

# Table of Contents

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VM-01 Vendor Selection and Authorization FFY15
VM-02 Vendor Training FFY15
VM-03 High Risk Vendor Identification FFY15
VM-04 Routine Monitoring FFY15
VM-05 Compliance Investigations FFY15
VM-06 Vendor Sanction System FFY15
VM-07 Admin Review of State Agency FFY15
VM-08 Coordination with SNAP FFY15
VM-09 Staffing Training on Vendor Management FFY15
VM-10 Confidentiality of Vendor Information FF15
VM-11 Vendor Price List Policy FFY15
VM-12 Vendor Operations FFY15
VM-13 Conflict of Interest FFY15
Appx VM-01-A Minimum Inventory Requirements
Appx VM-01-B Infant Formula Authorized List
Appx VM-01-C Vendor Agreement FFY15
Appx VM-01-D Vendor Application FY2015
Appx VM-02-A_WIC Vendor Training Log
Appx VM-05-A_Compliance Buys Reporting Form
Appx VM-05-B Compliance Buys ChkLog-Distribution
Appx VM-05-C WIC Compliance Determination Form
Appx VM-07-A Administrative Hearing Request Form
Appx VM-12-A WIC Check Appeal Request Form

# Maine Center for Disease Control and Prevention

## WIC Nutrition Program

Effective: October 1, 2012

Policy No. VM-1

Revised: August 1, 2014

### Vendor Selection and Authorization

#### Authority

7 CFR §246.4(a)(14)(i), (ii) and (iii), §246.12(a)(1), §246.12(g)(2), (3) and (4), §246.12(h), and §246.12(l)(3)

22 MRSA §255; and

10-144 CMR Chapter 286 §IV(A), (B), (C) and (D)

#### Policy

1. The Maine CDC WIC Nutrition Program uses a retail purchase system for distribution of supplemental foods. The Program does not allow home delivery and direct delivery distribution of supplemental foods. Delivery is only allowed after purchase transaction in store.
2. The State Agency contracts with a limited number of retail vendors in the operation of its retail purchase system to:
  - 2.1. Ensure the lowest practicable food prices consistent with adequate participant access; and
  - 2.2. Ensure effective management, oversight and review of authorized vendors.
3. Only vendors selected and authorized by the State Agency may participate in the WIC Program.
4. The State Agency does not authorize vendors that derive more than 50 percent of their annual sales revenue from WIC food instruments/cash-value vouchers.
5. The State Agency considers vendor applications on a quarterly basis – beginning on January 1, April 1, July 1, and September 1 – unless more frequent consideration is necessary to ensure adequate participant access. For each quarter, only those applications received prior to the beginning of the quarter will be processed during that quarter. If more frequent consideration is necessary due to inadequate participant access, the State Agency will post a notice on its website informing retailers of the need for additional authorized vendors in particular areas of the state.
6. The vendor selection criteria includes:
  - 6.1. A minimum variety and quantity of supplemental foods as identified in the current Minimum Inventory Requirements in Appendix VM-1-A.

- 6.2. Competitive prices, based on comparison of vendor applicant price lists and a State Agency standard drawn from a price survey of vendors that are authorized in the Peer Group that the applicant would be assigned to.
  - 6.2.1. Pharmacies that provide only exempt infant formula or WIC-eligible medical foods to participants are exempt from the State Agency competitive price criterion for vendor authorization.
7. A vendor will not be authorized if there are already 5 or more existing authorized vendors within a 7 mile radius from each other that are accepting food instruments from 40 or more participants. This does not apply to currently authorized chain stores. A chain store is defined as an ownership of more than 3 locations using the same name.
8. Business integrity criteria that includes:
  - 8.1. Possession of a valid Food Establishment License from the Maine Department of Agriculture, Food and Rural Resources (or its equivalent from another state) or registration as a pharmacy through the Maine Board of Pharmacy (or its equivalent from another state).
  - 8.2. A location that ensures adequate participant access.
  - 8.3. Infant formula must be obtained either from sources included in the State Agency's list of state-licensed infant formula wholesalers, distributors, and retailers as listed in Appendix VM-1-B; or manufacturers registered with the U.S. Food and Drug Administration.
  - 8.4. Proof of authorization as a Supplemental Nutrition Assistance Program (SNAP) retailer, including SNAP authorization number.
  - 8.5. A vendor applicant shall be an established business, open to the public for at least one year in the current location. This condition may be waived by the State Agency for a current vendor in good standing that is adding an additional location or to the new owner of a currently authorized store.
  - 8.6. Authorization to receive an ACH credit (direct deposit). The vendor shall provide the State Agency with a valid bank name and routing and account numbers.
  - 8.7. At least 1000 square feet of space devoted to the sale of grocery items unless denial for this reason would result in inadequate participant access.
  - 8.8. For a pharmacy vendor, a determination by the State Agency that a need exists in the geographical area where the pharmacy applicant is located.
  - 8.9. Satisfactory compliance with the previous Vendor Agreement, if previously authorized.
  - 8.10. Redemption of a minimum number/volume of food instruments/cash-value vouchers (no less than an average of 15 WIC checks/vouchers or an average of \$200.00 in value of WIC checks/vouchers redeemed per month averaged over the previous 12 months).
  - 8.11. A vendor shall not be authorized, if:

- 8.11.1. The vendor has sold the store to circumvent a WIC sanction.
  - 8.11.2 The vendor's owners, officers, or managers have a history of criminal convictions or civil judgments for activities listed in 7 CFR 246.12(g)(3)(iii) during the last six (6) years.
  - 8.11.3 The vendor's owners, officers, or managers have a history of other business-related criminal convictions or civil judgments.
  - 8.11.4 The vendor has previous WIC sanctions.
  - 8.11.5 The vendor is currently SNAP disqualified or has a civil money penalty for hardship, unless denying authorization would result in inadequate participant access.
9. The State Agency shall routinely verify the FNS field office information provided by vendor applicants regarding the status of their SNAP retailer authorization.
  10. Vendors are assigned to peer groups for selection/authorization and for reimbursement purposes. Peer groups are used to set the competitive price range for WIC foods, to assess whether a vendor applicant's prices are competitive, and to establish maximum reimbursement levels for WIC FIs (food instruments).
  11. The State Agency shall classify authorized vendors into groups based on, but not limited to, the following common characteristics that affect food prices:
    - 11.1. Number of cash registers
    - 11.2. Square footage of store
    - 11.3. Type of store
    - 11.4. Unique economic location
  12. Peer groups are as follows:
    - 12.1. **Group 1**– Large and medium chains (Peer A)
    - 12.2. **Group 2** – Small grocery/convenience stores (Peer C)
    - 12.3. **Group 3** – Rural stores/special circumstances stores- Island Locations (Peer D)
    - 12.4. **Group 4** – Commissaries/Pharmacies (Peer E)
    - 12.5. **Group 5** – Farmers Accepting FMNP Coupons and WIC Cash Value Vouchers (Peer H)
  13. Peer groups shall be individually determined by the State Agency when a store's square footage and number of cash registers cannot be used alone to determine peer group placement.
  14. The State Agency may reassess an authorized vendor's peer group designation at any time during the vendor's agreement period. The vendor may be placed in a different peer group if, upon reassessment, the State Agency determines that the vendor is no longer in the appropriate peer group. Peer groups shall be adjusted as needed to ensure cost containment.

15. The State Agency shall assess the effectiveness of its peer group system on an ongoing basis using redemption data from the peer groups to compare food package costs.
16. All vendors shall have a written agreement with the State Agency. The Agreement is a standard agreement that is used statewide (see Appendix VM-1-C).
  - 16.1. Agreements between the State Agency and authorized vendors will be valid for a maximum of three (3) years. Occasionally, an Agreement period may be for a shorter timeframe in order to ensure administrative efficiency.
  - 16.2. The Vendor Agreement is non-transferable. Any transfer of ownership or sale of the business by the vendor shall render the Agreement and the vendor stamp null and void. The Agreement also shall be null and void if the vendor ceases operations or leases the business.
17. To remain authorized the vendor shall comply with all of the requirements of the Maine CDC WIC Nutrition Program, including, but not limited to:
  - 17.1. Attending mandatory training
  - 17.2. Maintaining minimum stock of all WIC foods
  - 17.3. Meeting minimum redemption requirements
  - 17.4. Providing price surveys upon request
  - 17.5. Maintaining competitive pricing
  - 17.6. Satisfy all claims for overcharges within the time requested
18. The State Agency may reassess authorization of any authorized vendor at any time and as often as it deems necessary during the vendor's contract period, using the vendor selection criteria in effect at the time of the reassessment. The State Agency shall terminate the agreements with those vendors that fail to meet the criteria.
19. Neither the vendor nor the State Agency has an obligation to renew the Vendor Agreement.
20. Both parties to the Vendor Agreement shall represent that there is no conflict of interest between the Maine CDC WIC Nutrition Program, the local WIC agencies and the Vendor.
21. The Agreement between the Vendor and the State Agency may be terminated as follows:
  - 21.1. The Agreement may be terminated for cause by the State Agency with fifteen (15) days' advance written notice. More information on termination for cause is provided in VM-6 of these policies.
  - 21.2. The State Agency shall terminate the Vendor Agreement if the vendor is disqualified for any reason.
22. The Agreement is subject to change in accordance with any changes in federal and state requirements governing the Maine WIC Nutrition Program.

## Procedures

1. Each retail store applying for WIC authorization shall submit all the required application forms to the Maine CDC WIC Nutrition Program office (see Appendix VM-1-D). The application forms shall be completed in full, signed by an appropriate vendor representative, and submitted to the State Agency for consideration by the beginning of the quarter upcoming quarter
2. If an incomplete or unsigned application is submitted, the State Agency will return the application to the vendor. This may delay authorization. Once notified of an incomplete application, the applicant shall submit the missing information to the State Agency within thirty (30) days from the date of the letter. Applicants who fail to return the missing information by the 30 day deadline will be required to complete a new application and resubmit it to the State Agency.
4. Vendor corporate offices shall complete applications for all vendor outlets of their chain. Individual stores in a chain are not required to submit an application. Each individual store is required to receive an approved form of training prior to authorization and to meet all authorization criteria and requirements such as minimum stocking requirements.
5. If all required information is provided and the applicant meets the selection criteria the State Agency shall conduct an on-site preauthorization visit to verify information received during the application process prior to authorization. If the application is approved, the State Agency will notify the vendor by the end of the quarter in which the application has been considered and processed, unless an earlier notification is necessary in order to ensure adequate participant access.
6. Once an application has been approved, a representative of the store (store owners, managers, and/or store staff) is required to successfully complete vendor training. Initial training shall be in a face-to-face format. This training may be held during the on-site visit or at another time and location to be decided by the State Agency.
7. Once training has been completed, the vendor applicant and the State Agency will sign a Vendor Agreement. At this time the vendor may begin to transact WIC FIs.
8. Upon initial authorization, one self-inking vendor stamp will be provided to the vendor. Vendor stamps will be mailed via certified mail.
  - 8.1 Vendors may not duplicate vendor stamps. Upon request from a vendor, the State Agency may issue a duplicate stamp to a vendor.

- 8.2 If a vendor stamp is lost by or stolen from a vendor, the vendor shall notify the State Agency immediately. The State Agency shall order a replacement stamp. The State Agency may charge a fee to the vendor. The stamp shall be mailed via certified mail to the vendor.
  - 8.3 If a stamp is worn out or broken, the vendor may obtain a replacement free of charge by contacting the State Agency. The stamp shall be mailed via certified mail to the vendor.
  - 8.4 A vendor may use mechanical/electronic means other than the vendor stamp issued by the State Agency to print its vendor number on FIs for redemption, with State Agency approval.
  - 8.5 The vendor stamp is invalid upon Agreement termination, disqualification or voluntary withdrawal from the Program.
9. Vendors will receive an application for renewal of authorization at least thirty (30) days before the agreement expires. This shall include notification that failure to return the renewal application prior to the date of expiration of the current Agreement will result in loss of authorization.
  - 9.1 The application shall be completed timely and in full or authorization will not be considered. Failure to complete and/or submit the application will result in loss of the authorization. The vendor shall receive notification that the store has not been reauthorized and shall be given an opportunity to complete the process.
  - 9.2 Vendors who receive an unsigned State Agency-Vendor Agreement in the mail shall sign and return it within two (2) weeks from the date it was mailed by the State Agency.
  - 9.3 Vendors who fail to return the signed Agreement by the prescribed deadline will be terminated from the Program until the contract is signed and returned to the State Agency. Signed contracts received after the contract period ends will not be accepted. The vendor will be required to apply as a new vendor.
10. Periodically, the State Agency will review the twelve (12) most recent months of redemption data for vendors. A vendor that does not, on average over the 12-month period, meet the minimum redemption requirements shall be provided with a written notice that informs the vendor that it will no longer be able to accept FIs. The letter will also inform the vendor of its right to a formal hearing and its right to reapply.
11. The State Agency will maintain a file on each authorized vendor that includes at a minimum the following:
  - 11.1 Vendor data sheet/price survey forms
  - 11.2 Vendor Agreement
  - 11.3 Completed on-site monitoring forms

- 11.4 All written correspondence relating to the vendor
  - 11.5 Any participant complaints
  - 11.6 Record of training activities
  - 11.7 Log of vendor contracts
12. All vendor files will be maintained as inactive files for a three-year period from the date the vendor's most recent contract is terminated or expired.

