

EAST MILLINOCKET SCHOOL DEPARTMENT FRAUD POLICY

Purpose

Financial accountability is a top priority for the East Millinocket School Department. The school's fraud policy formalizes the expectation of personal honesty and integrity of School officials and employees. East Millinocket School Department is committed to protecting its revenue, property information and other assets from any attempt, either by members of the public, contractors, sub-contractors, agents, intermediaries, or its own employees, to gain by deceit, financial or other benefits. This policy prohibits fraud or misuse of the school'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.

Policy

East Millinocket School Department has adopted a zero-tolerance policy regarding fraud. No employee, independent contractor, consultant, or temporary worker of East Millinocket School Department shall remove any School asset from the property, misuse any School asset for one's personal gain, or willfully misappropriate any School asset. Any evidence supporting fraud, theft or embezzlement of East Millinocket School Department assets and equipment may be subject to the following actions including but not limited to suspension, termination, restitution, and criminal charges. Any utility fraud by the public will be subject to restitution and possible criminal charges.

Prohibited Acts

Fraud and misuse of East Millinocket School Department assets are prohibited. Examples of fraud and misuse of School assets include but are not limited to:

1. Embezzlement.
2. Misappropriation, misapplication, destruction, removal, or concealment of School property.
3. Alteration or falsification of documents.
4. Theft of any asset (money, tangible property, etc.).
5. Authorizing or receiving compensation for goods not received or services not performed.
6. Authorizing or receiving compensation for hours not worked.
7. Misrepresentation of fact.

Complaint Procedure

1. Employees shall read and it is recommended that residents of the Town of East Millinocket should read and understand this policy. Additionally, suspected or known fraudulent acts by employees shall be reported to their respective supervisor or the Superintendent. If the employee has reason to believe that their supervisor may be involved, the employee shall notify the Superintendent or the School Board Chairperson.

2. Supervisors shall a) communicate the provisions of this policy to all staff, b) take no action without consulting the Superintendent, c) recommend appropriate temporary disciplinary action when there is evidence of wrong-doing, and d) if suspension or termination is recommended, consult with the Labor Relations representative.
4. Supervisors shall communicate any suspected or known fraudulent act to the Superintendent. The Superintendent may initiate internal investigative actions of the suspected act. The internal investigation may include but is not limited to surveillance, either electronic or visual. Document research may include, but is not limited to, cash terminal journal rolls, ledgers, and accounting records.
5. All participants in a fraud investigation shall keep the details and results of the investigation confidential.
6. No employer or person acting on behalf of an employer shall dismiss or threaten to dismiss an employee; discipline or suspend or threaten to discipline or suspend an employee; impose any penalty upon an employee; or intimidate or coerce an employee because the employee has acted in accordance with the requirements of the policy. Any violation of this section may result in disciplinary action up to and including termination of employment.

Prevention

East Millinocket School Department maintains internal controls to protect the school from loss or other damages as a result of a fraudulent act.

False Allegations

False allegations of suspected fraud with the intent to disrupt or cause harm to another may be subject to disciplinary action up to and including termination of employment.

Corrective Actions and Discipline

Appropriate and timely action will be taken against those proven to have committed a fraudulent act. These remedial actions may include, but are not limited to:

1. Disciplinary action (up to and including immediate termination of employment).
2. Restitution for all losses, including investigation and legal expenses, to the fullest extent of the law.
3. Forwarding information to the appropriate authorities for criminal prosecution.
4. Institution of civil action to recover losses.

5. Where the School elects to take corrective or disciplinary action, it will proceed under the procedures in place under policy or under any collective bargaining agreement for the respective employment classification.
6. The school may take corrective or disciplinary action without awaiting the resolution of criminal or civil proceedings arising from the fraudulent conduct.

Confidentiality

All investigation will be conducted in confident insofar as reasonably possible. The name or names of those communicating information about a fraudulent act and the name or names of those suspected of a fraudulent act will only be revealed when required by law in conjunction with the investigation or legal action.

1st Reading: 12/7/2021

2nd Reading & Adopted: 1/4/2022