

## **POLICY ON SUSPECTED MISCONDUCT AND DISHONESTY**

### ***Introduction***

Like all municipalities, ours is faced with the risks from wrongdoing, misconduct, dishonesty and fraud. We must be prepared to manage these risks and their potential impact in a professional manner.

The impact of misconduct and dishonesty may include:

- The actual financial loss incurred
- Damage to the reputation of our town and our employees
- Negative publicity
- The cost of investigation
- Loss of employees
- Loss of public confidence
- Damaged relationships with our contractors and suppliers
- Litigation
- Damages employee morale

Our goal is to establish and maintain an environment of fairness, ethics and honesty for our employees, our citizens, our suppliers and anyone else with whom we have a relationship. To maintain such an environment requires the active assistance of every employee and manager every day.

Our municipality is committed to the deterrence, detection and correction of misconduct and dishonesty. The discovery, reporting and documentation of such acts provides a sound foundation for the protection of innocent parties, the taking of disciplinary action against offenders up to and including dismissal where appropriate, the referral to law enforcement agencies when warranted by the facts, and the recovery of assets.

### ***Purpose***

The purpose of this document is to communicate municipal policy regarding the deterrence and investigation of suspected misconduct and dishonesty by employees and others, and to provide specific instructions regarding appropriate action in case of suspected violations.

### ***Definition of Misconduct and Dishonesty***

For purposes of this policy, misconduct and dishonesty include but are not limited to:

- theft or other misappropriations of assets, including assets of the town, our citizens, suppliers or others with whom we have a business relationship

- misstatements and other irregularities in municipal records, including the misstatement of the results of operations
- wrongdoing
- forgery or other alteration of documents
- any similar acts

The municipality specifically prohibits these and any other illegal activities in the actions of its employees, managers, administrators and others responsible for carrying out the town's activities.

### *Policy and Responsibilities*

#### **Reporting**

It is the responsibility of every employee, supervisor, manager and administrators to immediately report **suspected** misconduct or dishonesty to their supervisor or those that exercise authority over the supervisor. Supervisors, when made aware of such potential acts by subordinates, must immediately report such acts to their supervisor. Any reprisal against any employee or other reporting individual because that individual, in good faith, reported a violation is strictly forbidden.

Due to the important yet sensitive nature of the suspected violations, effective professional follow up is critical. Managers, while appropriately concerned about "getting to the bottom" of such issues, should not in any circumstances perform and investigative or other follow up steps on their own. **Concerned but uninformed managers represent one of the greatest threats to proper incident handling.** All relevant matters, including suspected but unproved matters, should be referred immediately to those with follow up responsibility.

#### **Additional Responsibilities of Supervisors**

All employees have a responsibility to reporting suspected violations. However, employees with supervisory and review responsibilities at any level have additional deterrence and detection duties. Specifically, personnel with supervisory or review authority have three additional responsibilities.

First, you must become aware of what can go wrong in your area of authority.

Second, you must put into place and maintain effective monitoring, review and control procedures which will prevent acts of wrongdoing.

Third, you must put into place and maintain effective monitoring, review and control procedures which will detect acts of wrongdoing promptly should prevention efforts fail.

Authority to carry out these additional responsibilities is often delegated to subordinates. However, accountability for their effectiveness cannot be delegated and will remain with supervisors and managers.

Assistance in effectively carrying out these responsibilities is available upon request through the Finance Director and Town Administrator.

### **Responsibility and Authority for Follow Up and Investigation**

The Police Department and/or Administration Department has the primary responsibility for all investigations involving the town and all departments. The Police Department and/or Administration may request the assistance of the Finance Office in any investigation, including access to periodic examinations and evaluations of internal controls.

Properly designated members of the investigative team will have:

- free and unrestricted access to all municipal records
- the authority to examine, copy and/or remove all or any portion of contents of files, desks, cabinets, and other storage facilities (whether in electronic or other form) without the prior knowledge or consent of any individual who might use or have custody of any such items or facilities when it is within the scope of investigative or related follow up procedures

All investigations of alleged wrongdoing will be conducted in accordance with applicable laws and town procedures.

### ***Reported Incident Follow Up Procedures***

Care must be taken in the follow up of suspected misconduct and dishonesty to avoid acting on incorrect or unsupported accusations, to avoid alerting suspected individuals that follow up and investigation is underway, and to avoid making statements which could adversely affect the town, an employee, or other parties.

Accordingly, the general procedures for follow up and investigation of reported incidents are as follows:

1. Employees and others must immediately report all factual details as indicated above under Policy.
2. The Police Department and/or Administration Department has the responsibility for follow up and, if appropriate, investigation of all reported incidents.
3. All records related to the reported incident will be retained wherever they reside.

4. Do not communicate with the suspected individuals or organizations about the matter under investigation
5. Police Department and/or Administration Department will also notify the Finance Director of all reported incidents so that it may be determined whether this matter should be brought to the attention of the Auditors.
6. The Police Department and/or Administration Department may also obtain legal advice at any time throughout the course of an investigation or other follow up activity on any matter related to the report, investigation steps, proposed disciplinary action or any anticipated litigation.
7. Neither the existence nor the results of investigations or other follow up activity will be disclosed or discussed with anyone other than those persons who have a legitimate need to know in order to perform their duties and responsibilities effectively.
8. All inquiries from an attorney or any other contacts from outside of the municipal government, including those from other law enforcement agencies or from the employee under investigation, should be referred to the Police Department and/or Administration Department.

Investigative or other follow up activity will be carried out without regards to the suspected individual's, position or level, or relationship with the municipality.

***Questions or Clarifications Related to This Policy***

All questions or other clarifications of this policy and its related responsibilities should be addressed to the Town Administrator, who shall be responsible for the administration, revision, interpretation, and application of this policy.

***Approved by Board of Selectmen:***

***Date:*** \_\_\_\_\_

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Robert Wheeler, Chairman

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Philip D'Avanza

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Barbara Griffin

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Bruce Hunter

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John Sarette

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***Acknowledgement***

My signature signifies that I have read the Policy on Suspected Misconduct and Dishonesty and that I understand my responsibilities related to the prevention, detection and reporting of suspected misconduct and dishonesty.

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date Signed: \_\_\_\_\_