# Maine Center for Disease Control and Prevention

## WIC Nutrition Program

Effective: October 1, 2011

Policy No. VM-2

Revised: August 1, 2014

### Vendor Training

#### Authority

7 CFR §246.4(a)(14)(xi), and §246.12(i);  
22 MRSA §255; and  
10-144 CMR Chapter 286 § IV.E

#### Policy

1. The State Agency shall provide vendor training designed to assure the most effective, efficient and courteous delivery of service to WIC participants. To accomplish this goal, annual vendor training for all appropriate vendor personnel shall cover the following:
  - 1.1. Purpose of the WIC Program Supplemental foods authorized by the State Agency
  - 1.2. Minimum varieties and quantities of supplemental foods that must be stocked
  - 1.3. The requirement to obtain infant formula only from sources included in the State Agency's list of state licensed infant formula wholesalers, distributors, and retailers, and manufacturers registered with the U.S. Food and Drug Administration Procedures for transacting and redeeming FIs (food instruments)
  - 1.4. Vendor sanction system
  - 1.5. Vendor complaint process
  - 1.6. Claims procedures
  - 1.7. Procedures for obtaining prior State Agency approval to provide incentive items to WIC participants
  - 1.8. Changes in program requirements since the last training
  - 1.9. Terms of the Vendor Agreement
  - 1.10. Recordkeeping requirements
  - 1.11. Vendor requests for technical assistance
  - 1.12. Reauthorization
  - 1.13. Reporting changes of ownership, location, or cessation of operations
  - 1.14. Procedures for appeal/administrative review
  - 1.15. Training employees

#### 1.16. WIC/SNAP sanction reciprocity and information sharing

2. Each authorized WIC vendor is required to participate in, or to designate a representative such as the store manager and /or other authorized employee(s) of the store to participate in all required training programs or sessions at which WIC procedures and requirements are taught. This includes, but is not limited to, WIC interactive vendor training sessions scheduled every three (3) years by the Maine CDC WIC Nutrition Program. If the vendor fails to attend a mandatory interactive WIC vendor training session, the Vendor Agreement shall be terminated and the vendor will be required to reapply for authorization after a waiting period of twelve (12) months.
3. The vendor shall accept training on WIC policies and procedures whenever deemed necessary by the State Agency.
4. The State Agency will provide training at the request of the vendor. Vendors are responsible for training all staff who transact food sales and WIC FI redemptions regarding correct WIC procedures and program requirements. Following any form of training, including but not limited to interactive training, receipt of newsletters or other forms of notification, and receipt of revised food lists, the vendor representative who receives the training/ training materials must train all other personnel who transact food sales and WIC redemptions within 30 days. Vendors must document the training of these employees.
5. Vendors will be held liable for the actions of all owners, officers, managers, agents, employees and personnel, paid or unpaid, who may be involved in WIC transactions at the Vendor's store or pharmacy.

## **Procedures**

1. Vendors shall receive training through one or more of the following:
  - 1.1. On-site (in-store) meetings/conferences
  - 1.2. Off-site meetings/conferences
  - 1.3. During routine monitoring visits (e.g., educational buys)
  - 1.4. Telephone calls, conference calls, and interactive webinars
  - 1.5. Specialized technical assistance upon request
  - 1.6. Written materials, including but not limited to, newsletters and letters
  - 1.7. The State Agency website
2. The State Agency shall provide mandatory face-to-face (interactive) training at authorization and at least once every three (3) years to at least one representative of each vendor. Training sessions may be held at various locations statewide for all vendors, with one alternate training date offered for each location. Sign-in sheets will be used to verify attendance.
3. In the case of a vendor who's Vendor Agreement has been terminated for failure to attend a mandatory training, a new application for authorization may be submitted at the end of the termination period. The new application will be subject to the State Agency's vendor selection criteria in effect at that time.

4. The State Agency shall maintain all Vendor Management Policy and Procedures online at the ME CDC WIC Nutrition Program website [www.WICforME.com](http://www.WICforME.com).
5. The State Agency will annually provide written copies of the WIC Minimum Stocking Requirements for WIC Approved Foods and the WIC List of Infant Formula Wholesalers, Distributors, and Retailers Licensed in the State, and Infant Formula Manufacturers Registered with the FDA.
6. The State Agency shall provide annual training, and document the contents of its training through media contacts such as, but not limited to, the following:
  - 6.1 Quarterly newsletters and other mailings
  - 6.2 Fax and/or email messages
  - 6.3 Online videos
  - 6.4 The on-line Vendor Management Policies and Training Manual available at the ME CDC WIC Nutrition Program website [www.WICforME.com](http://www.WICforME.com)
7. Vendor education and training visits may be utilized to ensure vendor compliance with Program rules and regulations. Training may be conducted at the vendor's location or by any other method deemed appropriate by the State Agency.
8. Vendors or vendor representatives will be required to sign an acknowledgment of training when they have received monitoring visits.
9. Vendors must keep a training log on-site to document the training of all personnel responsible for food transactions in WIC Policies and Procedures. Appendix VM-2-A contains the form for documentation. It must be available to WIC Program Staff upon request.
10. The following methods will be used to evaluate the effectiveness of vendor training:
  - 10.1 Evaluation forms provided with training materials
  - 10.2 Educational buys
  - 10.3 Informal feedback from vendors and/or participants
  - 10.4 Vendor advisory councils

# Maine Center for Disease Control and Prevention

## WIC Nutrition Program

Effective: October 1, 2011

Policy No. VM-3

Revised: August 11, 2014

### High-Risk Vendor Identification Systems

#### Authority

7 CFR §246.12(j)(3)

#### Policy

1. A high-risk vendor is identified by the State Agency as a vendor having a high probability of committing a vendor violation. The State Agency utilizes, but is not limited to, the following criteria to make its determination:
  - 1.1 Statistical analyses, including low variance and high-mean value
  - 1.2 Participant/staff complaints and/or observations
  - 1.3 Review of vendor redemption reports and queries
  - 1.4 Vendor history of program violations/non-compliance
  - 1.5 Suspicious pattern of redemptions
  - 1.6 Previous WIC or Supplemental Nutrition Assistance Program (SNAP) suspension
  - 1.7 SNAP determination of high-risk

#### Procedures

1. The State Agency maintains a formal system for receiving complaints about vendors through the following:
  - 1.1 A toll-free number handled by State Agency staff
  - 1.2 A standard complaint form that the complainant sends to the State Agency
  - 1.3 E-mail
2. The State Agency uses the following in its high risk vendor analysis:
  - 2.1 A full monthly food package for a woman, child or infant
  - 2.2 A standard food instrument type with multiple food items (e.g. milk, cheese and cereal)
  - 2.3 A three-month aggregate of the vendor's redemptions

3. Vendor redemption patterns are compared to applicable peer group patterns.
4. The State Agency will identify high-risk vendors and generate high-risk vendor reports at least once per year.

# Maine Center for Disease Control and Prevention

## WIC Nutrition Program

Effective: October 1, 2011

Policy No. VM-4

Revised: August 1, 2014

### Routine Monitoring

#### Authority

7 CFR 246.4(a)(14)(iv) and 246.12(j);

22 MRSA §255; and

10-144 CMR Chapter 286 §IV.F

#### Policy

1. Routine monitoring visits will be conducted by State Agency staff.
2. Routine monitoring visits will be conducted annually and as needed.
3. During each fiscal year, at least five (5) percent of all authorized vendors (excluding high-risk vendors) will be monitored.
4. The State Agency will use a combination of periodic, scheduled reviews and complaints to determine whether a vendor is selected for routine monitoring.

#### Procedures

1. During a routine monitoring visit State Agency staff will:
  - 1.1 Check the vendor's inventory and/or inventory records to determine if the vendor meets the State Agency's minimum requirements for the variety and quantity of supplemental foods.
  - 1.2 Determine whether the vendor accepts forms of payment other than WIC FIs (food instruments including cash value vouchers, WIC checks, and eWIC), such as cash, personal checks, and credit cards, to provide information on whether the vendor is an above-50%-vendor (refer to policy VM-1 Vendor Selection and Authorization).
  - 1.3 Check vendor's receipts for purchase of infant formula to ensure that the infant formula is obtained only from the State agency's list of infant formula manufacturers registered with the Food and Drug Administration, and infant formula wholesalers, distributors, and retailers licensed under State law.
  - 1.4 Receive the vendor's shelf prices and/or validate the vendor's price list.
  - 1.5 Review FIs in the vendor's possession for vendor violations.
  - 1.6 If possible, observe FI transactions.

- 1.7 Perform an educational buy.
- 1.8 Interview the manager and/or employees.
- 1.9 Review employee training procedures.

# Maine Center for Disease Control and Prevention

## WIC Nutrition Program

Effective: October 1, 2011

Policy No. VM-5

Revised: August 1, 2014

### Compliance Investigations

#### Authority

7 CFR §246.4(a)(14)(iv) and §246.12(j)(4);

22 MRSA §255; and

10-144 CMR Chapter 286, § IV.F

#### Policy

1. The State Agency shall conduct compliance investigations on a minimum of five percent (5%) of the number of vendors authorized as of October 1st of each year. Investigations may take the form of compliance buys or inventory audits.
2. The State Agency shall give priority to high-risk vendors in conducting compliance investigations (refer to VM-03, High Risk Vendor Identification Systems). If fewer than five percent (5%) of authorized vendors are high-risk, the State Agency will randomly select additional authorized vendors, up to the five percent (5%) requirement, on which to conduct compliance investigations.
3. The State Agency shall use the following criteria to determine which vendors are selected for a compliance investigation:
  - 3.1. Vendor identification using the high-risk vendor identification criteria
  - 3.2. Geographical considerations
  - 3.3. Participant complaints
4. The State Agency shall use the following factors to determine which vendors selected for compliance investigations will receive inventory audits rather than, or in addition to, compliance buys:
  - 4.1. Vendors at highest risk based on State Agency's high-risk identification criteria
  - 4.2. Suspicion that vendor is exchanging cash, credit, services, non-food items such as firearms, explosives, ammunition, controlled substances (trafficking), alcohol, or tobacco products, or unauthorized food items, including foods in excess of those listed on the participant's FI (food instrument)
  - 4.3. Inconclusive compliance buy results
  - 4.4. When compliance buys are not an effective means of evaluation
  - 4.5. Complaints

5. The State Agency shall conduct the following types of compliance buys:
  - 5.1. Short buys
  - 5.2. Major substitution buys
  - 5.3. Minor substitution buys
  - 5.4. Over buys- attempting to purchase more WIC food than allowed by the FI
  - 5.5. Trafficking buys –these are used rarely as they are more complex and generally require the involvement of law enforcement
6. The State Agency shall conduct the following types of inventory audits:
  - 6.1. On-site inventory audits
  - 6.2. State Agency inventory desk audits (vendor sends records to agency)

## **Procedures**

1. Compliance buys and inventory audits are conducted by WIC State Agency staff, state investigators, and investigators retained on a contract basis.
2. Special investigative FIs are used for compliance buys. These FIs are entered into the WIC system at the State Agency.
3. The State Agency shall conduct a standard number of compliance buys per compliance investigation based on the level of evidence necessary to impose vendor sanctions or document vendor compliance with policies.
4. The investigator will complete a Compliance Buy Reporting Form (see Appendix VM-5-A) summarizing the compliance-buy actions immediately upon exiting the store unless doing so would compromise his/her cover. In such a case the report will be completed as soon as possible. The investigator also will complete a Compliance Buy Check Log and Food Distribution form documenting distribution of the food purchased for the investigation (see Appendix VM-5-B).
5. Once in receipt of the Vendor Compliance Investigation Report, the State Agency will complete a Vendor Compliance Determination Form (see Appendix VM-5-C) documenting the next steps for the compliance investigation. The State Agency shall provide written notice to a vendor determined to have engaged in conduct which constitutes the initial act of a pattern of conduct subject to sanctions at least 15 days prior to the next compliance buy or activity, unless such notification would compromise the integrity of a pending State Agency investigation. If notifying the vendor would compromise the integrity of a pending investigation the State Agency shall document this on the Vendor Compliance Determination Form placed in the vendor file. The State Agency is responsible for ensuring proper execution and follow-up on compliance buys and inventory audits.

