

FRAUD POLICY

TOWN OF WEBSTER

The Town of Webster recognizes the importance of protecting the organization, its taxpayers, its employees and its assets against financial risks, operational breaches and unethical activities. Therefore, the Select Board and management must clearly communicate the fraud prevention policy to both internal and external customers, vendors and employees.

The Town recognizes a zero tolerance policy regarding fraud and corruption. All matters raised by any source will be taken seriously and properly investigated. This policy covers all Town employees and officers. Additionally, this policy covers all vendors, customers and employees to the extent that any Town resources are involved or impacted.

Fraud is defined as an intentional deception, misappropriation of resources or the manipulation of data to the advantage or disadvantage of a person or entity. Some examples of fraud include:

- Falsification of expenses and invoices
- Theft of cash or fixed assets
- Alteration or falsification of records
- Failure to account for monies collected
- Knowingly providing false information on job applications
- Knowingly providing false information in requests for funding

Corruption is defined as the offering, giving, soliciting or accepting of an inducement or reward that may improperly influence the action of a person or entity. Some examples of corruption include bribery, conspiracy and extortion.

REPORTING OF FRAUD OR CORRUPTION

Allegations and concerns about fraudulent or corrupt activity may come from various sources including employees, vendors, members of the public, results of internal or external audit reviews, or from any other interested parties.

All employees and officers have a duty to report concerns they have or information provided to them about the possible fraudulent or corrupt activity of any officer, employee, vendor or any other party with any association with the Town. Any person who has a reasonable basis for believing fraudulent or corrupt acts have occurred has a responsibility to report the suspected act immediately.

Concerns should be reported to any of the following:

- The employee's immediate supervisor
- Chairman of the Select Board
- Town Counsel

Retaliation and retribution will not be tolerated against any employee or officer who reports suspected fraudulent or corrupt activities. However, if an employee is determined to have acted maliciously or with deceit, the employee will be subject to disciplinary action.

All reports will be taken seriously and will be investigated by *internal audit staff and/or legal department* who will be appointed by the Select Board when necessary. If deemed necessary, the Town will notify and fully cooperate with the appropriate law enforcement agency. Any investigation resulting in the finding of fraud or corruption will be referred to the Select Board for action.

DETERRING FRAUD AND CORRUPTION

The Town has established internal controls, policies and procedures in an effort to deter, prevent and detect fraud and corruption. All new, full time employees are subject to background investigations including a criminal background check(s). All temporary, part time and seasonal employees may be subject to a criminal background check based on position and possible duration of employment. The Town may also verify all applicants' employment history, education and personal references prior to making an offer of employment.

All vendors, contractors and suppliers must be active, in good standing and authorized to transact business in the Town of Webster. Vendors, contractors and suppliers may be subject to screening, including verification of the individual or company's status as a debarred party.

When necessary, contractual agreements with the Town may contain a provision prohibiting fraudulent or corruptive acts and will include information about reporting fraud and corruption.

CORRECTIVE ACTION

Final determination regarding action against an employee, vendor, recipient or another person found to have committed fraud or corruption will be made by the Select Board.

Offenders at all levels of the Town will be treated equally regardless of their position or years of service with the Town. Determinations will be made based on a finding of facts in each case, actual or potential damage to the Town, cooperation by the offender and legal requirements.

Depending on the seriousness of the offense and the facts of each individual case, action against an employee can range from a written reprimand and a probationary period to legal action, either civil or criminal. In all cases involving monetary losses to the Town, the Town will pursue recovery of losses.

Adopted this date: 9/14/15

WEBSTER SELECT BOARD



Bruce G. Johnson, Chairman



Roger A. Becker



Michael P. Borek