

# Guide for Members of Public Boards and Commissions

How to be an Effective  
Member of a Public Board  
or Commission



Commonwealth of Massachusetts  
Office of the Inspector General

**Jeffrey S. Shapiro, Esq., CIG**  
**Inspector General**

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## ***About the Office of the Inspector General***

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The Office of the Inspector General for the Commonwealth of Massachusetts (Office) is an independent agency charged with preventing and detecting fraud, waste and abuse in the use of public funds and public property.

The Office investigates allegations of fraud, waste and abuse at all levels of government and identifies vulnerabilities and opportunities for improvement. Beyond investigations, the Office provides classes to public and private employees about compliance with Massachusetts laws that promote transparency, efficiency and accountability when governmental bodies make decisions, spend money and use public resources.

### **Join the Office for Educational Opportunities**

The Office offers professional training through its Massachusetts Certified Public Purchasing Official (MCPPO) program on a broad range of topics, including a class for public board and commission members. This class helps public board and commission members oversee their organizations and ensure that resources are used appropriately. You can find the MCPPO class schedule on the Office's website at: [www.mass.gov/trainingmcpo](http://www.mass.gov/trainingmcpo).

### **Connect with the Office**

Please visit our website at [www.mass.gov/ig](http://www.mass.gov/ig) and watch our [YouTube](#) videos on variety of topics, such as how to be an effective public board or commission member; fraud awareness and prevention in the workplace; public purchasing for supplies and services; and more. You can also follow the Office on Twitter [@MassOIG](#) and LinkedIn [@Massachusetts Office of the Inspector General](#).

Office of the Inspector General  
One Ashburton Place, Room 1311  
Boston, MA 02108  
Telephone: 617-727-9140  
Email: [ma-igo-general-mail@mass.gov](mailto:ma-igo-general-mail@mass.gov)

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# ***Guide for Members of Public Boards and Commissions***

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Congratulations on your appointment to a public board or commission (public board). Your service to the residents of Massachusetts is essential to good government. Thank you for your commitment to fulfilling your duties and responsibilities as a public board member.

Public boards take many forms. Some provide direct oversight to a state, county or local governmental entity (collectively, a “public organization”). Other boards set policy for their public organization and some make advisory recommendations. Still others perform a combination of these functions.

Whether you serve on a state, county or local board, you support a public organization that provides public services with public funds. Your work is important, whether you are advising your public organization on policy matters, approving salaries, reviewing the budget, or assessing the executive director’s performance. Your participation, insights and engagement as a resident and active decision-maker are essential to ensuring that your public organization fulfills its mission and uses public resources appropriately.

### ***Who should use this guide?***

*If your board has a role in overseeing the public official leading a public organization – or if your board provides input on a public program, the use of public funds or the care of public property – you should read this guide. Similarly, if you are a member of a board that provides advice or recommendations to a public organization, this guide will help you fulfill your duties as a*

This guide outlines practices, such as upholding fiduciary principles, that will help you effectively perform your role. It also provides an overview of the laws that apply to your position. These laws relate to the meetings your board holds, your

official acts and communications, and your individual conduct. These laws serve to promote open, transparent and accountable government, all of which are essential elements to our representative democracy.

Use this guide to understand your obligations and to help you perform your duties as a public board member to the best of

### ***Public boards take many forms, such as:***

- *Public university boards of trustees*
- *Redevelopment authority boards of trustees*
- *Municipal light department boards of commissioners*
- *Housing authority boards*
- *Town finance committees*
- *Library boards of trustees*
- *Municipal select boards*
- *Economic development authorities*

your abilities. The appendix at the end of this guide contains additional resources, including contact information for state agencies that interpret and enforce the laws applicable to you and your board.

Thank you again for your commitment to fulfilling your duties and responsibilities as a public board member.

# ***Practices for Effective Board Members***

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The following practices will help you succeed in fulfilling your obligations as a public board member.

## **1. Learn about the public organization.**

When you are first appointed, get to know the public organization you serve. Learn about the public organization’s mandate or mission, which may be found in state law or a local ordinance. A public organization’s mandate often identifies the scope of its authority to carry out its public purpose or service, as well as any procedures governing how it achieves its mission and any regulations or by-laws that its officers or appointees must follow.