6. A compliance investigation may be closed when an inventory audit is complete; two compliance buys have been conducted in which no vendor violations are found, or a sufficient number of compliance buys have been conducted to provide evidence of vendor noncompliance.
7. The State Agency shall provide the vendor with a written notice summarizing any deficiencies, any sanction points applied, and any corrective action to be taken as a result of the investigation within thirty (30) days of the completion of a compliance investigation.

# Maine Center for Disease Control and Prevention

## WIC Nutrition Program

Effective: October 1, 2011

Policy No. VM-6

Revised: August 1, 2014

### Vendor Sanction System, Other Disqualifications, and Causes for Termination

#### Authority

7 CFR §246.4(a)(14)(iii), §246.12(h)(3)(xviii) and (xx), and §246.12(l);  
22 MRSA §255; and  
10-144 CMR Chapter 286 § IV.G, H, I, J and K

#### Policy

1. The Maine CDC WIC Nutrition Program may initiate administrative action to disqualify or assess a civil money penalty, in lieu of disqualification, against a vendor for non-compliance on the basis of an incident of violation or a pattern of violations.
  - 1.1. An incident is defined as one isolated event in a single point in time or any single occurrence of a violation.
  - 1.2. A pattern is defined as two or more incidences of a violation, unless otherwise stated.
  - 1.3. A violation includes, but is not limited to the occurrence of a violation and the intent to commit a violation.
  - 1.4. All incidents of a violation occurring during the first compliance buy visit shall constitute only one incident of that violation for the purpose of establishing a pattern of violations.
  - 1.5. The Vendor Agreement specifies that failure to meet certain of its requirements provides cause for immediate termination of the Agreement.
2. Mandatory sanctions are federal penalties as defined in 7 CFR 246.12(l) and shall constitute grounds for disqualification from the Maine CDC WIC Nutrition Program for a minimum of one (1) year and up to permanent disqualification.
3. State violations shall constitute grounds for the assessment of sanction points and disqualification from the Maine CDC WIC Nutrition Program. State sanctions will not be added to a mandatory sanction within the same investigation unless a mandatory sanction from the same investigation is not upheld on appeal. Notwithstanding the imposition of any mandatory or state sanctions, a WIC vendor who violates any WIC rules or Program requirements as set forth in the vendor policies and procedures is also subject to potential reciprocal Supplemental Nutrition Assistance Program (SNAP) sanctions, and potential

disqualification by the New Hampshire WIC Program as a consequence of engaging in conduct which resulted in sanctions imposed by those programs.

4. A vendor committing fraud or abuse of the Maine CDC WIC Nutrition Program is liable to prosecution under applicable federal, state or local laws.
5. Class I and II violations are subject to mandatory federal sanctions as defined in 7 CFR 246.12 and shall constitute grounds for disqualification from the Maine CDC WIC Nutrition Program for a minimum of one (1) year and up to permanent disqualification.

## **Violations**

1. **CLASS I VIOLATIONS:** One instance of these violations shall constitute grounds for disqualification from the Maine CDC WIC Nutrition Program for a minimum of three (3) years and up to permanent disqualification:
  - 1.1. A conviction for trafficking (buying or selling WIC FIs (food instruments)/ conviction for selling firearms, ammunition, explosives, or controlled substances in exchange for WIC FIs. Length of disqualification – permanent.
  - 1.2. One incident of trafficking (buying or selling WIC FIs) or selling firearms, ammunition, explosives, or controlled substances in exchange for WIC FI. Length of disqualification – six (6) years.
  - 1.3. One incident of the sale of alcohol, alcoholic beverages or tobacco products in exchange for WIC FIs. Length of disqualification – three (3) years.

When a vendor violates 1.2 or 1.3 above after having previously received a sanction for violation of either provision, the length of disqualification shall be doubled. Civil money penalties in lieu of disqualification also shall be doubled, up to the maximum penalty allowed under 7 CFR 246.12(1)(1)(x)(C).

When a vendor violates 1.2 or 1.3 above after having previously received two (2) or more sanctions for violation of either provision, the length of disqualification shall be doubled for that violation and all subsequent violations. Civil money penalties shall not be imposed in lieu of disqualification for third and subsequent sanctions.

2. **CLASS II VIOLATIONS:** These violations require a pattern of violations to be documented before a sanction can be imposed. Unless otherwise noted, “pattern” is defined as two or more Class II violations that occur during the period the vendor is under contract.
  - 2.1 Claiming reimbursement for the sale of any WIC item that exceeds the store’s documented inventory of that food item for a specific period of time. Length of disqualification – three (3) years.
  - 2.2 A pattern of vendor overcharges- intentionally or unintentionally charging the State more for authorized WIC foods than is permitted under the vendor agreement. Length of disqualification – three (3) years.

- 2.3 Receiving, transacting, and/or redeeming WIC FIs outside of authorized channels, including the use of an unauthorized retailer and/or an unauthorized person. Length of disqualification – three (3) years.
  - 2.4 Charging the Maine CDC WIC Nutrition Program for WIC foods not received by the WIC customer. Length of disqualification – three (3) years.
  - 2.4 Providing credit or non-food items, other than alcohol, alcoholic beverages, tobacco products, cash, firearms, ammunition, explosives, or controlled substances, in exchange for WIC FIs. Length of disqualification – three (3) years.
  - 2.5 Providing unauthorized food items in exchange for FIs, including charging for supplemental foods provided in excess of those listed on the FI. Length of disqualification – one (1) year.
  - 2.6 When a vendor receives a second disqualification sanction for any violation of provisions 2.1 through 2.6 above, the length of disqualification shall be doubled. Civil money penalties in lieu of disqualification also shall be doubled, up to the maximum penalty allowed under 7 CFR 246.12(l)(1)(x)(C).
  - 2.7 When a vendor receives a third or subsequent disqualification sanction for any violation of provisions 2.1 through 2.6 above, the length of disqualification shall be doubled for that violation and all subsequent violations. Civil money penalties shall not be imposed in lieu of disqualification for third and subsequent sanctions.
3. CLASS III VIOLATIONS are primarily administrative in nature, involve the assessment of sanction points and are subject to state sanctions. A vendor is subject to disqualification for six (6) months after being assessed 15 sanction points. If the vendor has accumulated more than 15 points, 18 days shall be added to the disqualification period for each point over 15 points. The maximum disqualification for violations for Class III violations is one (1) year. Disqualified vendors must return their vendor stamp to the State Agency and may no longer accept food instruments/cash-value vouchers.

Points range in value from three (3) to ten (10) depending on the seriousness of the violation. The points are retained for one year from the date the points were assessed. The vendor will have the opportunity to attend an approved WIC Vendor Training once per calendar year to remove three (3) points from the vendor's sanction tally. The methods used to determine whether these violations have occurred include: inventory audits, compliance buys, WIC check edits, monitoring, Supplemental Nutritional Assistance Program (SNAP) reports, redemption analyses and other objective means as determined by the State Agency.

A Class III sanction will not be added to a mandatory sanction (Class I and II above) within the same investigation, but all violations will be included in the notice of violation. The Maine CDC WIC Nutrition Program may impose a Class III sanction if a mandatory sanction from the same investigation is not upheld on appeal. If the disqualification of the vendor would result in inadequate participant access, the State Agency shall impose a civil money penalty in lieu of disqualification.

Class III Violations and point values are as follows:

- 3.1 Contacting a WIC customer in an attempt to recover funds for a WIC FI that was not reimbursed or for which overcharges were requested. 10 points
- 3.2 Improperly refusing to accept a WIC FI from a WIC customer. 10 points
- 3.3 Transacting WIC FIs outside of the authorized store location. 7 points
- 3.4 Altering information on a WIC FI. 7 points
- 3.5 Failure to submit information requested, in the format requested by the State Agency, within the time specified, including, but not limited to, food price lists and food stocking information. 5 points
- 3.6 During a WIC transaction, providing WIC-approved food that is beyond the expiration or last sale date imprinted on the product packaging by the product's manufacturer. 5 points
- 3.7 Failure to maintain the minimum stock of any WIC-approved foods. Any vendor in violation also will be required to correct the insufficient inventory within 48 hours and provide verification to the State Agency within 72 hours. 5 points
- 3.8 Accepting or requiring a signature before the actual amount of sale is entered on the WIC FI by the customer when the FI is a paper instrument. 5 points
- 3.9 Failure to request the WIC ID Folder and to verify the participant's signature when the FI is a paper instrument. 5 points
- 3.10 Charging sales tax on a WIC purchase. 5 points
- 3.11 Obtaining/using WIC vendor stamps from sources other than the State Agency. 5 points
- 3.12 Accepting WIC FIs that appear to be altered. 3 points
- 3.13 Failure to have a participant enter the purchase price on the WIC FI at the time of the transaction when the FI is a paper instrument. 3 points
- 3.14 Requiring a WIC customer to purchase all food listed on the WIC FI. 3 points
- 3.15 Failure to provide a WIC customer with an itemized receipt for foods purchased with a WIC FI. 3 points
- 3.16 First incident intentionally or unintentionally charging the State more for authorized WIC foods than is permitted under the vendor agreement. 10 points
- 3.17 First incident of charging the Maine CDC WIC Nutrition Program for WIC foods not received by the WIC customer. 10 points
- 3.18 First incident of providing credit or non-food items, other than alcohol, alcoholic beverages, tobacco products, cash, firearms, ammunition, explosives, or controlled substances, in exchange for WIC FIs. 10 points
- 3.19 First incident of providing unauthorized food items in exchange for FIs, including charging for supplemental foods provided in excess of those listed on the FI. 10 points

- 3.20 Failure to train all staff and store representatives who conduct cash register transactions in WIC procedures and requirements. 5 points
- 3.21 Charging WIC for the Maine Bottle Bill deposits. 3 points
- 3.22 Requiring WIC participants to buy specific brands when the brands are not stipulated on the WIC FI or in the WIC Authorized Food List. 3 points
- 3.23 Substituting or allow substitution of one WIC authorized food for another WIC authorized food that is not on the WIC participant's FI. 5 points
- 3.24 Requiring WIC participants to make a cash purchase to transact a WIC FI. 7 points
- 3.25

### **Other Disqualifications:**

1. The State Agency shall disqualify a vendor that has been disqualified from SNAP. The WIC disqualification will be for the same length of time as the SNAP disqualification, and the WIC disqualification may begin at a later date than the SNAP disqualification. This disqualification is not subject to appeal.
2. The State Agency shall disqualify a vendor who has been assessed a civil money penalty for hardship in SNAP under 7 CFR §278.6. The length of disqualification shall correspond to the period for which the vendor would otherwise have been disqualified in SNAP. Such disqualification may not be imposed unless the State Agency has first determined in its sole discretion that the disqualification would not result in inadequate participant access. If the State Agency determines that inadequate participant access would result from the disqualification, then neither a disqualification nor a civil money penalty in lieu of disqualification will be imposed.
3. The State Agency shall disqualify a Maine vendor also authorized in the state of New Hampshire who has been disqualified or assessed a civil money penalty in lieu of disqualification by New Hampshire for any mandatory sanction. If the disqualification of the vendor would result in inadequate participant access, the State Agency will impose a civil money penalty in lieu of disqualification.
4. In the event that the State Agency determines that mandatory *disqualification of a vendor would result in inadequate participant access* and the State Agency does not authorize new WIC vendor(s) or otherwise devise a plan to meet participant access needs, the State Agency will impose a civil money penalty in lieu of disqualification of the violating vendor.
  - 4.1 The State Agency, in its sole discretion (7 CFR §246.18), will determine and document in the vendor file, whether the disqualification of a violating vendor would result in inadequate participant access. To determine inadequate participant access, the State Agency will consider several factors that include, but are not limited to:

- 4.2 A WIC participant would be required to travel more than ten (10) miles one way from the disqualified vendor to the nearest authorized WIC vendor.
  - 4.3 The presence of physical barriers or conditions would make normal travel to another authorized vendor difficult or impossible (e.g. an island store, poor road conditions).
  - 4.4 A participant access determination is not subject to appeal.
5. Imposition of a civil money penalty in lieu of disqualification from other Food and Nutrition Service (FNS) programs shall result in automatic disqualification from the WIC Program for the same length of time as the potential FNS disqualification period; up to a maximum of three (3) years.
  6. When during the course of a single investigation the State Agency determines that a vendor has committed multiple violations (which may include violations subject to state sanctions), the State Agency shall disqualify the vendor for the period corresponding to the most serious mandatory violation. All violations will be included in the notice of violation.
  7. The State Agency shall not accept voluntary withdrawal from the WIC Program or non-renewal of the Vendor Agreement as an alternative to disqualification for any mandatory sanction.
  8. If a vendor does not pay a civil money penalty in full within the specified time frame, the State Agency will notify the store that the balance of the payment is due within twenty (20) days or the vendor will be disqualified from the Program for the remaining balance of the original disqualification (for a period corresponding to the most serious violation in cases where a mandatory sanction included the imposition of multiple civil money penalties as a result of a single investigation).

