FRAUD POLICY
TOWN OF LINCOLN

I. PURPOSE

Like any municipality, the Town of Lincoln (the “Town”) faces financial risks from dishonesty, misconduct, and other unethical activities.

The Town is committed to the deterrence, discovery, investigation, correction, and punishment of fraud, embezzlement, misappropriation, theft, corruption, or any other risk to the Town’s revenue, assets, and other property.

The Town seeks to establish and maintain an environment of fairness, ethics, and honesty for its officials, its officers, its employees, its residents, its business vendors, its service providers, and its customers.

II. DEFINITIONS

In this Policy:

A. “Prohibited Activity” means any or any combination of the following: Fraud, Embezzlement, Misappropriation, Theft, Corruption, or any other unethical practice that may reflect unfavorably upon the Town. Examples of Prohibited Activity include, but are not limited to, the following:

   a. Falsification or alteration of financial records;
   b. Theft of cash or of other assets;
   c. Failure to account for money collected;
   d. Authorizing or receiving compensation for goods not received or services not performed;
   e. Authorizing or receiving compensation for hours not worked;
   f. Knowingly providing false information on job applications;
   g. Knowingly providing false information in requests for funding.

B. “Corruption” means the act of doing something with an intent to give some advantage inconsistent with official duty and the rights of others; one’s use of a station or office or position to procure some benefit either personally or for someone else, contrary to the rights of others or to otherwise engage in corruption as the term is used anywhere in the New Hampshire Revised Statutes;

C. “Designated Agent” means any of the following agents of the Town: a supervisor, a department head, a committee or board chairperson, the Town Manager, the Town Counsel, and any member of the Town Board of Selectmen;
D. "Embezzlement" means the fraudulent taking or making use of money or personal property with which one has been entrusted or to otherwise engage in embezzlement as the term is used anywhere in the New Hampshire Revised Statutes;

E. "Fraud" means a knowing misrepresentation of the truth or concealment of a material fact to induce another to act to his or her detriment or to otherwise engage in fraud as the term is used anywhere in the New Hampshire Revised Statutes;

F. "Misappropriation" means the application of another's property or money dishonestly to one's own use or to otherwise engage in misappropriation as the term is used anywhere in the New Hampshire Revised Statutes;

G. "Theft" means the unlawful taking and removing of another's money or personal property with the intent of depriving the true owner of it or to otherwise engage in theft as the term is used anywhere in the New Hampshire Revised Statutes;

H. "Town Asset" means any property of the Town, which includes, but is not limited to, the following: any and all money, vehicles, buildings, equipment, tangible items, computers, software, intellectual property, cash receivables, wages, and benefits.

III. ZERO TOLERANCE POLICY

The Town hereby adopts and maintains a zero tolerance policy regarding any and all Prohibited Activity.

IV. DUTY TO REPORT AND REPORTING PROCEDURES

Any Town official, officer, or employee with reasonable suspicion of a Prohibited Activity regarding any Town Asset shall immediately report all related information to any one or more Designated Agents. Should any Prohibited Activity involve any Designated Agent, then the report shall be made to any one or more uninvolved Designated Agents.

Upon receiving such a report, a Designated Agent shall immediately report such information to both the Town Manager and the Board of Selectmen.

V. DUTY TO TAKE NO FURTHER ACTION

Unless conducting an investigation pursuant to this Policy, no Town official, officer, or employee shall independently investigate any such reports or discuss the suspected Prohibited Activity with anyone other than any uninvolved Designated Agents or the Investigative Team, as described below. Specifically, no Town official, officer, or employee shall discuss with or otherwise alert any individual or entity who is the subject of any report or any investigation. Further, no Town official, officer, or employee shall discuss these matters with any member of the public or the press and should instead direct any such inquiries to the Town Manager or the Investigative Authority.

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VI. INVESTIGATION

Upon receiving a report, the Board of Selectmen shall appoint an Investigative Authority from one of the following, depending on the nature of the information reported: the Town Counsel, the Chief of Police, the County Sheriff, the State Police, the Attorney General, or any other person as deemed appropriate under the circumstances.

The Investigative Authority shall be responsible for forming and overseeing an Investigative Team, if deemed necessary and appropriate by the Investigative Authority.

The Investigative Team (or the Investigative Authority if no Investigative Team is formed) shall be responsible for (1) investigating all reports, allegations, or other information that has been otherwise discovered; (2) recommending disciplinary action to the Board of Selectmen; and (3) upon good cause, referring matters and providing information to the Town auditors, law enforcement, and/or the Attorney General.

Subject to all applicable federal, state, or local statutes, laws, and ordinances, upon the request of the Investigative Team, any department or individual shall provide the Investigative Team access to municipal records and other reasonably available information, and/or allow periodic examinations and evaluations of internal controls.

The Investigative Team shall, on behalf of the Town, create a separate file in which it stores and retains copies of all information, documents, or items received or otherwise gathered. Subject to all applicable federal, state, or local statutes, laws, and ordinances, the contents of said file shall be kept confidential.

The Investigative Team may 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, disciplinary action, anticipated litigation, or other related activities.

The Investigative Team shall carry out its responsibilities and actions without regards to any suspected individual’s position, level, station, seniority, or relationship with the Town.

VII. CONFIDENTIALITY

The Designated Agents, Investigative Authority, and Investigative Team shall share information in their discretion only with those who have a need to know. Otherwise, all information, including the identities of those involved and the statements made, shall be kept confidential, subject to all applicable federal, state, or local statutes, laws, and ordinances. Any individual who reports a Prohibited Activity, causes a Prohibited Activity to be reported, has knowledge of the report of a Prohibited Activity, or participates in or has knowledge of an investigation shall keep confidential the details and results of the report and of the investigation, subject to all applicable federal, state, or local statutes, laws, and ordinances.
VIII. FALSE REPORTS

Any individual making a false report with the intent to disrupt or cause harm to the Town, to an entity, or to another individual may be subject to disciplinary action as described below.

IX. NH WHISTLEBLOWERS' PROTECTION ACT (RSA 275-E)

New Hampshire's Whistleblowers' Protection Act was established to protect the rights of employees who report violations of law, refuse to execute illegal directives, or participate in investigations or hearings.

This Policy seeks to comply to the full extent of the statute. Accordingly, this Policy prohibits any harassment, abuse, intimidation, discharge, threat, or other discrimination against any Town employee regarding compensation, terms, conditions, location, or privileges of employment because the employee, in good faith, (1) reports or causes to be reported, verbally or in writing, what the employee has reasonable cause to believe is a Prohibited Activity, or (2) participates, verbally or in writing, with an investigation as described above.

X. DISCIPLINARY ACTION

Any individual found to have engaged in any Prohibited Activity regarding any Town Asset may be subject to the following actions: reprimand, probation, suspension, termination, restitution, civil action, and criminal charges.

XI. FRAUD PREVENTION AND DETECTION

The Town shall establish internal controls, policies and procedures to deter, prevent and detect Prohibited Activities. Such procedures may include, but are not limited to, the following: employee background investigations, employee criminal background checks, periodic awareness training, and the requiring of employees to receive and acknowledge the terms of this Policy.

All supervisors and department heads shall work with the Town Manager and Finance Office to institute and maintain reasonable procedures to prevent and detect Prohibited Activities.

XII. QUESTIONS OR CLARIFICATIONS RELATED TO THIS POLICY

Any question regarding this Policy should be addressed to the Town Manager, who shall be responsible for the administration, revision, interpretation, and application of this Policy.
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: ____________________________________________

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