

# The Town of Andover

## Anti-Fraud Policy



### Introduction

The Town of Andover and the Andover Public Schools recognize the importance of protecting the Town and its operations, citizens, taxpayers, employees and assets against financial risks and unethical activities. It is the policy of the Town of Andover and the Andover Public Schools to institute and clearly communicate a fraud prevention policy in an effort to prevent and deter all forms of fraud that could threaten the security of our assets and our reputation.

The Town of Andover and the Andover Public Schools have a Zero Tolerance policy with regard to fraud and are committed to undertake the following steps as part of their anti fraud policy:

- *Education*
- *Prevention*
- *Detection*
- *Investigation*
- *Corrective Action*

### Education

The most effective way to reach most employees is through education. Actively fighting fraud means implementing policies and procedures that prevent and detect fraud. The Town's goal is to establish and maintain an environment of fairness, ethics and honesty. To maintain such an environment requires the active assistance of every employee, every day.

### Definition of Fraud

Fraud is defined as a deception deliberately practiced to secure unlawful gain. The term includes such acts as: bribery, deception, embezzlement, extortion, false representation, forgery, the concealment of material facts, the misappropriation of money or assets and collusion or conspiracy to commit any or all of the above acts.

# **The Town of Andover**

## **Anti-Fraud Policy**

### **Reporting of Fraud**

The Town recognizes that allegations and concerns about fraudulent activity should be reported to the Town Manager or his/her designee through the established chain of command (department heads, division heads). All employees are encouraged to report any concerns they have or information provided to them about a possible fraudulent act. The Town Manager has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. All cases of suspected fraud will be investigated and appropriate action will be taken.

The Andover Public Schools recognizes that allegations and concerns about fraudulent activity should be reported to the Superintendent of Schools or his/her designee through the established chain of command (principals, directors, supervisors). The Superintendent or his/her designee will report allegations of fraud directly to the Town Manager or his/her designee. All employees are encouraged to report any concerns they have or information provided to them about a possible fraudulent act. For reasons of consistency and maintaining a central point of contact, the Town Manager has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. All cases of suspected fraud will be investigated and appropriate action will be taken.

### **Applicability**

This Policy applies to all employees and elected or appointed officials, Town and School, full, part-time and temporary, all Town Board members, Town Committee members and Town Commission members, here and after, referred to as Employees.

# The Town of Andover

## Anti-Fraud Policy

Fraud, as defined by this policy, includes any misuse or attempt to misuse a Town asset for personal gain or purposes unrelated to Town business. It may include, *but is not limited to*:

### Misappropriation of Assets

- Forgery, alteration or misappropriation of cash, checks, bank drafts, promissory notes, securities or any other financial document
- Unauthorized use or disposition of funds or property
- Falsifying timesheets or payroll records
- Falsifying travel expenses and /or utilizing Town funds to pay for personal expenses or for personal benefit
- Theft
- Embezzlement
- Fictitious reporting of receipt of funds
- Falsification of expenses and invoices
- The use or assigning of a Town or School employee on other than Town or School business.
- Actions which cause the Town's financial reports and/or records to be inaccurate

### Profiteering

- Offering, giving, soliciting and/or accepting an inducement or reward that may improperly influence the action of an employee of the Town.

### Related Policies

This is a Town policy that is designed to augment Chapter 268A - "The Conflict of Interest Law". It is not intended to replace or preclude it in any way.

This policy will be administered in accordance with Massachusetts General Laws, Chapter 149 Section 185 "*Retaliation against employees reporting violations of law or risks to public health, safety or environment; remedies*".

# **The Town of Andover Anti-Fraud Policy Response Program - Town**

## **General Policy and Responsibilities -Town**

The Town Manager or his/her designee is responsible to investigate any suspected acts of fraud or misappropriation of property. An objective investigation will be conducted of any person, group or organization reasonably believed to have committed fraud, regardless of: position, job title, and length of service or relationship with the Town. Division Heads and Department Heads are responsible for instituting and maintaining programs and controls to prevent deter and detect fraud.

All employees, upon discovery of any violation of this policy, are encouraged to notify the Town Manager or his/her designee of the violation through the normal chain of command. If the Town Manager determines that corrective action may be provided for internally within the department, then the Division Head and or the Department Head will notify the Town Manager as to the steps taken to correct the violation.

The Town Manager or his/her designee has the primary responsibility for overseeing the investigation of all suspected fraudulent acts as defined in this policy. The Town Manager will involve such individuals, but not limited to: the Town Accountant, Town Treasurer, Director of Finance, Town Law Enforcement, Human Resources, Legal Counsel and others deemed appropriate.

Upon conclusion of the investigation, the results will be reported to the Town Manager or his/her designee. If there are reasonable grounds to believe that a fraud may have occurred, then the Town Manager will report the incident(s) to the appropriate authorities. Whatever action is taken by such appropriate authorities will not preclude the Town taking disciplinary action where it believes discipline is warranted. Every reasonable effort will be pursued to recover Town assets.

## **Procedures for Reporting**

Any employee, who reasonably believes that fraud has occurred, is encouraged to notify the Town Manager or his/her designee. In cases where an employee reasonably believes the Town Manager is involved, the employee is encouraged to notify the Town Accountant. If it is reasonably believed that the Town Accountant is involved, then the employee is encouraged to notify the Director of Human Resources.