## **Termination of Agreement for Cause**

1. A Vendor Agreement may be terminated for cause by the Maine CDC WIC Nutrition Program, with fifteen (15) days' advance written notice. The vendor will be required to reapply for authorization, and the waiting period before reapplication will be one (1) year unless otherwise specified. The Vendor's new application will be subject to the Maine CDC WIC Nutrition Program's vendor selection criteria in effect at the time of the reapplication. Causes for termination include:
  - 1.1 Failure to maintain compliance with vendor selection criteria, including changes to selection criteria made during the Vendor Agreement period.
  - 1.2 Intentionally providing false information in the vendor application or price survey.
  - 1.3 A change to the store location by more than a short distance as determined by State Agency staff.
  - 1.4 A change in ownership of the Vendor by more than 50%.
  - 1.5 Cessation of operations of the authorized Vendor location.

- 1.6 The State agency identifies a conflict of interest, as defined by applicable State laws, regulations and policies.
- 1.7 Failure to stock any WIC-approved items in three or more of the WIC-approved food categories.
- 1.8 Failure to attend mandatory vendor training.
- 1.9 Nonpayment of a claim for documented overcharges to the Maine CDC WIC Nutrition Program.
- 1.10 Failure to allow monitoring and inspection of the store premises and procedures to ensure compliance with the agreement and state and federal WIC Program rules, regulations, and policies. Monitoring and inspection includes, but is not limited to, allowance of access to WIC FIs negotiated the day of monitoring, access to shelf price records and any other vendor records pertinent to the purchase of WIC supplemental food items, including the documentation of the source of infant formula.
- 1.11 Failure to maintain inventory records used for federal tax reporting purposes; to maintain records in accordance with generally accepted accounting procedures; and to assure that records reflecting justification and receipt of WIC funds, FIs and all other program-related records of the Vendor are available for inspection or audit by federal, state or other authorized personnel.
- 1.12 Failure to cooperate with federal and state WIC Program and other authorized personnel during announced and unannounced on-site vendor reviews, inspections and audits.
- 1.13 Failure to provide the Maine CDC WIC Nutrition Program with purchase invoices from wholesalers or receipts for WIC-approved products purchased from other retailers, when requested.
- 1.14 Failure to meet minimum redemption requirements (no less than an average of 15 WIC FIs/CVVs or an average of \$200.00 in value of WIC FIs/CVVs redeemed per month averaged over the previous 12 months). The Maine CDC WIC Nutrition Program will consider a reapplication prior to the end of the termination period if circumstances that caused the failure to meet minimum redemption requirements have changed.
- 1.15 The Vendor's prices have increased over the prices submitted in the Vendor's application or the most recent price list submitted, and such increase is not due to the inflation rate and/or other legitimate factors. If, within the fifteen (15) days, the Vendor can demonstrate that the prices have been lowered so as to not exceed the MRP established for the Vendor's assigned peer group, termination will not occur.
- 1.16 During the course of routine monitoring the State agency determines that the Vendor derives more than 50% of their sales volume from WIC FIs.
- 1.17 Failure to participate in the transition of WIC FIs from paper instruments to eWIC card.

1.18 The Vendor is disqualified for any reason.

## Procedures

1. The State Agency shall determine non-compliance with the Vendor Agreement and the Vendor Management Policies through the following methods:
  - 1.1 Monitoring
  - 1.2 WIC FI transactions
  - 1.3 Compliance buys
  - 1.4 Inventory audits
  - 1.5 SNAP reports
  - 1.6 Redemption analyses
  - 1.7 Other objective means as determined by the State Agency.
2. The State Agency shall issue written notices of violation for all violations for which action will be taken by the State Agency. A description of the violation, the action to be taken and the right to appeal will be included in the notice (Refer to CR-4, Complaints Process for appeal process information).
3. The State Agency shall notify the vendor in writing if it has been determined that an initial incident of a violation has occurred for which a pattern of incidents must be established to impose a sanction. The State Agency, in its discretion and on a case by case basis, must notify the vendor before another such incident is documented; unless it determines that notifying the vendor would compromise an investigation. Such a determination will be documented in the vendor's file.
4. Any civil money penalty imposed by the State Agency will be calculated using the following formula:
  - 4.1 Ten (10) percent of the average monthly redemption for the most current six (6)-month period prior to the scheduled disqualification, multiplied by the number of months of the disqualification period, not to exceed \$11,000 per violation and \$44,000 per investigation.
5. Payment of a civil money penalty shall be made in a lump sum payment or by equal monthly installments due the first day of three consecutive months. All payments (either lump sum or installments) shall be made by certified checks or money orders made payable to "Treasurer, State of Maine," and mailed to the Maine CDC WIC Nutrition Program.

# Maine Center for Disease Control and Prevention

## WIC Nutrition Program

Effective: October 1, 2011

Policy No. VM-7

Revised: August 1, 2014

### Administrative Review of State Agency Actions

#### Authority

7 CFR §246.4(a)(14)(iii) and §246.18;

22 MRSA §255; and

10-144 CMR Chapter 286 §V

#### Policy

1. Any vendor has the right to seek review pursuant to 10-144 CMR Chapter 286 if it is adversely affected by a Local or State Agency decision in the following instances:
  - 1.1. Denial of authorization
  - 1.2. Termination of the Vendor Agreement for cause
  - 1.3. Disqualification from the Maine CDC WIC Nutrition Program during the contract period, other than disqualification due to a SNAP disqualification.
  - 1.4. Imposition of sanction points
  - 1.5. Imposition of a civil money penalty in lieu of disqualification
2. Not subject to administrative review per 7 CFR §246.18(a)(1)(iii) are:
  - 2.1. The validity of the State agency's vendor limiting criteria or vendor selection criteria for minimum variety and quantity of supplemental foods, business integrity, and current SNAP disqualification or civil money penalty for hardship
  - 2.2. The validity of appropriateness of the State agency's selection criteria for competitive price
  - 2.3. The validity or appropriateness of the State agency's participant access criteria and the participant access determination
  - 2.4. The State agency's determination to include or exclude an infant formula manufacturer, wholesaler, distributor, or retailer from the Authorized Formula Source List
  - 2.5. The validity or appropriateness of State agency's prohibition of incentive items
  - 2.6. The State agency's determination whether to notify a vendor in writing when an investigation reveals an initial violation for which a pattern of violations must be established in order to impose a sanction

- 2.7. The State agency's determination whether a vendor had an effective policy and program in effect to prevent trafficking and that the ownership of the vendor was not aware of, did not approve of, and was not involved in the conduct of the violation
- 2.8. The expiration of a vendor's agreement
- 2.9. Disputes regarding FI payments and vendor claims (other than providing an opportunity to justify or correct a vendor overcharge or other error within 15 days of the notice of vendor claim)
- 2.10. Disqualification of a vendor as a result of disqualification from SNAP

## **Procedures**

1. All administrative hearings will be conducted in accordance with the rules contained in the WIC Federal Regulations, 7 CFR §246.18, and Department of Health and Human Services Administrative Hearings Regulations, 10-144 CMR Chapter 1.
2. Any vendor adversely affected by a Local or State Agency decision will be informed in writing, at least fifteen (15) days prior to the effective date of the action, of the reasons for the action and of the right to an administrative hearing.
3. A request for an administrative hearing is defined as a written or verbal statement by a vendor requesting the opportunity to present their case to a higher authority. If a request for a hearing is made to the State Agency, a Request for Administrative Hearings Form (Appendix VM-7-A) will be completed immediately by the State Agency and forwarded to the Office of Administrative Hearings.
4. Requests for an administrative hearing must be made within 60 days from the date of the written notice of the adverse action. Requests received by Local Agencies will be forwarded to the State Agency within three (3) working days of receipt.
5. The Department shall not deny or dismiss a request for an administrative hearing unless:
  - 6.1 The request is not received within the time limits set by the Department.
  - 6.2 The request is withdrawn in writing by the appellant or his representative.
  - 6.3 The appellant or representative fails, without good cause, to appear at the scheduled hearing.
  - 6.4 The appellant is not entitled to a hearing as set forth above.
6. Adverse actions against a vendor shall be stayed until final agency action.
7. The appellant is solely responsible for the cost of his or her legal counsel.
8. The State Agency shall immediately forward any request for withdrawal of an administrative hearing to the Hearing Officer.
9. An administrative hearing may not be delayed or canceled for the purpose of considering a possible adjustment unless the appellant requests such a delay or cancellation.

10. The appellant shall be provided with adequate opportunity to examine all records and documents to be presented at the administrative hearing, at any time after a request for a hearing has been made.
11. Any representative of the appellant must have written authorization from the appellant to examine such records.
12. All administrative hearing decisions will be issued in accordance with the rules contained in 10-144 CMR Chapter 1, Department of Health and Human Services Administrative Hearings Regulations.
13. An appellant may appeal an unfavorable decision to Superior Court pursuant to M.R.Civ.P.80C. Unless otherwise ordered by the Superior Court, the Hearing Officer's decision shall not be stayed.
14. The State Agency will keep a record of all administrative hearings and their outcome. Information will include:
  - 15.1 Vendor number
  - 15.2 Store name
  - 15.3 Termination/disqualification date
  - 15.4 Reason for termination/disqualification
  - 15.5 Administrative hearing date
  - 15.6 Hearing Officer's recommended decision
  - 15.7 Date of recommended decision
  - 15.8 Commissioner's final decision on Order of Reference
  - 15.9 SNAP notified – yes or no

# **Maine Center for Disease Control and Prevention WIC Nutrition Program**

Effective: October 1, 2011

Policy No. VM-8

Revised: August 13, 2012

## **Coordination with the Supplemental Nutrition Assistance Program (SNAP)**

### **Authority**

7 CFR §246.4(a)(14)(ii) and (iv), and §246.12(h)(3)(xxv)

### **Policy**

1. An information sharing agreement between the State Agency and SNAP shall be in effect, pursuant to FNS guidance, and is maintained at the State Agency.
2. Upon request, an updated list of authorized vendors shall be sent to the FNS field office.
3. State Agency compliance investigators shall coordinate their activities with their SNAP counterparts.
4. The disclosure of confidential WIC vendor and SNAP retailer information is restricted by the State Agency to those permitted under 7 CFR 246.26(e) and (f) (Refer to VM-10, “Confidentiality of Vendor and SNAP Retailer Information” for details.).

