



Preventing Fraud Waste and Abuse

PURPOSE

To protect town assets and its reputation from misappropriation and abuse by creating an environment in which employees and citizens can report any suspicion of fraud, communicating the Town's intent to prevent, report, investigate, and disclose to proper authorities suspected fraud, abuse, and similar irregularities, and providing management with guidelines and responsibilities regarding appropriate actions in conducting investigations of alleged fraud and similar improprieties.

APPLICABILITY

This policy pertains to any suspected fraud, abuse, or similar irregularity against the Town. It applies to the Select Board, School Committee and all other elected town officials; their appointees; all Town of Carlisle employees; and to any other persons acting on behalf of the Town, such as vendors, contractors, consultants, volunteers, temporary, and casual employees, and grant subrecipients.

POLICY

The Town is committed to protecting its revenue, property, information, and other assets from any attempt, either by members of the public, contractors, consultants, vendors, agents, or its own employees, to gain by deceit, financial or other benefits at the expense of taxpayers. Town officials, employees and other persons acting on behalf of the Town must, always, comply with all applicable policies, laws, and regulations. The Town will not condone any violation of law or ethical business practices and will not permit any activity that fails to stand the closest possible public scrutiny. The Town intends to investigate any suspected acts of fraud or other similar irregularities regardless fully, objectively, and impartially of the position, title, length of service, or relationship with the government of any party who may be the subject of such investigation.

A. Definitions

Any person acting on behalf of the Town shall mean any person responsible for or to Carlisle's government placed in that position by some official relationship with the Town.

Abuse includes misuse of governmental authority or position for personal financial benefit or the benefit of an immediate or close family member or business associate.

Abuse can occur in financial or nonfinancial settings and refers to, but is not limited to:

- Improper use or misuse of authority
- Improper use or misuse of Town property, equipment, materials, records, or other resources
- Waste of public funds

Fraud or other irregularity refers but is not limited to:

- Any dishonest or fraudulent act
- Forgery or alteration of any document or account
- Forgery or alteration of a check, bank draft, or any other financial document
- Misappropriation of funds, securities, supplies, or other assets
- Impropriety in the handling or reporting of money or financial transactions
- Profiteering because of insider knowledge of Town activities
- Disclosing confidential or proprietary information to outside parties
- Accepting or seeking anything of material value per Massachusetts General Law Ethics Guidelines from consultants, contractors, vendors, or persons providing services or materials to the Town
- Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment
- Any claim for reimbursement of expenses not made for the exclusive benefit of the Town
- Any computer-related activity involving the alteration, destruction, forgery, or manipulation of data for fraudulent purposes
- Any omissions and misrepresentations made in bond offering documents, presentations to rating agencies, and annual financial reports

Fraud, for purposes of this reporting process, is an intentional act of deceit or dishonesty, or misrepresentation of a material fact, by which a benefit is obtained from the municipality, or where a benefit is obtained because of an individual's duties or functions within the municipality. Fraud may also include an omission or purposeful failure to state material facts, when nondisclosure makes other statements misleading. Fraud can take many forms, such as bribery, forgery, theft, corruption, conspiracy, misappropriation of funds or resources, false representation, concealment of material facts, and collusion.

Fraud may also involve misuse of municipal time or assets, or other situations in which non-monetary benefits are obtained. Falsifying an invoice or travel voucher to obtain reimbursement from the Town for expenses that were not incurred, or that do not relate to Town business, is an example of fraud.

Waste generally involves inappropriate management of government resources or funds that causes taxpayers not to receive reasonable value for their money in connection with government-funded activities.

B. Antifraud Responsibilities

Every employee has the responsibility to assist the Town in complying with policies and laws and in reporting violations. The Town encourages the support and cooperation of all employees in meeting the Town's commitment and responsibility to such compliance.

Town managers and officials are responsible for instituting and maintaining a system of internal controls to reasonably ensure the prevention and detection of fraud, misappropriations, and similar irregularities. Management should be familiar with the types of improprieties that could occur within their areas of responsibility and be alert for any indications of such conduct.

The Town Administrator has primary responsibility for investigating all activity defined in this policy and will, to the extent practical, notify the Select Board of reported allegations of fraudulent or irregular conduct upon commencing the investigation. In all circumstances where there are reasonable grounds to indicate a fraud may have occurred, the Town Administrator, subject to the

advice of Town Counsel, will contact the District Attorney's office and/or the Carlisle Police

Department. Upon concluding the investigation, the Town Administrator will report results to the Select Board and others as determined necessary. If the Town Administrator is the subject of the complaint, the Select Board will lead and direct the investigation.

C. Disclosure

If the Town's investigation concludes that there was a violation of any federal criminal law involving fraud, bribery or gratuity potentially affecting a federal award, the Treasurer Collector will disclose such in writing to the federal awarding agency in compliance with the Office of Management and Budget's Omni Circular. Similarly, if there are findings of bond offering information falsification, the Treasurer Collector will disclose in writing to the bondholders.

PROCEDURES

The Town Administrator will create procedures for the following areas at a minimum and will provide an update annually to Town officials.

1. Procedure and methods for reporting suspicions of fraud, abuse and other irregularities
2. Assignment of responsibilities in response to reported suspicions
3. Employee protections from retaliation
4. Security of investigation documents
5. Treatment of anonymous allegations and false allegations (intentional and unintentional)
6. Personnel disciplinary actions
7. Responsibilities around media contact
8. Training, education and awareness
9. Disclosure requirements and protocols

Upon completing these procedures, they should be referenced or appended to this policy.

IMPORTANT CONTACT INFORMATION AND LINKS

The Town Administrator will create procedures for the following areas at a minimum and will provide an update annually to Town officials.:

How to Report Suspected Fraud, Waste or Abuse to the Office of the Inspector General (MA)
<https://www.mass.gov/how-to/how-to-report-suspected-fraud-waste-or-abuse-to-the-oig>

Carlisle Town Website Complaint Form
TBD

24-hour Confidential Hotline Call Fraud Hotline
(800) 322-1323

Whistleblower Laws and Protections
<https://www.mass.gov/info-details/oig-fraud-reporting-faq-what-to-know#whistleblower-laws,-retaliation-and-intimidation:-you-may-be-protected->

REFERENCES

[M.G.L. c. 149 §185](#)

U.S. Office of Management and Budget's [Omni Circular](#) issued December 2013

EFFECTIVE DATE

This policy was adopted February 2024