



TOWN OF BROOKLINE MASSACHUSETTS

POLICY AGAINST FRAUDULENT CONDUCT, MISAPPROPRIATION AND CORRUPTION

1. POLICY STATEMENT

The Board of Selectmen and School Committee for the Town of Brookline adopt this policy for the Town of Brookline and the Public Schools of Brookline (together, the "Town") to protect public assets against fraudulent activity, misappropriation and corruption by Town employees, agents, elected and appointed officials, Board and Committee members, and third parties. The Town has a zero tolerance policy for such conduct and will take prompt, appropriate corrective action to address fraudulent activity, misappropriation and corruption in the event it occurs, including, but not limited to, disciplining employees up to and including termination, removing appointed officials from their respective Committees, and reporting such conduct to law enforcement agencies for possible criminal investigation and prosecution, as appropriate.

This policy is intended to establish procedures to prevent whenever possible, fraud, misappropriation and corruption, to ensure for its prompt reporting and investigation, and to ensure a coordinated approach for addressing any such misconduct. It is intended to safeguard the assets of the Town and the financial activities conducted on behalf of the Town by its employees, agents and citizens.

2. PROHIBITED CONDUCT

This policy prohibits the use of a Town job, position or contract for personal enrichment or the enrichment of another person through deliberate misuse or misapplication of the Town's assets, as further detailed below. "Assets," as used in this policy, means Town funds, securities, supplies, inventory, vehicles, furniture, fixtures, equipment, and anything else of value. Prohibited conduct includes, but is not limited to, the following deliberate activities:

Fraudulent Statements or Financial Misconduct. The inclusion of false information within, or forgery of, Town financial statements or other documents belonging or submitted to the Town bearing on the Town's finances (*e.g.*, checks, time sheets, expense reports, contractor agreements, purchase orders, vendor invoices and supporting documentation) is prohibited.

Asset Misappropriation. The No person or entity may misappropriate or misuse of Town assets, whether by larceny (the stealing of cash or other Town property after it has been recorded in the Town's records), "skimming" (the stealing of cash or other Town property before it is recorded in the Town's records), embezzlement (the fraudulent misappropriation of Town funds for one's use), causing fraudulent disbursements (the unauthorized disbursement of Town funds, *e.g.*, for

goods not received or for services not performed, through a trick or device such as false time sheets or expense reports or falsification of invoice dates), or unauthorized use or disposal of Town property (including, but not limited to, supplies, office equipment, cell phones and vehicles) whether or not in violation of existing policies pertaining to personal use or gain.

Corruption. This policy prohibits the wrongful use of influence a person may have by virtue of a person's job or position with the Town in order to procure a benefit for the person or another person, including, but not limited to bribery, forgery, asset misappropriation, economic extortion, the unlawful receipt of gratuities, conflicts of interest, and any other violation of the Massachusetts Ethics Law, Massachusetts General Laws Chapter 268A.

Other Conduct Prohibited by This Policy. This policy prohibits any activity that places Town assets at risk of waste or abuse, including, but not limited to, improprieties in the handling of funds or the reporting of financial transactions, and improprieties related to recommendations or referrals made to citizens or resident businesses of specific contractors (including professional service providers like attorneys, bankers or accountants), and any willful destruction of Town property.

This policy does not replace but is meant to supplement applicable conflict of interest laws and other existing policies of the Town and School.

3. PROCEDURES AND RESPONSIBILITIES

a. Reporting Procedure

Any employee who believes that fraud, misappropriation, corruption, or other conduct prohibited by this policy has occurred shall promptly report any such suspected misconduct to any of the following Administrators. For the purposes of Town employees, an Administrator is a Supervisor, a Department or Division Head, the Comptroller, the Finance Director, or the Town Administrator. For purposes of School employees, an Administrator is a Supervisor, a Principal, a School Administrator, the Deputy Superintendent for Finance and Administration, the Superintendent of Schools, the Comptroller or the Finance Director. The Town strongly encourages non-employees to also report such suspected misconduct to these individuals. In the event the alleged fraud, misappropriation, or other conduct has been committed by an Administrator, the report shall be made to an Administrator other than the Administrator suspected of misconduct. Supervisors, Department/Division Heads, the Comptroller, the Finance Director, the Town Administrator, Principals, the Deputy Superintendent for Finance and Administration, the Superintendent of Schools and School Administrators must promptly report all suspected instances of fraud or other conduct prohibited by this policy to the Town Counsel's Office and to the Town Administrator or Superintendent of Schools. Town Counsel, the Town Administrator, the Superintendent of Schools shall, jointly or independently, forward such reports to the Board of Selectmen and /or the School Committee, as appropriate. Should these senior administrators and Town Counsel deem appropriate, it shall also be reported to the Brookline Police Department.