# Maine Center for Disease Control and Prevention WIC Nutrition Program

Effective: October 1, 2011

Policy No. VM-9

Revised: August 1, 2014

## Staff Training on Vendor Management

### Authority

7 CFR §246.4(a)(14)(ii),(iii),(iv),and (xi)

### Policy

1. Routine formal training is required for State Agency staff regarding vendor management practices covering the following:
  - 1.1. Vendor selection and authorization
  - 1.2. Vendor training
  - 1.3. Routine monitoring
  - 1.4. Compliance investigations
  - 1.5. Inventory audits
  - 1.6. Corrective actions and sanctions
  - 1.7. Criminal investigations
  - 1.8. Vendor appeals and administrative reviews
  - 1.9. Federal and State WIC regulations
  - 1.10. Prevention of vendor fraud and abuse
  - 1.11. WIC/SNAP information sharing
  - 1.12. High-risk vendor identification
  - 1.13. Vendor management information system

# Maine Center for Disease Control and Prevention

## WIC Nutrition Program

Effective: October 1, 2011

Revised: August 1, 2014

Policy No. VM-10

### Confidentiality of Vendor and SNAP Retailer Information

#### Authority

7 CFR §246.26(e) and (f)

#### Policy

1. Any information about a vendor that individually identifies the vendor, except for name, address, telephone number, website/e-mail address, store type and authorization status, is confidential information. Use or disclosure of confidential information is limited to:
  - 1.1. Persons directly connected with the administration or enforcement of the WIC or SNAP Programs who the State Agency determines has a need to know the information for purposes of these Programs. This includes personnel from Local Agencies, other WIC state and local agencies and persons investigating or prosecuting WIC or SNAP violations under federal, state or local law.
  - 1.2. Persons directly connected with the administration or enforcement of any other federal or state law or local law or ordinance. Prior to release of information to one of these parties (other than a federal agency), the State Agency shall enter into a written agreement with the requesting party specifying that such information may not be used or disclosed except for purposes directly connected to administration or enforcement of a federal or state law.
  - 1.3. A vendor that is subject to an adverse action, including a claim, to the extent that the confidential information concerns the vendor subject to the adverse action, and is related to the adverse action.
2. Information about SNAP retailers obtained from the SNAP program, including information provided pursuant to 7 U.S.C. 2018(c) and 7 CFR 278.1(q), is confidential information. Use or disclosure of the information is limited to persons directly connected with the administration or enforcement of the WIC Program.
3. The State Agency shall provide the U.S. Department of Agriculture and the Controller General of the United States with access to all WIC records, including confidential vendor information, pursuant to 7 CFR §246.25(a)(4).
4. The State Agency shall disclose confidential vendor information pursuant to a valid subpoena or search warrant in accordance with the procedures described in 7 CFR §246.26(i).

**Maine Center for Disease Control and Prevention  
WIC Nutrition Program**

**Department of Health and Human Services**

Effective: October 1, 2012

Policy No.VM-11

Revised: August 1, 2013

**Vendor Price Lists**

**Authority**

**7 CFR § 246.4 (a)(14)(vi)**

**Policy**

1. Price list information shall be collected from vendors. The State Agency shall collect price data at a minimum of twice a year, but may collect more frequently at the State Agency discretion.

**Procedures**

1. Data collected has food prices for:
  - 1.1 All brands and sizes of supplemental foods
  - 1.2 Highest price supplemental food items within food categories
  - 1.3 All authorized vendors
  - 1.4 A sample of authorized vendors
2. The State Agency verifies price data provided by vendors during routine monitoring visits and if the vendor is identified as a high-risk vendor.
3. The State Agency analyzes price data on a routine or as needed basis and uses it to:
  - 3.1 Generate estimated food instrument values
  - 3.2 Help inform WIC staff on vendor selection decisions
  - 3.3 Develop vendor peer groups
  - 3.4 Flag individual food instruments that appear to be overcharges

# Maine Center for Disease Control and Prevention

## WIC Nutrition Program

Effective: October 1, 2012

Revised: August 1, 2014

Policy No. VM-12

### Vendor Operations

#### Authority

7 CFR §246.4(a)(14); §246.12(e), (f), (g), (h) and (k);

22 MRSA §255 and 1951;

10-144 CMR Chapter 286, § IV

#### Policy

1. An authorized vendor shall meet the following general requirements:
  - 1.1 Maintain compliance with the WIC vendor selection criteria throughout the Vendor Agreement period, including conforming to any changes to the criteria.
  - 1.2 Maintain inventory records used for federal tax reporting purposes; maintain records in accordance with generally accepted accounting procedures; and assure that records reflecting justification and receipt of WIC funds, FIs (food instruments, cash-value vouchers, electronic benefit cards)), and all other program-related records of the vendor are available for inspection or audit by Federal, State or other authorized personnel.
  - 1.3 Cooperate with Federal and State WIC Program and other authorized personnel during announced and unannounced on-site vendor reviews, inspections and audits.
  - 1.4 Provide the State Agency with dated purchase invoices from wholesalers, with names and addresses of suppliers, when requested.
  - 1.5 Submit a current price list within the timeframes given and in the format requested by the State Agency.
  - 1.6 Comply with the nondiscrimination provisions of 7 CFR §15, 15A and 15B.
  - 1.7 Keep all information pertaining to authorized WIC participants confidential.
  - 1.8 Never publicly identify, call unnecessary attention to, or allow discourteous treatment of a WIC participant.
  - 1.9 Appropriately redeem valid FIs for the types and quantities of food specified on the FIs. The prices charged for WIC foods shall be the same as, or less than, the prices charged to non-WIC customers.

- 1.10 Never substitute one WIC approved product for another.
- 1.11 If the vendor is a WIC pharmacy or combination food store/pharmacy, ensure that authorized WIC participants can receive, within 72 hours of a request from a participant or the WIC Program, any authorized prescription infant formula and/or WIC-eligible medical foods.
- 1.12 If the vendor is a pharmacy, be willing to “break a case” if it is necessary to provide the number of cans/bottles printed on the FIs.
- 1.13 Never request or accept cash payment from a WIC participant for the authorized quantities of foods specified on FIs.
- 1.14 Allow WIC participants to use FIs to purchase less than (but never more than) the authorized amount of food, if they so desire.
- 1.15 Never attempt to seek restitution from participants/authorized representatives for redeemed FIs that were rejected by the Program’s bank and/or for cash refunds requested by the State Agency.
- 1.16 Allow WIC participants to take advantage of manufacturer or vendor promotions that provide foods free of charge when purchasing WIC foods. The vendor shall also accept manufacturers’ “cents off coupons” from WIC participants for foods being purchased with FIs and deduct the value of the coupon from the cost of the WIC foods being purchased.
- 1.17 Never provide incentive items or other free merchandise, except food or merchandise of nominal value (less than \$2.00), to WIC participants unless the vendor provides to the State Agency proof that the vendor obtained the incentive items or merchandise at no cost.
- 1.18 Only accept FIs at the time of the actual purchase and never issue “rain checks” or credit slips to WIC participants for WIC-approved foods.
- 1.19 Allow exchange of an identical item only when the original item is defective, spoiled, or has exceeded its expiration date.
- 1.20 Never improperly refuse to accept a WIC FI from a WIC participant.
- 1.21 If the vendor is a WIC pharmacy that has not been authorized as a WIC food vendor as well, accept WIC FIs for authorized prescription infant formula and/or WIC-eligible medical foods only.
- 1.22 If the vendor is a WIC food vendor that has not been authorized as a WIC pharmacy as well, never accept FIs for authorized prescription infant formula and/or WIC-eligible medical foods.
- 1.23 Never demand identification other than the WIC ID Folder from a WIC participant for WIC items.
- 1.24 Never transact WIC FIs outside of the authorized store. Vendors offering delivery services may deliver WIC foods after the transaction has been completed in the store.

- 1.25 Direct questions concerning payment only to the State Agency. Customers are not to be contacted concerning this or any other problem area.
  - 1.26 Report to the State Agency any irregularities in the use of WIC FIs by WIC participants.
  - 1.27 Report to the State Agency if a WIC participant requests cash or credit in exchange for returned WIC products.
  - 1.28 Purchase infant formula for sale to WIC participants from sources on the Maine WIC Program authorized list of infant formula wholesalers, distributors and retailers.
  - 1.29 If the vendor owner receives WIC FIs as a WIC participant or is an authorized representative for a WIC participant, they must redeem WIC FIs at different authorized vendor location other than the location they own.
  - 1.30 If a cashier working for an authorized WIC vendor receives WIC FIs as a WIC participant or is an authorized representative for a WIC participant, they cannot conduct their own transaction(s) to redeem WIC benefits.
2. The State Agency shall hold each vendor accountable for maintaining prices at a level consistent with the selection criteria applied to the vendor at the time of authorization. Failure to remain price-competitive is cause for termination of the Vendor Agreement. More specifically, vendors shall:
    - 2.1 Provide WIC products at prices that are competitive. Vendors whose prices are high when compared to other authorized vendors (of the same peer group) will experience rejection of FIs and related banking fees.
    - 2.2 Never charge the WIC Program for WIC products not actually purchased and received by the WIC participant.
    - 2.3 Never charge the WIC Program for WIC products provided in excess of those listed on the WIC FIs.
    - 2.4 Never price WIC transactions by FI type instead of pricing each FI for the actual, authorized WIC products purchased and received.
    - 2.5 Never collect sales tax on WIC food purchases.
  3. Ensure that prices charged to WIC participants for approved foods are equal to or less than prices charged to non-WIC customers.
  4. Assure that the price affixed to a scanned item's UPC code in an electronic cash register with scanning capability/point of sale device is not greater than the price displayed on the package, container, shelf, or other signage in the store for the purchased item.
  5. To ensure paper-form (checks and cash value vouchers) FI validity, vendors shall:
    - 5.1 Observe the FI to ascertain that there are no visible alterations.
    - 5.2 Observe the WIC participant as she/he signs the FI, and be sure the signature on the FI matches one of the two signatures on the WIC ID Folder.

- 5.3 Never accept a pre-signed FI.
- 5.4 Never accept a FI without the actual sale cost of the WIC foods purchased entered in the amount field of the FI.
- 5.5 Never accept a FI outside of the “to use” dates (before the “first day to use” or after the “last day to use” date).
6. To ensure eWIC FI validity, vendors shall require participants/authorized representatives enter the eWIC card’s associated four (4) digit pin number in the POS device.
7. During the transaction of any FI type, vendors shall:
8. Collect Maine Bottle Bill deposits from the WIC participant and not from the WIC program.
9. Provide the WIC participant with an itemized receipt that indicates the cost of each food item purchased with the FI.
10. During transaction of paper-form FIs, vendors shall:
  - 10.1 Request that the WIC participant present an approved/validated WIC ID Folder.
  - 10.2 Request that the WIC participant write the actual cost of the WIC foods purchased in the space provided on the face of the FI prior to signing the FI. Exception: a computer may print the actual cost of the WIC foods on the FI if an automated system exists in the store.
  - 10.3 Request that the WIC participant affix his/her signature in the lower right hand corner of the FI after he/she has written in the price.
  - 10.4 Compare the signature on the FI with the signature(s) on the ID Folder; if the signature on the FI does not match either of the signatures on the ID Folder, do not accept the FI.
  - 10.5 In cases where a WIC participant signs with an “X”, witness the transaction by signing beneath the “X” mark.
11. During transaction of eWIC card FIs, vendors shall:
  - 11.1 Only allow the WIC participant/authorized representative to purchase food items with UPC codes that correspond to the eWIC approved APL.
  - 11.2 Scan or manually enter the actual UPC code that is affixed to the item actually being purchased by the WIC participant/authorized representative.
  - 11.3 Not scan any UPC code that is not affixed to the item being purchased by the WIC participant/authorized representative, or any UPC code as a substitute or replacement for the item being purchased.
  - 11.4 Not require the WIC participant/authorized representative to provide any other form of identification besides entering the pin number associated with the eWIC card.
12. Vendors deposit transacted paper-form FIs with their banks for redemption. The Maine WIC Program utilizes a food delivery system that provides for the rejection of FIs by the banking system prior to payment, where appropriate:

- 12.1 By signing the WIC Vendor Agreement, the Vendor agrees to submit WIC checks for payment within sixty (60) days from the “FIRST-DATE-TO-USE”. The Department shall have no obligation to pay any WIC checks submitted outside of this timeframe.
- 12.2 Prior to deposit, Vendors must review ALL WIC checks for possible errors before submitting them for payment. Checks with errors will be rejected by the banking contractor. The Vendor may incur bank fees for these. The State Agency cannot reimburse the Vendors for such charges.
- 12.3 The WIC Program may reject FIs that are submitted for redemption in violation of the Vendor Agreement or any of the rules, regulations, policies or procedures of the WIC Program.
- 12.4 All FIs presented to WIC’s fiscal intermediary undergo a visual and automated review or pre-edit screening. If an FI does not pass this pre-edit test it will be rejected unpaid and returned to the vendor’s depository bank stamped with an explanation indicating why it was not paid. The vendor’s bank will debit its account and return the FI to the vendor. A bank charge may apply.
- 12.5 FIs will be rejected for payment by the WIC fiscal intermediary and returned to the vendor’s depository bank for the following reasons:
  - 12.5.1 Over the maximum redemption price for that food instrument type
  - 12.5.2 Early cashing (before the “first day to use”)
  - 12.5.3 Late cashing (after the “last day to use”)
  - 12.5.4 Missing WIC participant signature on the right side of the FI.
  - 12.5.5 Obvious alterations
  - 12.5.6 Invalid vendor number
  - 12.5.7 Unauthorized vendor stamp
  - 12.5.8 Missing/unreadable vendor stamp. To receive payment, the vendor shall stamp these FIs clearly and re-deposit within sixty (60) days from “the first date to use” date. FIs re-deposited after this date will not be paid and will not be replaced by the State Agency.
  - 12.5.9 Encoding Error. The vendor bank has scanned WIC check and coded check for different amount than written on WIC check.
  - 12.5.10 Present/ Void Do Not Redeposit - the WIC check has already been paid.
- 13. The State Agency shall not be held liable for any costs charged by the vendor’s bank for a rejected paper-form FI unless the FI was rejected in error by the State Agency.
  - 13.1 If check is rejected it is critical that immediate follow-up training be completed with store personnel. Follow-up training with the cashier and/or other store personnel involved in the transaction must be done to prevent future occurrences,

thus saving the Vendor money and protecting the Vendor's record with the State Agency.

