



Town of Pownal Fraud Policy

Purpose: To formalize the expectations of personal honesty and integrity required of all Town officials and employees. The Town is committed to protecting its revenue, property, information and other assets from any attempt, either by members of the public, contractors, sub-contractors, agents, intermediaries or its own officials or employees, to gain by deceit, financial or other benefits.

Approved at March 18, 2013 Selectmen's Meeting the following policy:

Financial accountability is the top priority of the Town of Pownal. The Town's fraud policy formalizes the expectations of personal honesty and integrity required of Town officials and employees. The Town of Pownal is committed to protecting its revenue, property, information and other assets from any attempt, either by members of the public, contractors, sub-constructors, agents, intermediaries or its own officials or employees, to gain by deceit, financial or other benefits. This policy prohibits fraud or misuse of the Town of Pownal's assets and sets forth specific guidelines and responsibilities regarding appropriate actions that must be followed for the investigation of fraud and other similar irregularities.

STATEMENT OF POLICY

The Town of Pownal has adopted a zero tolerance policy regarding fraud. No employee of the Town, Town of Pownal resident, Town of Pownal property owner who resides outside of Town limits or any other person shall remove any Town of Pownal asset from the property, misuse any Town asset for one's personal gain, or willfully misappropriate any Town of Pownal asset. Any evidence supporting fraud, theft or embezzlement of Town of Pownal assets and equipment may be subject to the following actions including but not limited to: suspension, termination, restitution, and criminal charges. Any utility fraud (theft or misuse of Town utility services) by the public will be subject to restitution and possible criminal charges. Any fraud, theft or embezzlement by an independent contractor, consultant and/or agent retained by the Town may result in an action by the Town to immediately terminate any contractual relationship without prior notice or as permitted by law.

PROHIBITED ACTS

Fraud and misuse of Town of Pownal assets are prohibited. Examples of fraud and misuse of Town assets include but are not limited to:

1. Embezzlement
2. Misappropriation, misapplication, misuse, destruction, removal, or concealment of Town of Pownal property.
3. Alteration or falsification of documents.
4. Theft of any asset (money, tangible property, etc.)
5. Authorizing or receiving compensation for goods not received or services not performed.
6. Authorizing or receiving compensation for hours not worked.
7. Misrepresentation of fact that results in a loss or misuse of Town assets.

COMPLAINT PROCEDURE

1. Employees shall read and it is recommended that residents, independent contractors, consultants and agents of the Town of Pownal should read and understand this policy. Additionally, suspected or known fraudulent acts by employees shall be reported to their respective supervisor or to the Board of Selectmen. If the employee has reason to believe that their supervisor may be involved, the employee shall notify a Selectman. Suspected or known fraudulent acts by independent contractors, consultants and agents should be reported to any supervisor, Department Head or the Administrative Assistant.

2. Supervisors shall:
 - a) Communicate the provisions of this policy to all staff
 - b) Take no action without consulting the Department Head
 - c) Recommend appropriate temporary disciplinary action when there is evidence of wrong-doing
 - d) If suspension or termination is recommended, consult with the Labor Relations representative.
3. Supervisors and/or Department Heads shall communicate any suspected or known fraudulent act to the Board of Selectmen. The Board of Selectmen may initiate internal investigative actions or the suspected act. The internal investigation may include but is not limited to surveillance, either electronic or visual, and inspection of Town property, offices and computer equipment. Document research may include, but is not limited to, cash terminal journal rolls, ledgers, and accounting records.
4. All participants in a fraud investigation shall keep the details and results of the investigation confidential to the extent required or permitted by law.
5. No employer or person acting on behalf of an employer shall dismiss or threaten to dismiss an employee; discipline or suspend or threaten to discipline or suspend an employee; impose any penalty upon an employee; or intimidate or coerce and employee because the employee has acted in accordance with the requirements of the policy. Any violation of this section may result in disciplinary action up to and including termination of employment.

PREVENTION

Each department will maintain an internal control environment to protect the department and the Town from loss or other damage as a result of a fraudulent act.

FALSE ALLEGATIONS

False allegations of suspected fraud with the intent to disrupt or cause harm to another may be subject to disciplinary action up to and including termination of employment.

CORRECTIVE ACTIONS AND DISCIPLINE

Appropriate and timely action will be taken against those proven to have committed a fraudulent act. These remedial actions may include, but are not limited to, any combination of:

1. Disciplinary action (up to and including immediate termination of employment).
2. Restitution for all losses, including investigation and legal expenses, to the fullest extent of the law.
3. Forwarding information to the appropriate authorities for law enforcement investigation and/or criminal prosecution.
4. Institution of Civil action to recover losses.
5. Where the Town of Pownal elects to take corrective or disciplinary action, it will proceed under the procedures in place under policy or under any collective bargaining agreement for the respective employment classification.
6. The Town of Pownal may take corrective or disciplinary action without awaiting the resolution or criminal or civil proceedings arising from the fraudulent conduct.
7. Appropriate actions to void, rescind and/or cancel any contractual relationship with any offending independent contractor, consultant and/or agent of the Town.

CONFIDENTIALITY

All investigations will be conducted in confidence insofar as reasonably possible. The name or names of those communicating information about a fraudulent act and the name or names of those suspected of a fraudulent act will only be revealed when required by law in conjunction with the investigation or legal action.

DEFINITIONS

As used in this policy, the terms listed below have the following definitions:

Embezzlement: is any loss resulting from the misappropriation of Town of Pownal assets.

Misappropriate: is to take or make use of any item without authority or right.

Loss: is defined as the Town of Pownal losing possession or control of any type of asset through fraudulent activities.

Fraud: is the intentional misrepresentation or omission of facts for personal gain.

Employee(s): refers to all Town of Pownal employees, temporary and seasonal workers, officials and officers. This policy, where applicable, also applies to independent contractors, consultants, and agents retained by the Town.

Assets: refer to the entire property of the Town. Assets include, but are not limited to, all Town vehicles, building properties, real estate, computers and software, cash receivables, accounts, wages and benefits, and all tools, equipment and materials purchased by the Town, including the unauthorized use of Town property and equipment for personal and/or non-Town purposes.

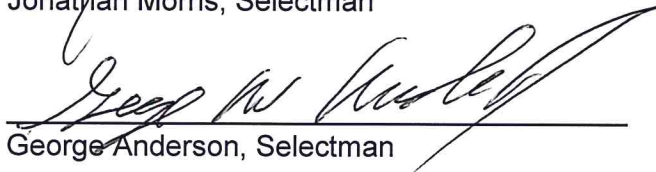
Equipment: is defined as a fixed asset that is not consumable or expandable; it is movable, even though sometimes attached to other objects or buildings; and its removal does not create a readily observable physical impairment or deterioration. Examples include, but are not limited to: Office equipment including desk cabinets, printers and scanners, any electronic data processing equipment, training/educational equipment, medical supplies, and furnishings, audio-visual, cameras and recording devices. It also includes, but it not limited to, all construction and maintenance equipment, air conditioners, fire-fighting equipment and tools, rescue equipment and tools.



Timothy J. Giddinge, Selectman



Jonathan Morris, Selectman



George Anderson, Selectman