

## FRAUD POLICY



### A. Introduction

The Town of Enfield (Town) 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.

### B. Purpose

The purpose of this Policy is to implement systems and procedures that aid in the prevention of fraud and support the Town's culture and environment of honesty and ethical behavior

### C. Policy

This Policy prohibits fraud or misuse of the Town's assets and sets forth specific guidelines and responsibilities regarding appropriate actions that must be followed for the investigation of fraud and other similar irregularities. Municipal administration and department heads are responsible for the detection and prevention of fraud, misappropriations, and other irregularities. Fraud is defined as the intentional, false representation, or concealment of a material fact for the purpose of inducing another to act upon it to his or her interest. Each member of the management team will be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity.

### D. Investigation Responsibilities

Any evidence supporting fraud, theft or embezzlement of Town assets may be subject to the following actions including but not limited to: suspension, termination, restitution, and criminal charges. Any Town employee who is aware of fraud or unethical behavior being committed against the Town by anyone shall report such activity to the Enfield Police Department and Town Manager.

The reporting individual should be informed of the following:

- Do not contact the suspected individual in an effort to determine facts or demand resolution.

- Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the appropriate official.

#### **E. Termination**

If an investigation results in a recommendation to terminate an individual, the recommendation will be reviewed for approval by the Town Manager, if necessary, by outside counsel, before any such action taken. The Department Head does not have the authority to terminate an employee. The decision to terminate an employee is made by the Town Manager.

#### **F. Confidentiality**

Due to the important yet sensitive nature of the suspected violations, effective professional follow up is critical. Department Heads, while appropriately concerned about “getting to the bottom” of such issues, should not in any circumstances perform any investigation or other follow up steps on their own. Concerned but uninformed Department Heads 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.

#### **G. Actions Constituting Fraud**

- Any dishonest or fraudulent act.
- Misappropriation of funds, securities, supplies, or other assets.
- Impropriety in the handling or reporting of money or financial transactions.
- Accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to the Town. Exceptions: Gifts less than \$50 in value.
- Theft of any asset (money, tangible property, etc.)
- Destruction, removal, or inappropriate use of records, furniture, fixtures, and equipment; and/or any similar or related irregularity.
- Authorizing or receiving compensation for hours not worked.

#### **H. Other Irregularities**

Irregularities concerning an employee’s moral, ethical, or behavioral conduct should be resolved by the Department Head in consultation with the Town Manager. If there is any question as to whether an action constitutes fraud, contact the Town Manager for guidance.

#### **I. Glossary**

1. Embezzlement is any loss resulting from the misappropriation of the Town assets.

2. Misappropriate is to take or make use of any item without authority or right.
3. Loss is defined as the Town losing possession or control of any type of asset through fraudulent activities.
4. Fraud is the intentional misrepresentation or omission of facts for personal gain.
5. Employee(s) refer to all Town employees, independent contractors, consultants, volunteers, elected officials, and temporary workers.
6. Official(s) include any person serving in a public office or a public body of the Town, whether paid or unpaid, appointed or elected, full time or part time.

Note: For the purpose of this policy, independent contractors, consultants, and anyone else with whom the Town has a relationship, shall be considered when using, and in observance of, this Policy.

7. Assets refer to the entire property of the Town, association, corporation, or estate applicable or subject to the payments of debts. Assets include, but are not limited to, all Town vehicles and building properties, computers and software, intellectual property, databases and electronic files, cash receivables, equipment, tools, materials and supplies.
8. Equipment is defined as a fixed asset that is not consumable or expandable; it is movable, even though sometimes attached to other objects or buildings; and its removal does not create a readily observable physical impairment or deterioration. Examples include, but are not limited to: Office equipment including computers, desk cabinets, printers and scanners, any electronic data processing equipment, training/educational equipment, medical supplies, and furnishings, audio-visual, cameras and recording devices. Equipment also includes, but is not limited to, all construction and maintenance equipment, air conditioners, fire-fighting equipment, and tools, rescue equipment and tools.
9. Corruption is defined as offering, giving, soliciting or accepting of an inducement or reward that may improperly influence the action of a person or entity. Some examples of corruption include bribery, conspiracy and extortion.
10. 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; or similar acts.
11. Public Body is defined as any Office, Department, Commission, Committee, Agency or Board of the Town.
12. Interest is defined as any privilege, profit, gain or advantage one stands to receive if certain actions or events occur.

**J. Authority**

This Policy is adopted by the Select Board in accordance with RSA 41:9.


**K. Policy Review**

The Town Manager is responsible for the administration, interpretation, and application of this Policy. The Enfield Select Board, in collaboration with the Town Manager, will be responsible for reviewing this policy on an annual basis to ensure that the Town's goals under this policy are being carried out. Furthermore, as a result of the annual review of this policy, the Select Board and Town Manager will consider revisions/updates to this policy as deemed necessary. Adoption and changes to this policy will require majority vote by the Select Board.

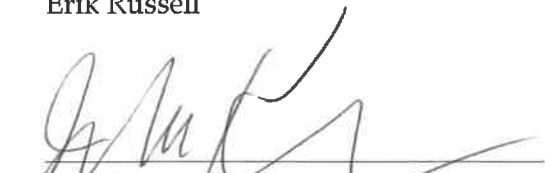
Adopted: July 15, 2019


Reaffirmed: May 1, 2023

  
Katherine D. P. Stewart, Chair

  
Alice Kennedy

  
Erik Russell

  
John Kluge

  
Tracy Young  
Enfield Select Board