In addition, learn about *how* the public organization fulfills its mission. Read about the programs it operates and the segments of the public it serves. Ask for past annual reports and budgets, as well as a current organizational chart. Learn about recent achievements and upcoming initiatives or special projects.<sup>1</sup>

Ask:

- What is the public organization’s mission or mandate?
- What rules, regulations or by-laws govern the public organization, if any?

Delve deeper and ask:

- How does the organization carry out its mission or purpose?
- How is the organization structured?
- What is the organization’s annual budget? Who sets the budget and who decides how it is spent?
- Who are the senior officials in the organization and what are their roles?
- What are the major projects or objectives that the public organization is considering over the next few years? What will be the projected cost of these projects?

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<sup>1</sup> The State Auditor conducts periodic audits of state agencies, quasi-state agencies and housing authorities. If you serve on such a board, check the State Auditor’s website, available at [www.mass.gov/auditor](http://www.mass.gov/auditor), for audit reports on your public organization.

- Are the proposed projects and objectives consistent with the mission of the public organization and with the organization’s budget and other priorities?

The answers to these questions will help you understand how the public organization operates and will enable you to become an effective and involved board member.

## **2. Educate yourself about the role of your board (and your role as a board member).**

In order to be an effective public board member, you need to understand your board’s role with respect to the public organization. Some boards provide direct oversight to ensure that the public organization operates effectively and in accordance with its mandate, while others work in an advisory capacity to help guide a public organization toward particular goals and outcomes. The board’s role is usually set out in a statute, local ordinance or other enabling document.

*You should understand the board’s role and responsibilities in order to guide the public organization toward the realization of its mission, goals and objectives.*

Ask:

- What is the scope of the board’s authority and what is the source of that authority?
- What matters typically come before the board?
- Based on the board’s role with respect to the organization, are there other matters that should be brought before the board?

You should also understand how the board operates, including how often it meets, how the agenda is established and the procedures that govern the meetings. As a starting point, read the meeting minutes from at least the past four board meetings.

*Public boards should meet regularly to facilitate open, vigorous and in-depth discussions in compliance with the Massachusetts Open Meeting Law, which is outlined later in this guide.*

Ask:

- How often does the board meet? Is the board required to meet on a specific schedule and, if yes, what is that schedule?
- Who sets the agenda for the meetings? Can board members submit topics for the agenda?

- Does your board follow written procedures for meetings, such as *Robert's Rules of Order*?
- How does the board vote? Are all votes conducted in the same manner?

Furthermore, take steps to learn how the chairperson and other officers are selected, if there are limits for serving as an officer and whether your board may establish committees. Request lists of all current board members and committees.

*Your board may find it helpful to adopt a set of written operating procedures, including for the conduct of meetings, term limits and leadership appointments, if they are not already in place.*

Ask:

- How are officers selected?
- Does the board have committees and if so, how are members selected to serve on them?
- Are there term limits for officers, board members or committee members?

### **3. Uphold fiduciary principles and act in the best interests of the public organization.**

In some instances, the law may consider you a fiduciary. A fiduciary is someone who owes a particular duty of care, known as a fiduciary duty, to an entity or individual – in this case, a public organization. A fiduciary duty requires an individual to act with good faith, loyalty and due care. A fiduciary must act in the best interests of the public organization.

Even if you are not a fiduciary under the law, fiduciary principles should guide the decisions that you and your board make. Adhering to fiduciary principles will help the board recognize that it is a steward of the public funds entrusted to the organization, and that the board plays a vital role in ensuring the public organization fulfills its mission. As part of upholding fiduciary principles, the board should always act independently, with care and in the best interests of the organization.

*A fiduciary is “someone who is required to act for the benefit of another person on all matters within the scope of their relationship; one who owes to another the duties of good faith, loyalty, due care, and disclosure.” Black’s Law Dictionary 10th ed. (2014).*

Board members who adhere to the fiduciary principles will be active participants in board matters, will stay informed and will act in the best interests of the organization. Fiduciary principles remind the board that it must act on behalf of the organization, not its executive. They will lead the board to actively oversee the executive and to expect accountability from the executive, which will help the public organization operate effectively, transparently and in accordance with its mission.

*Using fiduciary principles as the framework for your board will result in an active, well-informed board that acts in the public organization's best interests and assists the organization in achieving its mission.*

#### **4. Exercise care when making decisions and voting by informing yourself, asking questions and expecting answers.**

To be an active and effective board member, you must be informed. Consequently, before your board meets, arm yourself with accurate information to make thoughtful decisions. Take time to prepare for meetings in advance; read the materials that are distributed and think about the issues on the agenda.