14. To ensure compliance with the applicable maximum allowable reimbursement (MAR), the WIC Program shall reduce payment on FIs submitted in excess of the MAR for WIC products. In such cases, the Maine WIC Program shall pay no more than the MAR. Payment of the reduced amount will be made by direct deposit credit to the vendor's bank account. In the case of paper –form FIs, the FI will be returned to the vendor and bank fees may apply.
15. When the State Agency determines that the vendor has committed a violation that affects the payment to the vendor, the State Agency shall delay payment or establish a claim. Such vendor violations may be detected through compliance investigations, FI reviews or other reviews or investigations of a vendor's operations.
16. When payment for an FI is delayed or a claim is established, the State Agency shall provide the vendor with an opportunity to justify or correct the vendor overcharge or other error. If satisfied with the justification or correction, the State Agency shall provide payment or adjust the proposed claim accordingly.
17. Failure of a vendor to pay a claim shall result in termination of the Vendor Agreement. The vendor may reapply for authorization after a waiting period of twelve (12) months.
18. The Vendor may not appeal disputes regarding WIC check payments and vendor claims.
19. The State Agency will not reimburse a vendor for a FI when it is determined that the vendor intentionally attempted to defraud and/or abuse the Program.
20. If, during an appeal of a reduction or rejection, the State Agency determines that state or federal violations were committed, the vendor may be subject to the corresponding penalties including disqualification.
21. The Maine CDC, WIC Nutrition Program cannot pay for WIC FIs from other states.
22. The Maine CDC, WIC Nutrition Program has the right to modify payment, to assess a claim, or to charge a fine for WIC FIs transacted for unauthorized foods, other items, or when sales tax is charged.
23. The Maine CDC, WIC Nutrition Program may deny payment to the Vendor for improperly redeemed FIs or may require refunds for payments already made on improperly redeemed FIs.
24. Vendors may not seek reimbursement of money or return of food from WIC participants for any rejected check. The Vendor may not appeal disputes regarding WIC check payments and vendor claims.
25. All payment inquiries regarding specific WIC FIs must be submitted in writing by mail. Telephone inquiries of this type will not be researched. Telephone requests for general information are welcomed.

## **Procedures**

1. Provided no errors are present on FIs/CVV's, the fiscal intermediary will transfer the funds to the bank of first deposit within sixty (60) days.
2. ACH payments are "warehoused" or held for one week. Payments are "cycled" each Friday and one deposit for all FIs/CVV's submitted by each vendor the previous week is made. Vendors receive a detailed report of each ACH transaction included in that credit by Wednesday of the following week.
3. The State Agency keeps a scanned copy of all rejected FI/CVV's and maintains them in a State Agency file.
  - 3.1 The State Agency reviews potential return items for unreasonable dollar amount before they are returned to the bank of first deposit to alleviate incorrect rejects and potential bank fees that the vendor may incur.
  - 3.2 The State Agency will work with vendors and their bank of first deposit to get fees waived if possible.
4. For Vendors who believe a payment denial has been made incorrectly, or believe there is a justifiable reason why payment should be made, a written payment reconsideration request must be submitted to the State Agency within ninety (90) days of the "FIRST-DATE-TO-USE" printed on the check for reconsideration.
  - 4.1 Reconsideration requests must include:
    - 4.1.1 One completed WIC check appeal form for each rejected check appeal requested. A brief explanation on the form describing the circumstances, the reason why payment should be reconsidered, and what steps have been taken to prevent problem(s) in the future.
    - 4.1.2 Vendor stamp number, date mailed, check number, complete store name with address, contact name and a phone number.
    - 4.1.3 The check image with the denial/rejection stamp and receipt copy of the original receipt or journal transaction.
    - 4.1.4 A corrective action plan demonstrating to the Department how the problem(s) will be prevented in the future.
  - 4.2 Consideration will be given to the documentation submitted. Incomplete appeal forms or appeals that do not include the check and the receipt will be denied.
5. Before appealing a reduction, the vendor is strongly urged to review the following:
  - 5.1 Depository bank statement reflecting WIC direct deposit credits
  - 5.2 WIC ACH statement detailing the direct deposit credit transaction under consideration
  - 5.3 Copy of the receipt verifying that the correct items in the correct amounts were sold
  - 5.4 The additional amount requested, to determine whether it is less than \$4.00

6. If the vendor is satisfied that the reduced payment was not due to an error on his part the vendor shall send to the State Agency:
  - 6.1 A copy of the customer receipt
  - 6.2 A copy of the FI
7. The Maine CDC, WIC Nutrition Program is not responsible for any bank charges, returned checks or other fees charged to the vendor that result from the non-payment or partial payment of WIC checks. Vendors may not recover any bank charges from the WIC program, or from WIC participants or their proxies.
8. When the State Agency denies payment or initiates claims collection action, this will take place within ninety (90) days of either the date of detection of the vendor violation; or the completion of the review or investigation giving rise to the claim, whichever is later.
9. Vendor WIC Payment Procedure

**Vendor Payment:**

- 9.1 The Department will make payment to the Vendor upon receipt of validly transacted and redeemed WIC checks for food costs incurred in providing WIC approved foods to WIC customers.
- 9.2 The Department shall deny payment, either partially or fully, to a Vendor for improperly transacted or redeemed WIC checks; or may establish a claim for payments already made on improperly transacted WIC checks; or may offset future payments for the claim.
- 9.3 The Department has the right to demand refunds for charges of more than the Vendor's actual selling price and shall deny payment to the Vendor for more than the price limitations of the WIC check.

**Timeframe:**

- 9.4 By signing the WIC Vendor Agreement, the Vendor agrees to submit WIC checks for payment within sixty (60) days from the "FIRST-DATE-TO-USE". The Department shall have no obligation to pay any WIC checks submitted outside of this timeframe.
- 9.5 Prior to deposit, Vendors must review ALL WIC checks for possible errors before submitting them for payment. Checks with errors will be rejected by the banking contractor. The Vendor may incur bank fees for these. The Department cannot reimburse the Vendors for such charges.
- 9.6 WIC checks should be reviewed for completeness, legibility, dates, the total sale amount and the WIC customer signature. The register receipt should also be reviewed to ensure that the correct foods have been provided.
- 9.7 When a WIC check is returned to the store because the banking system could not read the Vendor's four (4) digit ID number, the Vendor can re-stamp its Vendor ID number on the check and redeposit the WIC check to its bank.

- 9.8 If WIC check is rejected it is critical that immediate follow-up training be completed with store personnel. Follow-up training with the cashier and/or other store personnel involved in the transaction must be done to prevent future occurrences, thus saving the Vendor money and protecting the Vendor's record with the Department.
- 9.9 All payment inquiries regarding specific WIC checks must be submitted in writing by mail. Telephone inquiries of this type will not be researched. Telephone requests for general information are welcomed.
- 9.10 For Vendors who believe a payment denial has been made incorrectly, or believe there is a justifiable reason why payment should be made, the Department may consider payment approval with valid justification. A Vendor must submit a written payment reconsideration request to the Department within ninety (90) days of the "FIRST-DATE-TO-USE" printed on the check. Remember to always keep a photocopy of all items being mailed, including the front and back of the check (See Appendix VM-12-A-WIC Check Appeal Request).

### **Approval/Denial**

Consideration will be given to the documentation submitted. Incomplete appeal forms or appeals that do not include the check and the receipt will be denied.

- If the appeal is approved, the WIC program will process an ACH
- If the appeal is denied, the WIC program will inform vendor of denial and return it to the Vendor.

### **Checks rejected for the following reasons:**

- Missing/Unreadable Vendor Stamp - The WIC check was not stamped at all or not clearly stamped prior to deposit. Stamp the check clearly and redeposit to your bank within sixty (60) days from the "first date to use". Do not send this check to the State Agency. WIC checks beyond the deposit period will not be paid. If missing Vendor Stamp, stamp and resubmit.
- Unauthorized Vendor Stamp - The store's vendor stamp is no longer active. The Maine WIC Nutrition Program will not authorize payment for checks by unauthorized vendors.
- Early Cashing/Void - "Deposited Early" This means that the WIC check was used before the "First Date to Use". The Maine WIC Nutrition Program will not authorize payment for checks taken early.
- Stale Date/Void - "Deposited Late" This means that the WIC check was used after the "Last Date to Use". The Maine WIC Nutrition Program will not authorize payment for checks taken late.
- Missing Signature/Void - No authorized representative's/ proxy signature in the lower right hand corner of the check. This means the WIC participant/authorized representative/proxy did not sign the check. The check must be signed at the store during the transaction procedure, after the purchase price has been entered on the check. The cashier is required to verify that the signature on the check matches the signature on the

WIC ID Folder. The Maine WIC Nutrition Program will NOT reimburse the store for a check taken without a valid signature.

- Altered/Void - Obvious Alterations. The Maine WIC Nutrition Program will not authorize payment for checks that display obvious alterations such as tears, punctures, written over food prescriptions, amounts, “First-Date-To-Use” or “Last-Date-To-Use” dates.
- Unreasonable Dollar amount/Void - WIC checks redeemed for more than the “MAXIMUM PURCHASE PRICE-MUST NOT EXCEED”. The WIC Program will reduce payment on WIC checks submitted in excess of the maximum redemption price for WIC products. In such cases, the Maine WIC Program shall pay no more than the maximum dollar amount. The maximum dollar value that WIC will pay is based on an average of the reported prices from each authorized vendor of the same sized stores.

Payment of the reduced amount will be made by direct deposit credit to the vendor’s bank account. The check will be returned to the vendor and bank fees may apply.

- Encoding Error - The vendor bank has scanned WIC check and coded check for different amount than written on WIC check. Do not send this check to the WIC Program; verify the bank statement; the bank may have encoded the check wrong.
- 2 Present/ Void Do Not Redeposit - the WIC check has already been paid.

#### **Before requesting an appeal, the vendor must**

Review the following:

- Depository bank statement reflecting WIC direct deposit credits
- WIC ACH statement detailing the direct deposit credit transaction under consideration
- Copy of the receipt verifying that the correct items in the correct amounts were sold

#### **WIC Check Appeal Procedures**

A vendor may appeal the State Agency’s decision to pay a WIC check in instances in which the original WIC check was rejected due to:

- WIC Bank Error
- WIC program error
- Circumstances beyond the vendor’s control

#### **Send the following to the State Agency:**

- WIC check Appeal Request** form
- WIC check** Legal WIC check copy
- Receipt** Copy of the original receipt or journal transaction report verifying the correct WIC transaction procedures

**Banking Fees** Many financial institutions charge their customers for items that are returned and charged back to the accounts. If a bank assesses a charge for this, it is between the vendor and the bank. The WIC Vendor Agreement states that vendors will assure that each WIC check:

1. Is signed.

2. Is redeemed in the proper timeframe.
3. Does not exceed the “MAXIMUM PURCHASE PRICE” printed on the check.

**The Maine CDC, WIC Nutrition Program is not responsible for any bank charges, returned checks or other fees charged to the vendor that result from the non-payment or partial payment of WIC checks.** Vendors may not recover any bank charges from the WIC program, or from WIC participants or their proxies.

