

Village of Lincolnshire Whistleblower Policy

Effective May 28, 2019

Adopted by the Village of Lincolnshire
Resolution No. 797-2

I. PURPOSE

The Village of Lincolnshire (“Village”) is committed to high standards of ethical, moral, and legal business conduct. In line with this commitment, this Whistleblower Policy (“Policy”) aims to provide an avenue for employees and vendors to raise concerns and reassurance there will be protection from reprisals or victimization for whistleblowing.

The Village will investigate complaints of suspected fraudulent or dishonest use or misuse of its resources or property by staff, elected officials, appointed officials, consultants, partners, or clients. To maintain the highest levels of service, the Village will also investigate complaints concerning its programs and services.

It is the policy of the Village to maintain an environment and culture in which its employees may report and testify about employer actions involving suspected fraudulent or dishonest use or misuse of its resources or property which are illegal or that violate specific public policies, and do so without retaliation

This Policy is intended to cover protections for the informant raising concerns about improper governmental activities, which may include, but are not limited to, the following:

- (1) Incorrect or fictitious financial reporting
- (2) Unlawful activity
- (3) Activities that do not conform to the general policies of the Village
- (4) Asset misappropriation
- (5) Procurement irregularities
- (6) Corruption and influence
- (7) Activities that amount to serious instances of improper conduct

This Policy does not cover the reporting of employment issues which is addressed separately in the Employee Handbook.

II. POLICY DETAIL

- (1) This policy has been adopted by the Lincolnshire Village Board.
- (2) Whistleblowing is the revelation by an employee of any dangerous, illegal, or unethical activities or practices engaged in by an organization or one of its employees or directors.

- (3) Whistleblowing can involve raising concerns about misconduct within an organization or within an independent structure associated with the organization.
- (4) The underlying purpose of whistleblower protection laws is to allow employees to report and testify about employer actions that are illegal or that violate specific public policies including accounting, internal controls, or auditing matters.
- (5) This Policy protects all Village employees, officers, contractors, subcontractors, and agents of the organization from discharge, demotion, suspension, threats, harassment, or any discriminatory or retaliatory activity against the individual because of revealing information in the following situations:
 - (a) Providing information or assisting in an investigation regarding any conduct that the individual reasonably believes constitutes fraud or violates regulations set forth by any federal, state, or local regulatory or law enforcement agency, or any person with supervisory authority over the employee of the Village.
 - (b) Filing, testifying, participating in, or assisting in a proceeding filed or about to be filed against the Village relating to an alleged violation of fraud laws or regulations.
- (6) The Village Manager has been identified as the individual who will enforce the provisions of this Policy without prejudice and in accordance with the procedures set forth elsewhere in the Policy.

III. SAFEGUARDS

- (1) *Harassment or Victimization* – Harassment or victimization for reporting concerns under this Policy will not be tolerated. No retaliatory action of any kind will be permitted against anyone making such a report in good faith, and the Village will strictly enforce this prohibition.
- (2) *Confidentiality* – Every effort will be made to treat the informant's identity with appropriate regard for confidentiality.
- (3) *Anonymous Allegations* – This Policy encourages employees and vendors to put their names to allegations because appropriate follow-up questions and investigation may not be possible unless the source of the information is identified. However, concerns expressed anonymously will be explored appropriately.
- (4) *Fraud and/or Significant Accounting Deficiencies* – Any Village employee shall promptly report an allegation he or she may have concerning:
 - (a) significant deficiencies in internal controls over financial reporting which could adversely affect Village's ability to legitimately and accurately record, process, summarize, and report financial data; or

- (b) any fraud involving any financial or operational matter.

IV. REQUIRED PARTICIPATION

Village employees are required to report allegations of all known or suspected violations of this policy as soon as practicable.

V. REPORTING AN ALLEGATION

- (1) The whistleblowing procedure is to be used for serious and sensitive issues. Such concerns should be reported directly to the Village Manager or his/her designee. Reports of allegations of suspected improper activities are encouraged to be presented in writing to assure a clear understanding of the issues raised, but the report may also be made orally. Such reports should be factual rather than speculative, and contain as much specific information as possible to allow for proper assessment of the nature, extent, and urgency of the matter.

Whistleblowers provide initial information related to a reasonable belief that an improper government activity has occurred. The motivation of a whistleblower is irrelevant to the consideration of the validity of the allegation. However, the intentional filing of a false report is itself considered an improper governmental activity which the Village has the right to act upon.

- (2) If the employee is not comfortable with reporting to either the Village Manager or his/her designee, the employee may contact the Mayor or Village Attorney.
- (3) If the reporting party is not an employee, that party may go directly to the Village Manager. The manners in which those complaints can be delivered are below:

- (a) Mail
*Village of Lincolnshire
Attn: Village Manager
1 Olde Half Day Road
Lincolnshire, IL 60069*

- (b) Fax
*847/883-8608
Attn: Village Manager*

- (c) By phone: *call Village of Lincolnshire to request an appointment with the Village Manager (847.883.8600)*

Be advised that the anonymity of the sender may be compromised using any of these methods of transmission unless the sender takes precautions to protect that anonymity.