Ask:

- How far in advance does the board receive meeting materials so that you can properly prepare for pending actions before voting on a matter before the board?
- What is the procedure for requesting the organization to provide additional information, either in advance of or at a meeting?
- What is the procedure for asking individuals from the organization to attend the meeting to provide additional information?

Public discourse, analysis and debate are expected, whether public board members are trustees of a public college or commissioners of a local housing authority. When your board meets, ask probing questions that are relevant to the issue and debate the issue at hand during meetings to get information that will help you make informed decisions. If the chair of the board or an official in the organization does not provide you with the necessary information to make an informed decision, ask for it. If you do not receive the information you need, ask to change the date of the vote.

Before voting on a matter, ask probing questions, such as:

- What statutes or regulations apply to the requested action?
- What internal procedures apply to the requested action and were those procedures followed?

- Does the requested action align with the public organization’s mission, responsibilities, priorities and budget?
- Do you need additional data so that you can make an informed decision?
- Do you need to hear from others in the organization? For instance, does legal counsel or human resources have information necessary to make this decision?

Finally, exercise your own judgment and always act in the best interests of the public organization. Do not allow yourself to be marginalized by an executive or fellow board member who may assert knowledge or expertise above yours or who simply does not agree with you. Do not rubber stamp official acts that come before your public board – your work is important and you need to be informed.

## **5. Actively oversee the executive who leads the organization.**

It is likely that your public organization is run by an executive, such as a public college president, a director or other professional, and that your board is responsible for overseeing the executive. If so, respect the trust the public placed in you. While you do not want to micromanage the day-to-day management of the public organization, you do want to make certain that the executive’s actions align with the objectives of the public organization. The executive reports to you and is accountable to the board. Be an active overseer.

Expect the executive to timely inform the board of major projects, expenditures and initiatives. Use board meetings to discuss substantive issues with the executive, such as budget planning, capital projects and significant policy matters. Ask questions, seek clarification and get back-up documentation. Collaboration with the executive will require open communication and information-sharing.

Ask:

- What are the executive’s objectives and priorities for the organization?
- Do these objectives align with the organization’s mission and values?
- What are the financial costs of achieving these objectives?

To help both the executive and the organization, your board should conduct an annual performance evaluation of the executive. It also must establish a system to track and account for the executive’s vacation, sick and work time. Both the performance assessment and the mechanism used to account for the executive’s

time should be established in writing. The board also should ensure that the organization can track other expenses and requests for reimbursements.

*Consider establishing an independent audit committee that reports to the board. Among other duties, the committee could periodically audit reimbursements and expenses at the executive level.*

The board should approve the executive's expenses and reimbursements (at least those above a certain dollar threshold). This includes reviewing the back-up documentation for the executive's expenses and reimbursements.

Staff who report to the executive are not in a position to question the executive's performance, expenditures or conduct; the board's independence and oversight in this regard are therefore critical.

Similarly, perform your due diligence before signing the executive's contract – whether it is the executive's first contract or a renewal. Your board should do its own, independent research to ensure that the salary and other benefits offered, including vacation

*Be clear about time expectations. If the executive must devote his full time and attention to the public organization, make that explicit in the contract. If the position is part-time, the contract should clearly set out time and attendance requirements.*

time, sick leave and other fringe benefits, are reasonable and consistent with standard practices. Make sure that they are comparable to those of other executives with like experience and expertise who work in similar public settings. And very importantly, ensure that the compensation is consistent with the public organization's budgetary commitments.

*Information about state salaries is accessible online through CTHRU, available at [www.macomptroller.org](http://www.macomptroller.org).*

Finally, apply the same due diligence if you have to recruit a new executive for the public organization. Conduct an appropriate search that provides you with a talented applicant pool. As part of the selection process, speak

with references and conduct a background check.

Ask:

- What is the organization's budget for the executive's salary?
- How much time is the executive required to devote to the public organization?
- How does the organization document and verify the executive's work, vacation and sick leave hours?
- What is the public organization's expense reimbursement policy? Is it consistent with the public organization's mission and

objectives? Does it clearly define how the executive's expenses are reviewed and approved?