- 9.11 The Maine CDC, WIC Nutrition Program cannot pay for WIC checks from other states. The Maine CDC, WIC Nutrition Program has the right to modify payment, to assess a claim, or to charge a fine for WIC checks transacted for unauthorized foods, other items, or for sales tax charged.
- 9.12 The Maine CDC, WIC Nutrition Program may deny payment to the Vendor for improperly redeemed checks or may require refunds for payments already made on improperly redeemed checks.
- 9.13 It is the responsibility of each vendor to regularly clean and ink the vendor stamps to ensure they are imprinting a clear and easily readable vendor number.

# Maine Center for Disease Control and Prevention WIC Nutrition Program

Effective: October 1, 2014

Policy No. VM-13

## Conflict of Interest

### Authority

7 CFR §246.12(t)

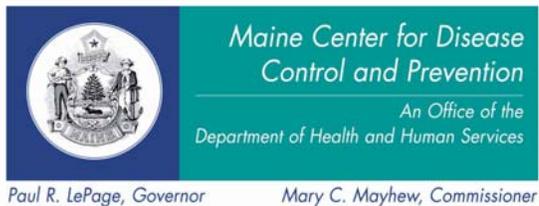
5 MRSA§18(2)

### Policy

1. This policy applies to members of the State WIC Agency staff, staff of the contracted Local Agency, and any other contracted employees of the WIC program who conduct proceedings with WIC authorized vendors.
2. “Conflict of interest” in this policy is defined as an employee participating in their official capacity in any proceeding in which, to their knowledge, any of the following have a direct and substantial financial interest:
  - 2.1 The employee, the employee’s spouse or dependent children.
  - 2.2 The employee’s business partners.
  - 2.3 A person or organization with whom the employee is negotiating or has agreed to an arrangement concerning prospective employment.
  - 2.4 An organization in which the employee has a direct financial interest.
3. “Proceeding” in this policy includes, but is not limited to: proceeding, application processing, request, hearing, ruling, determination, award, contract, claim, controversy, charge, accusation, or other matter related to action or inaction by the employee in conducting vendor related tasks.

### Procedures

1. Annually, all employees will read and sign the Conflict of Interest Statement attached to this policy attesting to a lack of conflict of interest with the vendors with whom they interact.
2. If, in the course of their work, an employee becomes aware of a conflict of interest with a vendor with whom they are working, that employee will immediately inform their immediate supervisor who will then reassign the task to another staff member.
3. Failure to disclose a known conflict of interest may result in civil penalties as set out in 5 MRSA§18(5).



Department of Health and Human Services  
 Maine Center for Disease Control and Prevention  
 286 Water Street  
 11 State House Station  
 Augusta, Maine 04333-0011  
 Tel.: (207) 287-8016; Fax: (207) 287-9058  
 TTY Users: Dial 711 (Maine Relay)  
 WIC Nutrition Program  
 Tel. (207) 287-3991 or (800) 437-9300  
 Fax: 207-287-3993

## WIC Authorized Vendor Minimum Inventory Requirements



Approved Food List

*Please refer to the Maine WIC Nutrition Program Approved Food list for types.*

Stores are required to stock WIC Approved Foods and keep minimum inventory on their shelves and coolers at all times. These must be available at the time of application and must be maintained by WIC authorized stores.

**Effective as of May 5, 2014**

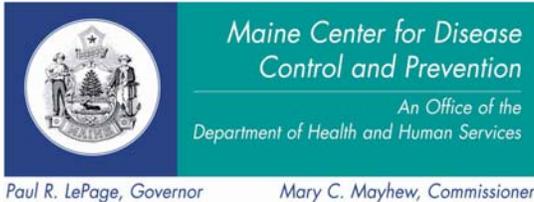
WIC-Approved Items	Quantity	Container
<b>100% Juice</b>	6 Bottles	64 oz. of WIC approved bottled juice Any two varieties.
	6 Containers	11.5-12 oz. of Frozen Concentrate or 11.5 oz. of Liquid Concentrate Any two varieties.
<b>Cereal</b>	6- 12 oz. box or larger	12 oz. box or larger One variety must be Whole Grain. Any two varieties.
<b>Milk</b>	8 Gallons & 4 Half Gallons 2 Quarts	Gallons, any combination of: whole, fat free, low fat or reduced fat
<b>Cheese</b>	4 – 8 oz. PKG Or 2- 16oz. PKG	8-16 oz. packages of American, Cheddar, Colby Jack, Monterey Jack, Mozzarella, Swiss
<b>Eggs</b>	2 Dozen	Grade A- Any Size Brown or White Shells
<b>Beans/Peas/Lentils</b>	8 Cans Or 2 Bags	15-16 oz cans of beans 16 oz bags
<b>Peanut Butter</b>	2 Jars	16-18 ounce jars creamy or crunchy Any brand.
<b>Fish Canned (in water)</b>	60 Ounces	5oz, 6oz Tuna / 5oz, 6oz, 14.75oz or 15oz Salmon./ 3.75 oz. Sardines
<b>Whole Grains</b>	4 PKG	2- 16 oz. WIC Approved Bread Loaves 2-. Any other WIC approved <i>Whole Grain Item</i>
<b>Vegetables</b>	64 Ounces	Fresh or Frozen or Canned <i>No potatoes except Yams or Sweet Potatoes</i> Any two varieties.
<b>Fruits</b>	64 Ounces	Fresh or Frozen or Canned Any two varieties.
<b>*Enfamil Formula</b>	<b>24 Cans of Powder OR 24 Cans of Concentrate</b>	
	<i>12.5 oz. Enfamil Premium® Infant UPC 65421</i>	<i>13 oz. Enfamil Premium Infant® UPC 67418</i>
	<i>12.9 oz. Enfamil® ProSobee® UPC 14415</i>	<i>13 oz. Enfamil® ProSobee® UPC 95417</i>
	<i>12.4 oz. Enfamil® Gentlease® UPC 00691</i>	<i>32. oz. Enfamil® Gentlease® RTU UPC 65411</i>
<b>*Beech-Nut</b>		
<b>*Infant Cereal</b>	2 – 8oz. box	8oz. box *Beech-Nut dry cereal without fruit. Multigrain or Oatmeal or Rice Any two varieties.
<b>*Infant Fruits</b>	32 Containers	4 oz. jars of *Beech-Nut. Any two varieties.
<b>*Infant Vegetables</b>	32 Containers	4 oz. jars of *Beech-Nut. Any two varieties.
<b>*Infant Meats</b>	24 Containers	2.5 oz. jars of *Beech-Nut. Any two varieties.
<b>*= Contract Items</b>	<b>Failure to maintain inventory is a class III violation. 5 points</b>	

For questions contact us at:

Ph.: 1-800-437-9300 or E-mail: [WIC.Maine@Maine.gov](mailto:WIC.Maine@Maine.gov)



For Resources visit: [www.WICforME.com](http://www.WICforME.com)



Department of Health and Human Services  
 Maine Center for Disease Control and Prevention  
 286 Water Street  
 11 State House Station  
 Augusta, Maine 04333-0011  
 Tel.: (207) 287-8016; Fax: (207) 287-9058  
 TTY Users: Dial 711 (Maine Relay)  
 WIC Nutrition Program  
 Tel. (207) 287-3991 or (800) 437-9300  
 Fax: 207-287-3993

## WIC Nutrition Program Infant Formula Authorized List

State Agency's list of licensed infant formula wholesalers, distributors, and retailers; or manufacturers registered with the U.S. Food and Drug Administration

Wholesaler	Address	City	State	Zip	Phone
Associated Grocers of New England (AGNE)	11 Cooperative Way	Pembroke	NH	03275	603-223-6710
Auburn Merchandise Distributors	355 Maine Street	Whitinsville	MA	01588	508-234-9000
Bozzuto's Inc.,	275 Schoolhouse Road	Cheshire	CT	06410	203-272-3511
BJ's Wholesale Club, Inc. locations	25 Research Dr,	Westborough	MA	01582	774-512-7400
C & S Wholesale Grocers	7 Corporate Drive	Keene	NH	03431	603-357-7301
Capitol Candy Co. Inc. Wholesalers	32 Burnham Street	Barre	VT	05641	800-639-2224
Hannaford and/or Distribution*	145 Pleasant Hill Road	Scarborough	ME	04074	800-213-9040
HD Smith Wholesale Drug Co.	8 Marin Way	Stratham	NH	03885	603-778-1015
Market Basket, Inc / DeMoulas	10 Main St.	Tewksbury	MA	01876	978-851-8000
Mead Johnson	2400 West Lloyd Expressway	Evansville	IN	47721	812-429-5000
Pine State Trading Co.	47 Market Street	Gardiner	ME	04345	207-622-3741
Sam's Club, locations	2101 S.E. Simple Savings Drive	Bentville	AR	72716	800-331-0085
Save a Lot - Wells Distribution Center	RR 109	Wells	ME	04090	207-646-9616
Shaw's and/or Wells Distribution Center*	RR 109	Wells	ME	04090	207-646-9616
Town and Country Foods	72 Daggett Hill Road	Greene	ME	04236	800-773-9710
Wal-Mart and/or Distribution*	31 Alfred Plourde Parkway	Lewiston	ME	04240	207-344-2700

Each vendor must maintain inventory records for a period of at least three years. These inventory records include but are not limited to: 1) inventory records showing all infant formula purchases, wholesale and retail, in the form of invoices identifying the wholesale or retail quantity and prices; 2) transfer records showing origination, destination, and quantity; 3) sales and use tax return; 4) books of account; and 5) other pertinent records necessary to substantiate the volume and the prices charged through WIC food instrument redemption and for determination and verification of whether vendor is an above-50-percent vendor.

On behalf of \_\_\_\_\_  
Store Name

\_\_\_\_\_  
Vendor Number      City      Owner Name      Ownership Type

I request the following Infant Formula provider to be added to authorize WIC list.

Business Name: \_\_\_\_\_ Contact Name: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ E-mail: \_\_\_\_\_

/ /

\_\_\_\_\_  
Authorized Vendor Print      Authorized Vendor Signature      Date

<b>WIC USE ONLY</b>	<input type="checkbox"/> Approved	<input type="checkbox"/> Denied	Processor: _____	Date: _____
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Department of Health and Human Services  
Maine Center for Disease Control and Prevention  
286 Water Street  
11 State House Station  
Augusta, Maine 04333-0011  
Tel. (207) 287-8016  
Fax (207) 287-9058; TTY (800) 606-0215

Maine CDC WIC Nutrition Program  
Tel. (207) 287-3991 or (800) 437-9300  
Fax: 207-287-3993

## Maine CDC WIC Nutrition Program Vendor Agreement

This Agreement is made between \_\_\_\_\_ Owner(s) of \_\_\_\_\_ Privately-Held Corporation, located at \_\_\_\_\_ (hereinafter Vendor) and the State of Maine Department of Health and Human Services WIC Program (hereinafter Maine CDC WIC Nutrition Program). The Vendor and the Maine CDC WIC Nutrition Program mutually agree to the terms and conditions contained in this Agreement.

Assigned Vendor Number: [ \_\_\_\_\_ ] Assigned Vendor Peer: **Peer** \_\_\_\_ The period of this Agreement is from \_\_\_\_\_ to **November 30, 2017**.

The Vendor agrees to the following general requirements during the term of the Agreement and shall:

### 1. General Requirements

- 1.1 Maintain compliance with the WIC vendor selection criteria detailed in Vendor Management Policy VM-1 throughout the Vendor Agreement period, including any changes to the criteria.
- 1.2 Maintain inventory records used for federal tax reporting purposes; maintain records in accordance with generally accepted accounting procedures; and assure that records reflecting justification and receipt of WIC funds, food instruments/cash-value vouchers/eWIC cards (hereinafter FIs), and all other program-related records of the Vendor are available for inspection or audit by federal, state or other authorized personnel.
- 1.3 Cooperate with federal and state WIC Program and other authorized personnel during announced and unannounced on-site vendor reviews, inspections and audits.
- 1.4 Provide the Maine CDC WIC Nutrition Program with purchase invoices from wholesalers and receipts for WIC-approved products purchased from other retailers, when requested.
- 1.5 Submit a current price list within the timeframes given and in the format requested by the Maine CDC WIC Nutrition Program.
- 1.6 Attend all mandatory vendor trainings.
- 1.7 Be responsible for training all staff who handle WIC transactions and ensuring their knowledge regarding Maine CDC WIC Nutrition Program procedures and requirements.
- 1.8 Submit FIs for redemption in accordance with the procedures and other requirements of Vendor Management Policy VM-12.
- 1.9 Satisfy all claims for overcharges within the time requested.
- 1.10 Comply with the nondiscrimination provisions of 7 CFR Parts 15, 15A and 15B.

