theft
5. Falsifying time sheets or payroll records
6. Falsifying travel or entertainment expenses and/or utilizing city funds to pay for personal expenses or for personal benefit
7. Fictitious reporting of receipt of funds

Fraudulent Financial Reporting

1. Improper revenue recognition
2. Improper expense/expenditure recognition
3. Overstatement of assets
4. Understatement of liabilities

Expenditures and Liabilities for Improper Purposes

Payments in money or other property, including but not limited to such things as jobs for families and friends, use of vacation properties, discounted or free services in exchange for benefits and other things of value, bribes and kickbacks

General Policy and Responsibilities

The Town will investigate any suspected acts of fraud, or misappropriation of property. An objective and impartial investigation will be conducted regardless of the position, title, and length of service or relationship with the Town of any person, group or organization reasonably believed to have committed fraud. Each Department Head is responsible for instituting and maintaining a system of internal control to provide reasonable assurance for the prevention and detection of fraud, misappropriations and other irregularities. Management should be familiar with the types of improprieties that might occur within their area of responsibility and be alert for any indications of such conduct.

The Town Accountant has the primary responsibility for overseeing the investigation of all suspected fraudulent acts as defined in this policy. The Town Accountant will immediately notify the Town Manager of any fraud investigation. During the investigation, the Town Accountant may involve the Chief of Police, Human Resources, Legal Counsel and/or anyone else as deemed appropriate.

All department heads or individuals, upon discovery of any violation of this policy, must notify the Town Accountant of the violation. If it is determined by the Town Accountant that corrective action may be provided for internally within the department, the department head or individual will notify the Town Accountant in writing as to the steps taken to correct the violation.

Upon conclusion of the investigation, the results will be reported to the Town Manager. All significant findings will be reported to the Chair of the Board of Selectmen. Where there are reasonable grounds to believe that a fraud may have occurred, the Town Manager is responsible for taking appropriate action(s) against the individual(s) involved. The Town Accountant and Town Manager will pursue every reasonable effort to obtain recovery of the assets.

Procedures for Reporting

Any employee who has knowledge of an occurrence of fraudulent conduct, or has reason to suspect that a fraud has occurred, shall immediately notify The Town Accountant. In cases where the employee has reason to believe the Town Accountant may be involved, the employee shall immediately notify the Town Manager unless the Town Manager is also believed to be involved, and then the Chair of the Board of Selectmen.

Investigation

Upon notification or discovery of a suspected fraud, the Town Accountant shall immediately investigate the fraud. The Town Accountant will make every reasonable effort to keep the investigation confidential.

When deemed necessary, the Town Accountant shall coordinate the investigation with the Chief of Police and/or other appropriate law enforcement officials. Legal Counsel will be involved in the process, as deemed appropriate.

It should be noted that there might be certain instances of fraud that will be handled in the normal course of operations that will not result in a separate "investigation" by the Town Accountant. For these cases, communications will be made to the Town Accountant updating the Director of the cases noted and actions taken.

Security of Evidence

Once a suspected fraud is reported, immediate action to prevent the theft, alteration, or destruction of relevant records shall be initiated. Such actions may include, but are not limited to, removing the records and placing them in a secure location, limiting access to the location where the records currently exist, and preventing the individual suspected of committing the fraud from having access to the records. The records shall be adequately secured until the investigation is complete.

Confidentiality

All participants and all persons questioned in a fraud investigation shall keep the details and results of the investigation confidential to every extent possible.

Personnel Actions

If a suspicion of fraud is substantiated by the investigation, disciplinary action, up to and including termination shall be taken by the Town Manager.

Whistle-Blower Protection

No employee of the Town or person acting on behalf of the Town in attempting to comply with this policy shall:

- be dismissed or threatened with dismissal;
- be disciplined, suspended, or threatened with discipline or suspension;
- be penalized or any other retribution imposed, or
- be intimidated or coerced,

Violation of this section of the Policy may result in disciplinary action, up to and including dismissal.

If an allegation is made in good faith, but it is not confirmed by the investigation no action will be taken against the originator. If, however, the allegations were made in bad faith or without a justifiable basis, appropriate disciplinary action may be taken against the individual making the erroneous allegation.