- Do the executive's reimbursement requests match legitimate expenses related to the public organization's public purpose?

## **6. Actively monitor and protect public expenditures.**

Your board may be responsible for approving budgets, capital projects and other expenditures. If that is the case, your public board ensures that a public organization utilizes its finite public resources wisely and complies with the laws that govern the use of those resources. You are the steward of those resources as a public board member.

As a starting point, learn to read a financial statement. You do not need to be an accounting expert, but understanding financial statements is essential to ensuring that your organization is using its public resources appropriately. If accounting is not your area of expertise, consider asking a professional from within the organization to give the board a tutorial on reading financial statements. Be sure to not only look at the figures in the financial statement, but also be sure to review the accounting firm's notes regarding litigation and other matters that may affect the financial soundness of the organization. Also, when financial material is presented at a board meeting, ask questions to clarify any unclear information. Chances are high that if you are uncertain about the information, other board members are, too.

You also should understand the public bidding laws that apply to your organization. In Massachusetts, many public organizations must follow particular laws and procedures before undertaking construction projects; buying supplies, services and real property; or disposing of surplus supplies and property. The Legislature designed these laws to ensure that all qualified vendors have a fair and equal opportunity to compete for public contracts and that taxpayer money is spent wisely. To the extent you can, educate yourself or obtain training on these laws. Additional resources to help you understand these laws are available in Appendix A at the end of this guide.

Ask:

- What laws must the public organization follow related to purchasing or disposing of goods, services and real property?

- What laws must the public organization follow in connection with construction projects?
- What are the public organization’s written procurement policies?
- What audit procedures are in place to ensure that the organization is complying with state law and its internal procedures?

*The Office of the Inspector General provides several resources, including procurement charts and manuals, to help you understand public bidding and construction laws. For more information, please visit the Office’s website, available at [www.mass.gov/ig](http://www.mass.gov/ig).*

At the state level, the Massachusetts Comptroller maintains “CTHRU,” a comprehensive electronic database of state expenditures, including state salaries and payments made to vendors by state agencies. Use this database, available at [www.macomptroller.org](http://www.macomptroller.org), to learn more about your agency’s expenditures or to compare your organization’s expenses to other public organizations.

If you are a member of a local board that serves a local public organization, inquire about whether there is an electronic resource similar to CTHR U, so that you may have more information at your fingertips about the budget, salaries and spending of the organization.

Armed with this information you will be able to make meaningful determinations about financial matters that come before your board.

**7. Consider your ethical responsibilities and follow the Massachusetts conflict-of-interest law.**

As a public board member, you likely are subject to the state’s conflict-of-interest law, which is designed to ensure that all public employees act for the benefit of the public organization, free from personal bias or gain. The law impacts your conduct as a board member, as well as certain activities you undertake separate from your board membership. For instance, the law:

- Restricts you from discussing or voting on matters in which you or an immediate family member, or your private business has a financial interest.
- Restricts you from accepting gifts and gratuities, if given because of some official act or because of official position, even if the gift or gratuity would not influence your actions as a board member.
- Requires you to disclose in writing any appearances of a conflict of interest prior to performing your official duties, and prohibits

favoritism toward a family member or friend or bias against a business associate.

- Restricts you from representing business or other interests before your board.

The law also requires you to:

- Complete training on the conflict-of-interest law. You have to acknowledge receiving a summary of the conflict-of-interest law every year and complete the Ethics Commission's free, online training program within 30 days after your appointment.
- File disclosures in certain instances involving actual and potential conflicts of interest.

*You must acknowledge receipt of the conflict-of-interest summary annually and complete the online training program every two years. If you have not taken the training, contact the Ethics Commission (see Appendix A) or the individual or office that appointed you.*

Keep the conflict-of-interest law especially in mind when your board deliberates or votes on an issue. Your vote matters. It is an official act and your decisions or deliberations must be independent and free from personal bias, personal gain and personal advantage. When you believe there may be a conflict between your official duties and your personal interest, at a minimum you must disclose that conflict. Disclosure forms and instructions are available on the Ethics Commission's website.

