

# Town of Charlotte

ESTABLISHED 1762

---

## POLICY ON FRAUD AND DECEITFUL ACTS

Approved October 19, 2015

### **Section 1.0 - Statement of Policy Principles**

The Town of Charlotte is committed to protecting its revenue, property, information and other assets from any attempt, either by members of the public, contractors, subcontractors, agents, intermediaries or its own officers, employees, and volunteers to gain by fraud or deceit, financial or other benefits.

This policy sets out specific guidelines and responsibilities regarding appropriate actions that must be followed for the investigation of fraud and other similar deceitful acts.

### **Section 2.0 - Applicability**

This policy applies to all elected and appointed individuals serving the Town, all employees of the Town of Charlotte and to appointees, contractors, employees and volunteers working for or with town boards, departments, commissions or committees over which the Selectboard has authority to require general policies to be followed.

### **Section 3.0 - Definitions**

**“Fraud and other similar deceitful acts”** means:

- 3.1. Forgery or alteration of checks, drafts, promissory notes, or securities.
- 3.2. Any knowing or willful misappropriation of funds, securities, supplies or any other assets of the Town.
- 3.3. Any knowing or willful irregularity in the handling or reporting of money transactions.
- 3.4. Misappropriation of furniture, fixtures or equipment.
- 3.5. Seeking or accepting anything of material value from vendors, consultants or contractors doing business with the Town.
- 3.6. Unauthorized use or misuse of Town property or equipment, including computers, vehicles, tools, records or other town-owned materials.

as soon as practical and must be given in writing and not anonymously. Complainants who knowingly make false allegations will be subject to discipline up to and including dismissal or legal action.

5.3. Report of Complaint to Supervisor - Upon notification from an employee of suspected fraud or other similar deceitful act, or if the supervisor has reason to suspect that a fraud or other similar deceitful act has occurred, the supervisor shall immediately notify the Selectboard Chair, who shall promptly thereafter notify the other Selectboard members and Town Attorney. The supervisor is responsible for monitoring potential fraud or other similar deceitful acts by consultants and contractors working directly for their department and reporting any potential fraud to the Selectboard Chair.

5.4. Receipt of Complaint - When the complaint is received by the Selectboard Chair, he/she will ensure that there is sufficient information submitted by the complainant to allow the Selectboard and Town Attorney to verify the matters in the complaint. If the Selectboard determines that the potential for a suspected fraud warrants additional investigation, the Selectboard Chair and Town Attorney will promptly gather any additional information necessary to begin an investigation. If there is a determination that there is no need for further investigation, the Selectboard Chair or Town Attorney will meet with the original complainant to review the finding and also submit a confidential memo to the Selectboard advising whether or not to refer the matter to law enforcement personnel for criminal investigation.

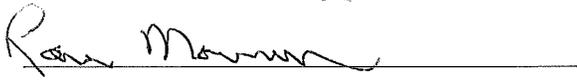
5.5. Investigation & Final Report - If no criminal referral occurs, but the Selectboard determines that there is still a need for further investigation, the Selectboard shall coordinate the investigation with the Town Attorney and if necessary appropriate law enforcement officials. If a criminal referral occurs, the matter shall be fully investigated by appropriate law enforcement personnel and not by town officials. At no point following the receipt of the initial complaint, shall the complainant, supervisor, Selectboard members or other involved parties attempt to independently investigate the suspected fraud or discuss the matter with anyone other than the person(s) to whom the fraud was reported, the Town Attorney, the Town's auditors, law enforcement personnel or persons designated by them. A summary of the final investigation report shall be in the form of a confidential memorandum to the person that is the subject of the complaint, the complainant and the Selectboard personnel files and include the complainant's name, the allegation and Statement concluding the investigation. The conclusion may be, but is not limited to, one of the following:

- i. that there was no fraud or impropriety discovered;
- ii. there are irregularities that should be further investigated but no crime has occurred; or
- iii. that the matter was turned over to law enforcement for investigation and potential prosecution. If there are criminal charges brought, the Selectboard and Town Attorney will monitor that action.

5.6. Media Issues- All media requests pertaining to any activity covered by this policy shall be immediately referred, without comment, to the Chair of the Charlotte Selectboard or Town Attorney.

5.12. Effective Date and Policy Revisions -

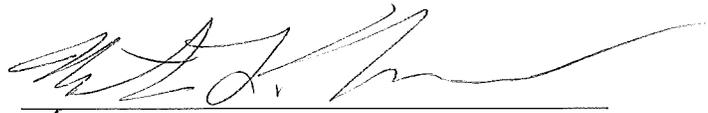
The foregoing Policy is hereby adopted by the Select Board of the Town of Charlotte, Vermont, this 19<sup>th</sup> day of October, 2015 and is effective as of this date until amended or repealed.



Lane Morrison, Chair



Fritz Tegatz



Matthew Krasnow



Jacob Spell



Carrie Spear