# **The Town of Andover Anti-Fraud Policy Response Program - Town**

## **Investigation**

Once notification or discovery of a suspected fraud has occurred, then the Town Manager or his/her designee will immediately investigate the suspected fraud. The Town Manager will make every reasonable effort to maintain confidentiality. If the suspected fraud involves the Town Manager is involved in the report of fraud, then the investigation will be conducted by the Town Accountant. If the suspected fraud involves both the Town Manager and the Town Accountant, then the investigation will be conducted by the Director of Human Resources and the appropriate authorities.

## **Security of Evidence**

Once a suspected fraud is reported, immediate action to prevent the theft, alteration, or destruction of relevant records shall be initiated. The records will be adequately secured until the investigation is complete.

## **Confidentiality**

All participants and all persons questioned in a fraud investigation will keep the details and results of the investigation confidential so as not to violate an individual's expectation of privacy.

## **Personnel Actions**

If a suspicion of fraud is substantiated by the investigation, then the Town Manager or his/her designee shall take disciplinary action, up to and including dismissal and appropriate legal measures. Such disciplinary action may be taken independent of any findings and conclusions reached by any appropriate authority to which the fraud allegations are reported.

If an allegation is made predicated upon the reasonable belief that a violation has occurred, but it is not confirmed by the investigation, then no action will be taken against the originator. If however, the allegation is made and predicated without the reasonable belief that a violation has occurred, then appropriate disciplinary action may be taken against the individual making the false allegation up to and including termination.

# **The Town of Andover**

## **Anti-Fraud Policy**

### **Response Program - School**

#### **General Policy and Responsibilities -School**

The Town Manager or his/her designee is responsible to investigate any suspected acts of fraud or misappropriation of property. An objective investigation will be conducted of any person, group or organization reasonably believed to have committed fraud, regardless of: position, job title, and length of service or relationship with the Town.

All Andover Public School Employees, upon discovery of any violation of this policy, are encouraged to notify the Superintendent of Schools or his/her designee of the violation through the normal chain of command. The Superintendent or his/her designee will report all allegations of fraud to the Town Manager. If the Superintendent or the Town Manager determines that corrective action may be provided for internally within the department, the Superintendent will notify the Town Manager as to the steps taken to correct the violation.

The Town Manager or his/her designee has the primary responsibility for overseeing the investigation of all suspected fraudulent acts as defined in this policy. The Town Manager will involve such individuals, but not limited to: the Town Accountant, School Superintendent, Town Treasurer, Director of Finance, School Business Manager, Town Law Enforcement, Human Resources, Legal Counsel and others deemed appropriate.

Upon conclusion of the investigation, the results will be reported to the Town Manager or his/her designee and the School Superintendent or his/her designee. If there are reasonable grounds to believe that a fraud may have occurred, then the Town Manager will report the incident(s) to the appropriate authorities. Whatever action is taken by such appropriate authorities will not preclude the Town or the Public Schools taking disciplinary action where they believe it is warranted. Every reasonable effort will be pursued to recover Town and/or School assets.

#### **Procedures for Reporting**

Any Andover Public School employee, who reasonably believes that fraud has occurred, is encouraged to notify the Superintendent of Schools or his/her designee. In cases where an employee reasonably believes the Superintendent is involved, the employee is encouraged to notify the Town Manager. If it is reasonably believed that the Town Manager is involved, then the employee is encouraged to notify the Director of Human Resources.

# **The Town of Andover Anti-Fraud Policy Response Program - School**

## **Investigation**

Once notification or discovery of a suspected fraud has occurred, then the Town Manager or his/her designee will immediately investigate the suspected fraud. The Town Manager will make every reasonable effort to maintain confidentiality. Where the Town Manager is involved in the report of fraud, then the investigation will be conducted by the Town Accountant. Where both the Town Manager and Town Accountant are involved in the report of fraud, then the investigation will be conducted by the Director of Human Resources and the appropriate authorities.

## **Security of Evidence**

Once a suspected fraud is reported, immediate action to prevent the theft, alteration, or destruction of relevant records shall be initiated. The records will be adequately secured until the investigation is complete.

## **Confidentiality**

All participants and all persons questioned in a fraud investigation will keep the details and results of the investigation confidential so as not to violate an individual's expectation of privacy.

## **Personnel Actions**


If a suspicion of fraud is substantiated by the investigation, after conferring with the Town Manager or his/her designee, then the Superintendent of Schools or his/her designee shall take disciplinary action, up to and including dismissal and appropriate legal measures. Such disciplinary action may be taken independent of any findings and conclusions reached by any appropriate authority to which the fraud allegations are reported.

If an allegation is made predicated upon the reasonable belief that a violation has occurred, but it is not confirmed by the investigation, then no action will be taken against the originator. If however, the allegation is made and predicated without the reasonable belief that a violation has occurred, then appropriate disciplinary action may be taken against the individual making the false allegation up to and including termination.

**The Town of Andover**  
**Anti-Fraud Policy**  
**Dissemination**

A copy of the Anti-Fraud Policy will be distributed to all existing and new employees.  
Your signature acknowledges receipt of the Policy.

Approved by the Board of Selectmen June 8, 2009  
Approved by the School Committee June 9, 2009

  
Reginald S. Stapczynski, Town Manager      Dr. Claudia Bach, Superintendent of Schools



# The Town of Andover

## Anti-Fraud Policy

### ACKNOWLEDGEMENT

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

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

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

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

SOURCE: Town of Andover, Anti-Fraud Policy, effective June 30, 2009