*The Ethics Commission provides free advice to all public employees on the conflict-of-interest laws. Its website, available at [www.mass.gov/ethics](http://www.mass.gov/ethics), also contains helpful advisories, guides and rulings.*

You must abstain or recuse yourself from a matter under consideration by your public board if certain financial interests are affected. If a matter before your board creates an appearance of a conflict for you, you must first disclose the nature of the conflict in writing before participating in deliberations and voting on the matter. At a minimum, disclosure creates transparency and helps ensure accountability, impartiality and independence. It enhances the public's confidence in the integrity and fairness of our government and its processes. It helps ensure the delivery of honest services unencumbered by personal interest or gain.

To help your board and your public organization comply with the conflict-of-interest law, ask:

*You may want to consider circulating an annual “outside activities” form as part of an internal control plan related to possible conflicts of interest. It may prompt disclosure before a conflict arises.*

- Have all board members completed the conflict-of-interest law’s educational requirements?
- Does your board or the public organization understand how to complete and submit conflict-of-interest law disclosure forms? If so, where are they retained?
- Does your board have a written policy about abstention or recusal?
- Are you permitted to work on outside activities that may impact your role as a board member? If so, how are outside activity requests approved?
- Does your board require the executive to file disclosure forms or outside activity forms? If so, are the forms reviewed? Is there an approval process required? Are these activities monitored for potential conflicts?

Finally, remember that the conflict-of-interest law applies to your fellow board members, employees of the public organization and, in certain instances, to consultants and contractors. If you learn of a potential conflict of interest – whether by a board member, senior executive or employee – you need to properly address it. Seek advice from your board’s legal counsel or contact the Ethics Commission.

## **8. Operate in compliance with the Massachusetts open meeting law.**

When you were appointed, you should have received a copy of the state’s open meeting law. Similar to the conflict-of-interest law, the open meeting law applies to both your individual conduct and the board’s operations. For example:

- Public boards must give advanced notice of the topics that will be discussed at a meeting.
- Meetings of public boards must be open to the public, although in limited circumstances members *may* hold certain aspects of the meeting in closed session, away from public view.

- Discussing certain matters with other board members outside of a properly noticed meeting – such as by email or telephone – will likely violate the open meeting law.

*Once appointed, all public board members must sign a certification form stating that they have received certain educational materials, that they understand the requirements of the open meeting law and that they understand the consequences for violating it. These educational materials include the text of the law, the Attorney General's regulations, the Attorney General's Open Meeting Law Guide, and copies of all determination letters from the past five years where the Attorney General found that the public body had violated the open meeting law.*

Because the open meeting law promotes openness and transparency in government, it contains specific notice requirements to ensure that the public knows – prior to the meeting – when and where the board will meet, along with what topics the board intends to discuss at the meeting. Except in the case of an emergency, a public board must provide notice of its meeting 48 hours in advance (excluding Saturdays, Sundays and legal holidays). The notice must include the date, time and location of the meeting, as well as a list of all topics that the chair reasonably anticipates will be discussed.<sup>2</sup>

The law seeks to balance the public's interest in witnessing the deliberations of public officials with the government's need to manage its operations efficiently. Consequently, a board may only discuss the topics listed in the meeting notice, unless the topic was not reasonably anticipated when the notice was posted. While public bodies (such as boards) may discuss topics that were not reasonably anticipated by the chair, the Massachusetts Attorney General encourages public bodies to postpone discussion of any topics of significant public concern until notice can be given to the public.

Further, while most board discussions must be public, as noted above, there are certain situations in which the board *may* vote to meet in private. In these instances, your public board may discuss a matter in what is known as an "executive session." An executive session may be held for any of ten permissible reasons, as specified in the open meeting law. Public bodies are required to post notice of anticipated executive sessions, listing the topics to be discussed behind closed doors with as much detail as possible without compromising the lawful purpose for secrecy. Public bodies must begin

*See Appendix B at the end of this guide for a list of the ten permissible reasons for entering executive session.*

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<sup>2</sup> The open meeting law also contains additional requirements concerning meeting notices, including where the notice must be posted.

meetings in open session before entering executive session and must take a vote to enter executive session, again providing as much detail as possible about what will be discussed.

The open meeting law prohibits communication between or among a quorum of a public board outside of a noticed meeting on any business within that board's jurisdiction.<sup>3</sup> Therefore, a series of telephone calls or emails between a quorum of board members – often referred to as “serial deliberations” – could violate the open meeting law. This is because the public is entitled to notice and an opportunity to witness deliberations concerning board business.