The Town prohibits retaliation against persons who have made reports in accordance with this policy of suspected fraud, misappropriation, corruption, or other conducts prohibited by this policy.

b. Responsibilities

The following individuals are responsible for establishing and maintaining proper internal controls that provide security and accountability for the assets and resources entrusted to them: within the Town, the Town Administrator, and/or his or her designee(s), including Supervisors and Department/Division Heads; within the School Department, the Superintendent, and/or his or her designee(s), including Deputy Superintendents, Assistant Superintendents, Principals, Headmaster, and all other administrators. Such individuals should be familiar with the risks and exposure inherent in their areas of responsibility and be alert for any indications of fraud, misappropriation, and other prohibited conduct. If the situation warrants immediate action – for example, obvious theft has taken place, security of assets is at risk, or immediate recovery is possible – management and non-managerial staff receiving reports should immediately contact the Police.

As detailed above, all employees with information about violations of this policy shall do the following:

- Insure that notification promptly reaches the Town Administrator or the Superintendent of Schools and the office of Town Counsel.
- Do not contact the suspected individual to determine facts or demand restitution. Under no circumstances should there be any reference to “what you did”, “the crime”, “the fraud”, “the forgery”, “the misappropriation”, etc.
- Administrators should consult with Town or School Human Resources departments and Town Counsel to determine whether any immediate personnel action is warranted (see section 5. Discipline, below).
- Do not discuss the case, facts, suspicions, or allegations with *anyone*, unless specifically directed to do so by the Town Administrator or the Superintendent of Schools and/or the office of Town Counsel.
- Direct to Town Counsel all inquiries from any suspected individual, his or her representative, or his or he attorney. Direct all inquiries from the media to the Town Administrator or School Superintendent’s office.

Town Counsel or her or his designee shall investigate suspected violations of this Policy. In doing so, Town Counsel may seek the collaboration and/or assistance of internal or external departments, such as the Finance Director, Deputy Superintendent for Finance and Administration, Comptroller, Town and School Human Resources Departments, Police Department, and/or other federal, state, or local agencies as circumstances may warrant.

Town Counsel shall have full, free and unrestricted access to all records and personnel of the Town for such purpose. All investigations will be conducted in conformity with applicable state and federal laws and regulations and School and/or Town system policies and procedures, as well as applicable contractual and collective bargaining requirements.

The Town Finance Director and/or Comptroller's Office shall, after consultation with Town Counsel, coordinate the notification of insurers and filing of claims with the Chief Procurement Officer, and, if federal funds, are involved, determine the required federal reporting requirements and take the steps necessary to comply with them.

The Treasurer shall be responsible for notifying the bonding companies and filing bonding claims.

All employees shall be vigilant to possible fraud, misappropriation and other misconduct prohibited by this policy and shall provide their full cooperation as may be necessary for the implementation of this Policy and for reporting, and investigation of such misconduct and, as may be appropriate, the prosecution of offenders.

All parties shall maintain the confidentiality of reports and investigations into suspected or substantiated reports of fraud, misappropriation, corruption or other conduct prohibited by this Policy, except as may be necessary to make a report under this policy, to conduct an investigation, to take any necessary corrective action, and to respond to or conduct any legal and/or administrative proceedings related to the alleged misconduct, or as may otherwise be specified by the Superintendent of Schools, Town Administrator, Finance Director, the Controller, or Town Counsel.

No employee shall knowingly make a false accusation, alert suspected individuals that an investigation is under way, or knowingly make statements that could lead to claims of false accusation.

Every effort should be made to effect recovery of Town losses from responsible parties or through Town insurance coverage.

In the event the alleged prohibited conduct is alleged to have been committed by Town Counsel or anyone in the Town Counsel staff, Town Counsel's responsibilities under this section shall be performed by the Town Administrator or his designee.

4. NON-FRAUD IRREGULARITIES

Identification or allegations of acts outside the scope of this policy, such as personal improprieties or irregularities (whether moral, ethical, or behavioral), other safety or work-related conduct, or complaints of discrimination or sexual harassment, should be resolved by the respective area management in conjunction with Human Resources and/or with reference to any other existing Town or School policies, guidance or resources.

Examples of such policies include the Policy on the Use of Information Technology Resources and the Policy Against Discrimination, Sexual Harassment and Retaliation (this list is not all-inclusive).

The Town Counsel's Office may be consulted with any questions concerning this policy.

5. DISCIPLINE

The Town maintains a zero tolerance policy with respect to Fraud. Violations of this policy will result in appropriate discipline, up to and including termination. When the Town determines there is a violation of this policy, the Town will act promptly to eliminate the conduct and impose any necessary corrective action. Such corrective action may include, but is not limited to counseling, verbal or written warning, suspension, demotion, transfer, termination or removal from an appointed position.

Any discipline will be taken in accordance with applicable labor contracts and bylaws as applicable. Employees found to have knowingly made false accusations or given knowingly false statements regarding this policy will be disciplined up to and including termination.

Any citizen or any vendor who has engaged in prohibited conduct as described in this Policy, will be disciplined and/or prosecuted by the Town Administrator or Superintendent of Schools, or by the Board of Selectmen or School Committee as appropriate.

6. OTHER ACTIONS

Consistent with the Town's Zero Tolerance Policy, in addition to disciplinary action, the Town shall pursue appropriate corrective action to the fullest extent under federal and state laws.