- (4) The content of the notification should contain sufficient amount of detail so that the situation may be properly investigated. The documentation should include copies of documents, transactions, or other details to support the claim. The anonymity of the sender may be compromised if a return address is used or the letter is signed.
- (5) If required, additional reporting to regulatory or law enforcement agencies may be necessary, including, but not limited to the filing of a "Suspicious Activity Report" (SAR) to the Financial Crime Enforcement Center. The anonymity of filers will be preserved whenever possible. The identity of filers who choose to reveal their identity will be kept confidential unless disclosure is unavoidable in connection with an investigation.
- (6) The Village Manager or his/her designee will review each complaint and retain the right to make an initial determination. If the complaint warrants an investigation, the Village Manager will forward the complaint to the Village Board for discussion.
- (7) At a minimum, all complaints received will be reported to the Village Board at the next regularly scheduled meeting. Depending on the severity and time sensitivity of the complaint, a special meeting of the Village Board may be called. At such time, a majority vote will determine the course of action for handling said complaint. Generally, the Village Manager or his/her designee will conduct an investigation of the alleged incident within 30 days and report findings to the Village Board. The Village Board has the authority to hire and retain any consultants or legal counsel that it deems necessary to assist in investigating and resolving any complaints submitted. The Village shall be responsible for all costs for such consultants and/or legal counsel.
- (8) Subsequent to the final resolution of the complaint, files will be placed in a locked personnel file cabinet. Access to the files will be logged and limited to authorized personnel only.
- (9) The Village encourages employees and vendors to report concerns as soon as possible, but there is no time limit for reporting.
- (10) Although the employee or vendor is not expected to prove the truth of an allegation, the employee should be able to demonstrate to the person contacted that the report is being made in good faith.

VI. INVESTIGATION

The action taken by the Village in response to a report under this Policy will depend on the nature of the concern. All complaints (not involving the Village Manager) will be directed to Village Manager as Chair of the Complaint Workgroup. The Complaint Workgroup will consist of Village Manager, Assistant Village Manager/Community &

Economic Development Director, and other members of the Village staff as needed. Any person named in the allegation will be excluded from the Complaint Workgroup. The Workgroup will take any and all actions required to adequately resolve the concern or address the issue. All investigations of allegations will be conducted with the highest standards of integrity and without bias. The Workgroup's responsibilities include:

- (1) Assuring that the proper investigative channels are utilized according to appropriate expertise and jurisdiction.
- (2) Assuring all appropriate administrative and elected officials are apprised of the allegations.
- (3) Assuring appropriate reporting to relevant groups on a need-to-know basis.
- (4) Assuring that appropriate resources and expertise are brought to bear to cause the timely and thorough review of reports of allegations of suspected improper activities.
- (5) Ensuring there are no conflicts of interest on the part of any party involved in specific investigations.
- (6) Coordinating and facilitating communications across investigative channels as necessary to ensure comprehensive attention to all facets of the matter.
- (7) Monitoring significant elements and progress of investigations to ensure allegations are timely and thoroughly addressed.
- (8) Coordinating and facilitating in an advisory capacity the corrective and remedial action that may be initiated in accordance with applicable Policies.
- (9) Whistleblowers shall refrain from obtaining evidence for which they do not have a right of access. Such improper access may itself be considered an improper government activity. Whistleblowers have a responsibility to be candid with the authority accepting the complaint, investigators or others to whom they make a report of alleged improper governmental activity and shall set forth all known information regarding any reported allegations. Anonymous whistleblowers must provide sufficient corroborating evidence to justify the commencement of an investigation. An investigation of unspecified wrongdoing or broad allegations will not be undertaken without verifiable evidentiary support. Whistleblowers are not investigators. They are not to act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by investigators.
- (10) Protection of a whistleblower's identity will be maintained to the extent possible within the legitimate needs of law and the investigation. Should the whistleblower self-disclose his or her identity, the Village will no longer be obligated to maintain

such confidence. A whistleblower's right to protection from retaliation does not extend immunity for any complicity in the matters that are the subject of the allegations or an ensuing investigation. Whistleblowers have a right to be informed of the disposition of their disclosure absent overriding legal or public interest reasons.

- (11) All employees of the Village have a duty to cooperate with investigations initiated under this Policy.

VII. NO RETALIATION

Individuals who feel they are being retaliated against due to the submission of any type of complaint that is covered by this Policy may file complaints with the appropriate federal or state regulatory agency within 90 days following the date of the alleged retaliation. The agencies can be reached by mail or phone:

U.S. Department of Labor
200 Constitution Ave.,
NW Washington, DC 20210
1-866-4-USA-DOL

Illinois Department of Labor
160 North LaSalle, Suite C-1300
Chicago, Illinois 60601,
(312) 793-2800
idol@cms.state.il.us

VIII. DISCIPLINE

Any violation of this Policy, will result in discipline up to and including discharge. Any violation of this Policy that also constitutes a violation of law may result in criminal penalties and civil liabilities for the offending employee.