

# **TOWN OF WEBSTER**

## **“FRAUD POLICY”**

**Revised & Adopted  
10/17/19**

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## **TOWN OF WEBSTER FRAUD POLICY**

### **I - DEFINITION & PURPOSE:**

Fraud is wrongful or criminal deception intended to result in financial or personal gain. The Town Board and the Town's management team is responsible for the detection and prevention of fraud, misappropriations, bribery, corruption or other irregularities.

The Town recognizes the importance of providing the protocol to report potential fraudulent situations. The Town is committed to developing an anti-fraud culture within the Organization. This policy provides a process to report the issue while providing anonymity and protection to the whistle-blower.

### **II - COMPLIANCE WITH POLICIES AND REGULATIONS:**

All Board members, officers, Town employees and third-party consultants are required to abide by the Town's policies, administrative regulations and procedures concerning financial practices of the Town in the conduct of their duties. Further, applicable Federal and/or State laws and regulations must be adhered to in the course of Town financial operations and practices.

### **III - REPORTING:**

Any individual who has reason to believe that any illegal or inappropriate financial activity has taken place or is being contemplated within the Town, shall disclose such information upwards through the chain of command as established within the department or as enumerated in the Town's Organization Chart.

In the event that the suspicion of illegal or inappropriate financial activity concerns the individual in the chain of command above the reporter, who would otherwise receive the report, the report shall be made to the next level of supervisory authority in the chain of command. If more than one level upwards in the chain of command immediately above the reporter is included in the suspicion of illegal or inappropriate financial activity, the reporter shall report the situation to the Director of Finance, the Independent (External) Auditor, the Town Attorney, the Town Board or call the New York Office of the State Comptroller Fraud (Whistle-Blower) Hot-line at 1-888-672-4555.

#### **IV - POLICY DISSEMINATION:**

The Town will distribute and inform departments and post in each building, its policy concerning financial practices and the reporting of suspected illegal or inappropriate financial practices within the Town as deemed appropriate; and specific individual written notification will be provided to all employees with fiscal accounting/oversight and/or financial duties including the handling of money. This Policy is intended to protect officers and employees from retaliation who, in good faith, have reported a concern of improper governmental action.

#### **V - INVESTIGATION & DISCIPLINARY ACTION:**

Upon receipt of a "Good Faith Report" of suspected illegal or inappropriate financial activity, the Board of designated employee(s) and or officer's will promptly conduct a thorough investigation. To the extent feasible, within legal constraints, all reports will be treated as confidentially and privately as possible. However, disclosure may be necessary to complete a thorough investigation of the charges and/or to notify law enforcement officials as warranted, and any disclosure will be provided on a "need to know" basis. Written records of the report and resulting investigation and outcome will be maintained in accordance with law.

Based upon the results of this investigation, if the Town determines that a Board member, Town employee, or officer has engaged in illegal or inappropriate financial practices, appropriate disciplinary measures will be applied, up to and including termination of employment, in accordance with applicable laws and regulations, Town policy and any applicable collective bargaining agreement. Third parties who are found to have engaged in illegal or inappropriate financial practices will be subject to appropriate sanctions as warranted and in compliance with law. The application of such disciplinary measures by the Town does not preclude the filing of civil and/or criminal charges as may be warranted. Rather, when Town officials receive a complaint or report of suspected illegal or inappropriate financial-activities that may be criminal in nature, authorities shall be promptly notified.

An appeal procedure will also be provided, as applicable, to address any unresolved complaints and/or unsatisfactory prior determinations by the applicable investigating officer(s). Appeal shall be made by written application to the Director of Human Resources within three business days of receipt of notification of a finding of an illegal or inappropriate financial practice.

**VI - WHISTLE-BLOWER PROTECTION:**

Any employee of the Town who has reasonable cause to believe that the financial practices or actions of a Board member, an employee or officer of the Town violates any local, state, federal law or rule and regulation relating to the financial practices of the Town, and who in good faith reports such information to an official of the Town, to the New York Office of the State Comptroller, or to law enforcement authorities, shall have immunity from any civil liability that may arise from the making of such a report pursuant to Civil Service Law Section 75-b. Further, neither the Town, nor any Board member, employee or officer thereof, shall take, request, or cause a retaliatory action against any such employee who makes such a report.

**VII - PROHIBITION OF RETALIATION:**

The Board prohibits any retaliatory behavior directed against any individual making a good faith report based on reasonable as well as any witnesses and/or any other individuals who participate in the investigation of an allegation of illegal or inappropriate financial practices or actions. Follow-up inquiries shall be made to ensure that no reprisals or retaliatory behavior has occurred to those involved in the investigation. Any act of retaliation is prohibited and subject to appropriate disciplinary action by the Town.

**VIII - KNOWINGLY MAKING FALSE ACCUSATIONS:**

Any individual who *knowingly* makes a false report concerning alleged illegal or inappropriate financial practices or actions is subject to appropriate disciplinary action in accordance with Civil Service Law Section 75-b.