Ask:

- Does your public organization post meeting notices in advance?
- Do members discuss only what is on the agenda at the meeting?
- Does your board vote to enter “executive session” properly and only for the reasons set forth in the open meeting law?
- Does your board have practices in place to ensure that members do not have serial deliberations that violate the open meeting law?

The open meeting law addresses many topics, such as remote participation and meeting minutes, that are not discussed here. The Massachusetts Attorney General's Office (AGO) is responsible for interpreting and enforcing the open meeting law. It produces a comprehensive guide to the open meeting law, as well as helpful educational material and rulings. The AGO also provides in-person and online trainings about the open meeting law. Visit the AGO's website, available at [www.mass.gov/the-open-meeting-law](http://www.mass.gov/the-open-meeting-law), or contact the AGO's Division of Open Government at (617) 963-2540, to learn more about the open meeting law.

## **9. Ensure that you operate in compliance with the Massachusetts public records law.**

The public records law is another way residents may examine whether their government is functioning in accordance with its public policy objectives and in compliance with the law. Indeed, the public records law supports transparency of the decision-making process and promotes the accountability of public employees, public boards and government officials to the taxpayers.

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<sup>3</sup> For the purposes of the open meeting law, a quorum is a simple majority of the members of the public board. For example, in the case of a five-member board, the quorum would be three.

Consequently, the law requires that you retain certain records for a period of time, and that you turn over certain records if a member of the public requests them – when they contain content related to your official capacity. *This is true even if the records are on your personal computer, personal cellphone or personal email account.*

All public boards receive and generate public records in the regular course of business. You also generate public records when you operate in your official capacity as a public board member. If you communicate with another individual in your official capacity or exchange information about matters under your board’s purview, for instance, you may create a public record even if you use your personal email, voicemail or video recording to transmit that information. A common misperception exists that communications on personal email accounts or via text messages are not subject to the public records law; this is incorrect as all board-related communications are subject to public disclosure.

In addition, the law defines the term “record” very broadly and it includes more than written meeting minutes or agendas. For example, records can include emails, photographs, voicemails, video tapes, attendance lists and public meeting sign-in sheets. These records are subject to public records requests, and you may be required to keep these documents for a certain period of time. Check with your public organization and the Secretary of the Commonwealth to determine the full scope of your record retention obligations.

Ask:

- Does your board have a written policy or a practice related to managing public records requests?
- Do public board members respond to inquiries about board matters made by the public in a manner that is consistent with this policy?
- Does your board have an appointed Records Access Officer?
- Does your board have a practice related to the use of personal devices or emails?
- Does your board have a written records retention policy?

*The Secretary of the Commonwealth’s Office provides record retention schedules for state, county and local governmental entities.*

For more information on the state’s public records law, please contact the Public Records Division at the Secretary of the Commonwealth’s Office at (617) 727-2832. The Secretary of the Commonwealth’s Office also has developed a free, comprehensive guide to the public records law. The guide, titled *A Guide to the Massachusetts Public Records Law*, is available on the Secretary of the Commonwealth’s website at [www.sec.state.ma.us](http://www.sec.state.ma.us). See Appendix A.

## **10. Detect and report suspected fraud, wrongdoing or other misuse of public resources: If you see something, say something.**

Any misuse of public funds and resources affects a public organization's financial well-being, reputation and ability to accomplish its mission. As a public board member, you have an important role in preventing and detecting fraud. You and your fellow members are custodians of the public trust. You have the responsibility to protect public resources, including money, assets, real property, employee time, digital records and other types of data. Massachusetts residents have entrusted these public resources to your care.

Although most employees are honest and hardworking, fraud and other misconduct still occur, so you must diligently apply preventative measures – often referred to as internal controls – to help safeguard public assets and taxpayers' interests. As a result, all organizations need internal controls. Every internal control must be based on the specific organization. Some common elements of an internal control plan to protect public resource include the following:

- The segregation of duties performed by employees to ensure no one individual can commit and cover up their own wrongdoing.
- Approval processes for expenditures, with increased oversight for larger expenditures.
- Methods to track and monitor employee time and attendance, including the use of leave time.
- Controls to track the public organization's acquisition and disposition of public assets, such as vehicles, equipment, supplies and petty cash.
- Fraud-reporting mechanisms, including a telephone or email hotline or an independent complaint review process.
- An anti-fraud policy, as well as employee training on the policy and annual reminders to follow the policy.
- A code of conduct with standards related to conflict of interest and other professional standards that align with the public organization's mission.
- Tone at the top: communication from the organization's administration about its commitment to the highest ethical and professional standards.
- Careful vetting of employees – both before and after hiring – to ensure that their background and professional certifications meet the entity's standards and support the entity's mission.

