

TOWN OF OLD LYME ANTI-FRAUD POLICY

I. Purpose

The Town of Old Lyme ("Town") recognizes the importance of protecting its taxpayers, its employees and its assets against financial risks, operational breaches and unethical activities. The impact of misconduct and dishonesty may include:

- Actual financial loss incurred
- Damage to the Town's reputation
- Negative publicity
- Cost of investigation
- Loss of employees
- Loss of public confidence
- Damaged relationships with our contractors and suppliers
- Litigation

Our goal is to establish and maintain an environment of ethics and honesty for our employees, our citizens, our suppliers and anyone else with whom we have a relationship. To maintain such an environment requires the active assistance of every employee and manager every day.

Old Lyme 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.

II. Zero Tolerance Policy

The Town has adopted a zero tolerance policy regarding fraud. No Town employee shall take any Town assets without express authorization or misuse any Town assets in any manner. Any employee engaged in fraud, theft or embezzlement of or related to Town assets and/or equipment shall be subject to the following actions: discipline up to and including termination from employment, payment of restitution and/or criminal charges. Any Town employee who has information about any fraud, theft or embezzlement being committed against the Town by anyone shall immediately report such activity to any one of the following people:

- Immediate Supervisor; or
- Department Head; or
- First Selectman; or
- In the case of an Ethics Code violation, the Town's Ethics Board.

III. Effective Date

This policy shall be effective immediately upon approval of the Board of Selectmen and shall remain in effect until revised or rescinded.

may be subject to disciplinary action up to and including termination of employment.

VII. Deterring Fraud and Corruption

The Town has established internal controls, policies and procedures in an effort to deter, prevent and detect fraud and corruption. Criminal background checks are conducted on candidates for positions that collect money or have access to the Town's bank accounts, work with children, work with the frail/elderly, work in code enforcement, and public safety positions.

All vendors, contractors and suppliers must be active, in good standing and authorized to transact business in the Town. Vendors, contractors, and suppliers may be subject to screening, including verification of the individual or company's status as a debarred party.

When necessary, contractual agreements with the Town may contain a provision prohibiting fraudulent or corruptive acts and will include information about reporting fraud and corruption.

Town employees will receive ethics, fraud and corruption awareness training annually. New employees will receive notification of this policy and the Town's Ethics Code dated January 28, 2008 and as may be amended from time to time, as part of their new hire intake. Employees will be expected to sign receipt of documents and training.

VIII. Corrective Action

Final determination regarding action against an employee, vendor, recipient or other person found to have committed fraud or corruption will be made by the First Selectman.

Offenders at all levels of the Town will be treated in a similar manner regardless of their position or years of service with the Town. Determinations will be made based on a finding of facts in each case, actual or potential damage to the Town, cooperation by the offender and legal requirements.

Depending on the nature and severity of the offense or offenses, more serious discipline up to and including termination may be issued without lower levels of discipline having been issued. Discipline of employees will be issued in accordance with procedures outlined in their relevant collective bargaining agreements, the Town's Personnel Rules, and/or MERA (the Municipal Employees Relations Act). When it is determined that fraudulent activity has occurred, appropriate legal action, either civil or criminal may be pursued.

Approved by the Board of Selectmen on April 4, 2016.