Further, you should determine whether the board has an internal audit committee to check and verify expenses. If not, advocate for the creation of one. The board needs to set the “tone at the top,” and communicate that the public organization has zero tolerance for fraud and other inappropriate activity. An ethical work environment with internal controls is essential to the proper use of public resources.

Ask:

- What fraud risks exist in the public organization your board oversees?
- What types of internal controls are in place to properly monitor the use of public resources?
- Does the public organization or your board perform compliance reviews or audits?
- Does your public organization have an anti-fraud program that includes training, policies, new-hire background checks and a fraud hotline or other fraud-reporting mechanisms?

*Report suspected fraud, waste or other misuse of public funds on our [online form](#), by telephone at (800) 322-1323, or email at [IGO-FightFraud@mass.gov](mailto:IGO-FightFraud@mass.gov).  
**All reports are confidential.***

## ***Conclusion***

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This Office would like to thank the Office of the Attorney General, the Secretary of the Commonwealth and the State Ethics Commission for their assistance in creating this guide. We hope you find it helpful and will call any one of the agencies on the following page for assistance with fulfilling your important role as a public board or commission member.

Thank you for your service and may you find meaning and fulfillment as you serve the public as a Board Member or Commissioner. The Commonwealth is fortunate to have you serve. Please accept the appreciation for your service from the Office of the Inspector General.

## ***Appendix A: Sources of Advice and Assistance***

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### **Office of the Attorney General**

The Office of the Attorney General interprets and enforces the open meeting law. The Attorney General's Division of Open Government provides six helpful videos about Open Meeting Law on its website at [www.mass.gov/service-details/open-meeting-law-training-videos](http://www.mass.gov/service-details/open-meeting-law-training-videos).

Office of the Attorney General  
Division of Open Government  
One Ashburton Place  
Boston, MA 02108  
Telephone: 617-963-2540  
Email: [openmeeting@mass.gov](mailto:openmeeting@mass.gov)  
Website: [www.mass.gov/ago](http://www.mass.gov/ago)

### **Office of the Comptroller**

The Office of the Comptroller is responsible for developing internal control guidelines for Commonwealth departments, including state agencies and quasi-state agencies.

Office of the Comptroller  
One Ashburton Place, 9th Floor  
Boston, MA 02108  
Telephone: 617-727-9140  
Email: [comptroller.info@mass.gov](mailto:comptroller.info@mass.gov)  
Website: [www.mass.gov/comptroller](http://www.mass.gov/comptroller)

### **Office of the Inspector General**

The Office of the Inspector General is an independent agency that prevents and detects the misuse of public funds and public property, conducts confidential investigations, improves transparency in government, helps government run more effectively and educates government employees and the public.

Office of the Inspector General  
One Ashburton Place, Room 1311  
Boston, MA 02108  
Telephone: 617-727-9140  
Email: [IGO-FightFraud@mass.gov](mailto:IGO-FightFraud@mass.gov)  
Website: [www.mass.gov/ig](http://www.mass.gov/ig)

### **Secretary of the Commonwealth**

The Secretary of the Commonwealth administers the public records law.

Secretary of the Commonwealth  
Public Records Division  
One Ashburton Place, Room 1719  
Boston, MA 02108  
Telephone: 617-727-2832  
Email: [pre@sec.state.ma.us](mailto:pre@sec.state.ma.us)  
Website: [www.sec.state.ma.us](http://www.sec.state.ma.us)

**State Ethics Commission**

The State Ethics Commission administers and enforces financial disclosure and conflict-of-interest law. It also renders written advisory opinions upon request.

State Ethics Commission  
One Ashburton Place, Room 619  
Boston, MA 02108  
Telephone: 617-371-9500  
Website: [www.mass.gov/ethics](http://www.mass.gov/ethics)

## ***Appendix B: Reasons for Entering Executive Session***

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While all meetings of public bodies must be open to the public, certain topics may be discussed in executive, or closed, session. The open meeting law, G.L. c. 30A, § 21, sets out ten permissible reasons for entering executive session:

1. To discuss the reputation, character, physical condition or mental health, rather than professional competence, of an individual, or to discuss the discipline or dismissal of, or complaints or charges brought against, a public officer, employee, staff member or individual;
2. To conduct strategy sessions in preparation for negotiations with nonunion personnel or to conduct collective bargaining sessions or contract negotiations with nonunion personnel;
3. To discuss strategy with respect to collective bargaining or litigation if an open meeting may have a detrimental effect on the bargaining or litigating position of the public body and the chair so declares;
4. To discuss the deployment of security personnel or devices, or strategies with respect thereto;
5. To investigate charges of criminal misconduct or to consider the filing of criminal complaints;
6. To consider the purchase, exchange, lease or value of real property if the chair declares that an open meeting may have a detrimental effect on the negotiating position of the public body;
7. To comply with, or act under the authority of, any general or special law or federal grant-in-aid requirements;
8. To consider or interview applicants for employment or appointment by a preliminary screening committee if the chair declares that an open meeting will have a detrimental effect in obtaining qualified applicants; provided, however, that this clause shall not apply to any meeting, including meetings of a preliminary screening committee, to consider and interview applicants who have passed a prior preliminary screening;
9. To meet or confer with a mediator, as defined in section 23C of chapter 233, with respect to any litigation or decision on any public business within its jurisdiction involving another party, group or entity, provided that:

- (i) any decision to participate in mediation shall be made in an open session and the parties, issues involved and purpose of the mediation shall be disclosed; and
  - (ii) no action shall be taken by any public body with respect to those issues which are the subject of the mediation without deliberation and approval for such action at an open session.
10. To discuss trade secrets or confidential, competitively-sensitive or other proprietary information provided:
- in the course of activities conducted by a governmental body as an energy supplier under a license granted by the department of public utilities pursuant to G.L. c. 164, § 1F.



## OFFICE OF THE INSPECTOR GENERAL COMMONWEALTH OF MASSACHUSETTS

# RED FLAGS FOR FRAUD

### WHAT IS FRAUD?

Fraud is a knowing misrepresentation of the truth or a deliberate concealment of important information that causes another to act and results in harm, such as a monetary loss.

### WHAT ARE "RED FLAGS" AND WHY ARE THEY IMPORTANT?

A red flag is a sign that something is out of the ordinary and that a closer look may be needed. When a red flag arises, an organization should confirm that its preventive systems are working properly and consider whether increased oversight of a particular person or vendor may be needed.

**Note, however, that red flags alone are not evidence of fraud.**

### WHAT IS THE OFFICE OF THE INSPECTOR GENERAL?

The Massachusetts Office of the Inspector General (OIG) is an independent agency that prevents and detects fraud, waste and abuse of public funds and property.

To help the public and public employees identify and prevent fraud in their jurisdictions, the OIG has created this flier and has a number of guides and resources available at [www.mass.gov/ig](http://www.mass.gov/ig).

**Do you suspect fraud may be occurring in your organization?  
Call the OIG's Fraud Hotline at (800) 322-1323  
or email [IGO-FightFraud@mass.gov](mailto:IGO-FightFraud@mass.gov)  
[www.mass.gov/ig](http://www.mass.gov/ig)**

### EMPLOYEE BEHAVIORAL RED FLAGS

- Willingness to cut corners or be deceptive in business dealings.
- Reluctance to share information or control over vulnerable areas.
- Annoyance or defensiveness when questioned about files, decisions or business practices.
- Sudden changes in personal spending.
- Financial pressures, including significant personal debt and credit issues.
- Drug, alcohol or gambling problems.

### MANAGEMENT RED FLAGS

- One individual or small group that dominates decisions.
- Ability of one person to make major decisions without knowledge or approval of second person or group.
- Use of an excessive number of bank accounts.
- Missing documents (especially original versions).
- Inventory discrepancies.
- Irregular or questionable transactions.
- Expenses over budget.

### VENDOR RED FLAGS

- Lack of physical address or providing a wrong or fake address.
- Online complaints, including with the Better Business Bureau and other review sites.
- Use of blocked phone number.
- Unprofessional employees.
- Irregular charges on invoices, or bills that you can't understand.
- Absence in common business directories.
- Giving of gifts to key decision makers.
- "High pressure" or aggressive sales tactics.







MASSACHUSETTS OFFICE OF

THE INSPECTOR GENERAL



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