### 2. Operational Requirements: The Vendor agrees to the following operational requirements during the term of the Agreement and shall:

- 2.1 Maintain the minimum stock of all WIC foods (Minimum Inventory Requirement attached).



- 2.2 Meet minimum redemption requirements (no less than an average of 15 WIC FIs or an average of \$200.00 in value of WIC food benefits redeemed per month averaged over the previous 12 months).
- 2.3 Keep all information of authorized WIC participants confidential.
- 2.4 Purchase infant formula for sale to WIC participants from sources on the Maine CDC WIC Nutrition Program authorized list of infant formula wholesalers, distributors and retailers or manufacturers registered with the U.S Food and Drug Administration (attached) .
- 2.5 Provide WIC products at prices that are competitive.
- 2.6 Ensure that prices charged to WIC participants for approved foods are equal to or less than prices charged to non-WIC customers.
- 2.7 Never charge the Maine CDC WIC Nutrition Program for WIC products not actually purchased and received by the WIC participant.
- 2.8 Never charge the Maine CDC WIC Nutrition Program for WIC products provided in excess of those listed on the WIC FIs.
- 2.9 Never price WIC transactions by FI type instead of pricing each FI for the actual, authorized WIC products purchased and received.
- 2.10 Never publicly identify, call unnecessary attention to, or allow discourteous treatment of a WIC participant.
- 2.11 Appropriately redeem valid FIs issued by a Local Agency for the types and quantities of food specified on the FIs. In addition, the prices charged for WIC foods shall be equal to, or less than the price charged to non-WIC customers.
- 2.12 Never substitute one WIC-approved product for another.
- 2.13 Ensure that authorized WIC participants can receive within 72 hours of a request from a participant or the Maine CDC WIC Nutrition Program, any authorized prescription infant formula and/or WIC-eligible medical foods if the vendor is a WIC pharmacy or combination food store/pharmacy,.
- 2.14 Be willing to “break a case” if it is necessary to provide the number of cans/bottles printed on the FIs if the vendor is a pharmacy.
- 2.15 Never request or accept cash payment for the quantities of foods specified on FIs.
- 2.16 Never attempt to seek restitution from participants/authorized representatives for redeemed FIs that were rejected by the Program’s bank and/or for cash refunds requested by the Maine CDC WIC Nutrition Program.
- 2.17 Allow WIC participants to purchase less than, but never more than, the authorized amount of food, if desired.
- 2.18 Allow WIC participants to take advantage of manufacturer or vendor promotions that provide foods free of charge when purchasing WIC foods. The vendor shall also accept manufacturers’ “cents off coupons” from WIC participants for foods being purchased with FIs and deduct the value of the coupon from the cost of the WIC foods being purchased.
- 2.19 Never provide incentive items or other free merchandise, except food or merchandise of nominal value (less than \$2.00), to WIC participants unless the vendor provides to the Maine CDC WIC Nutrition Program proof that the vendor obtained the incentive items or merchandise at no cost.

- 2.20 Only accept FIs at the time of the actual purchase and never issue “rain checks” or credit slips to WIC participants for WIC-approved foods.
- 2.21 Allow exchange of an identical item only when the original item is defective, spoiled, or has exceeded its expiration date.
- 2.22 Accept valid WIC FIs from all WIC participants without exception.
- 2.23 Accept WIC FIs for authorized infant formula and/or WIC-eligible medical foods only, if the vendor is a WIC pharmacy that has not been also authorized as a WIC food vendor
- 2.24 Never accept FIs for authorized prescription infant formula and/or WIC-eligible medical foods if the vendor is a WIC food vendor that has not been also authorized as a WIC pharmacy.
- 2.25 Never demand identification other than the WIC ID Folder from a WIC participant.
- 2.26 Never transact WIC FIs outside of the authorized store. Vendors offering delivery services may deliver WIC foods after the transaction has been completed in the store.
- 2.27 Never collect sales tax on WIC food purchases.
- 2.28 Collect Maine Bottle Bill deposits from the WIC participant and not from the Maine CDC WIC Nutrition Program.
- 2.29 Direct questions concerning payment only to the Maine CDC WIC Nutrition Program. Do not contact WIC participants concerning this or any other problem area.
- 2.30 Report to the Maine CDC WIC Nutrition Program any irregularities in the use of WIC FIs/CVV by WIC participants.
- 2.31 Report to the Maine CDC WIC Nutrition Program if a WIC participant requests cash or credit in exchange for returned WIC products.

3. Vendor Compliance:

- 3.1 The Vendor agrees to the sanction, disqualification, and termination system detailed in Vendor Management Policy VM-6 (attached).
- 3.2 The Maine CDC WIC Nutrition Program may initiate administrative action to disqualify or assess a civil money penalty, in lieu of disqualification, against a vendor for non-compliance on the basis of an incident of violation or a pattern of violations.

4. The Vendor agrees to the following additional requirements for transaction of paper FIs:

- 4.1 Request that the WIC participant present an approved/validated WIC ID Folder.
- 4.2 Request that the WIC participant write the actual cost of the WIC foods purchased in the space provided on the face of the FI prior to signing the FI. Exception: a computer may print the actual cost of the WIC foods on the FI if an automated system exists in the store.
- 4.3 Request that the WIC participant affix his/her signature in the lower right hand corner of the FI after he/she has written in the price.
- 4.4 Compare the signature on the FI with the signature(s) on the ID Folder; if the signature on the FI does not match either of the signatures on the ID Folder, do not accept the FI/CVV.
- 4.5 Provide the WIC participant with an itemized receipt that indicates the cost of each food item purchased with the FI.

- 4.6 In cases where a WIC participant signs with an “X”, witness the transaction by signing beneath the “X” mark.
- 4.7 Observe that there are no visible alterations apparent on the FI.
- 4.8 Observe the WIC participant as she/he signs the FI, and be sure the signature on the FI matches one of the two signatures on the WIC ID Folder.
- 4.9 Never accept a pre-signed FI.
- 4.10 Never accept a FI without the sale price entered in the amount field of the FI.
- 4.11 Never accept a FI outside of the “to use” dates (before the “first day to use” or after the “last day to use” date).
5. The Vendor agrees to the following additional requirements for the transaction of eWIC cards:
  - 5.1 Only allow the WIC participant/authorized representative to purchase food items with UPC codes that correspond to the eWIC approved APL.
  - 5.2 Scan or manually enter the actual UPC code that is affixed to the item actually being purchased by the WIC participant/authorized representative.
  - 5.3 Not scan any UPC code that is not affixed to the item being purchased by the WIC participant/authorized representative, or any UPC code as a substitute or replacement for the item being purchased.
  - 5.4 Not require the WIC participant/authorized representative to provide any other form of identification besides entering the pin number associated with the eWIC card.
6. This Agreement does not constitute a license or property interest.
7. This Agreement is non-transferable. Any transfer of ownership or sale of the business by the Vendor shall render the Agreement and the vendor stamp null and void. The Agreement also shall be null and void if the Vendor ceases operations or leases the business.
8. This Agreement is in effect for the time period stated only. An application must be submitted for consideration upon expiration of the current Agreement period. The Vendor’s renewal application will be subject to the Maine WIC Agency’s vendor selection criteria in effect at the time of the reapplication.
9. This Agreement is subject to change in accordance with any changes in federal and state requirements governing the Maine CDC WIC Nutrition Program.
10. Both parties to this Agreement represent that there is no conflict of interest between the Maine CDC WIC Nutrition Program, the local WIC agencies and the Vendor.
11. This Agreement may be terminated for cause by the Maine CDC WIC Nutrition Program, with fifteen (15) days’ advance written notice.
12. The Vendor will be held liable for the actions of all owners, officers, managers, agents, employees and personnel, paid or unpaid, who may be involved in WIC transactions at the Vendor’s store or pharmacy.
13. A vendor who commits fraud or abuse in the Maine CDC WIC Nutrition Program is liable to prosecution under applicable federal, state and local laws.
14. Neither the Vendor nor the Maine CDC WIC Nutrition Program has an obligation to renew the Vendor Agreement.
15. The Vendor will receive an application for renewal of authorization at least thirty (30) days before the Agreement expires, including notification that failure to return the renewal application prior to the date of expiration of the current Agreement will result in loss of authorization.

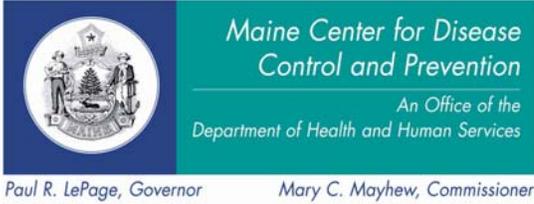
I certify that as the owner, operator, manager, or other person(s) authorized to sign the WIC Vendor Agreement and, prior to signing this agreement, I have carefully read the entire Agreement. I understand how the Maine CDC WIC Nutrition Program works and all expectations of me set forth by the Maine CDC WIC Nutrition Program. I understand that compliance with all policies, procedures, and regulations of the Maine CDC WIC Nutrition Program is my responsibility.

I understand that it is my responsibility as a vendor to request interpreter services, if needed, to help me understand the terms of this Agreement and to comply with the policies, procedures, and regulations of the Maine CDC WIC Nutrition Program.

\_\_\_ Check here if you require the services of an interpreter. It is your responsibility as a vendor to indicate the need for service of an interpreter.

_____	_____	_____
Authorized Vendor Print	Authorized Vendor Signature	Date
_____	_____	_____
WIC Representative Print	WIC Representative Signature	Date

You may refer to Vendor Sanction System Policy No. VM-6 located in WIC Vendor Training Guide and on state website: [www.WICforME.co](http://www.WICforME.co)



Department of Health and Human Services  
Maine Center for Disease Control and Prevention  
286 Water Street  
11 State House Station  
Augusta, Maine 04333-0011  
Tel.: (207) 287-8016; Fax: (207) 287-9058  
TTY Users: Dial 711 (Maine Relay)  
WIC Nutrition Program  
Tel. (207) 287-3991 or (800) 437-9300  
Fax: 207-287-3993

## WIC Vendor Application

\* = Required Field    Incomplete or unsigned application may delay authorization.    \* = Required Field

### \*TYPE OF REQUEST

New WIC Application                       Renewal WIC Application, Complete by **October 1<sup>st</sup>** Vendor no. \_\_\_\_\_

### \*OWNERSHIP TYPE (MARK ONE)

Corporate     Sole Proprietorship     Partnership     Government     Other: \_\_\_\_\_

### \*TYPE OF AUTHORIZATION

Retail Food Vendor - licensed by the Maine Department of Agriculture (AG) that has no pharmacy on its premises  
 Franchise Name \_\_\_\_\_     Independent     Convenience Store     Grocery Store

Retail Food Vendor with Pharmacy – licensed by AG & Commission of Pharmacies under the same ownership on the same premises  
 Franchise Name \_\_\_\_\_     Independent

Pharmacy Vendor- registered through the Maine Commission of Pharmacies that is not operating as a food vendor  
 Franchise Name \_\_\_\_\_     Independent

### \*BUSINESS INFORMATION

\*Business Name: \_\_\_\_\_

\*Physical Location Address: \_\_\_\_\_

\*City: \_\_\_\_\_ \*State: \_\_\_\_\_ \*ZIP Code: \_\_\_\_\_

Business Mailing Address (if different): \_\_\_\_\_

\*City: \_\_\_\_\_ \*State: \_\_\_\_\_ \*ZIP Code: \_\_\_\_\_

\*Phone: ( ) -      Fax: ( ) -      E-mail: \_\_\_\_\_

Store Contact Name: \_\_\_\_\_ Job Title: \_\_\_\_\_

\*Owner's Name 1: \_\_\_\_\_ WIC stores Owned \_\_\_\_\_ Non-WIC stores Owned \_\_\_\_\_

Mailing Address:  same \_\_\_\_\_

Phone: ( ) -      Cell: ( ) -      E-mail: \_\_\_\_\_

\*Owner's Name 2: \_\_\_\_\_ WIC stores Owned \_\_\_\_\_ Non-WIC stores Owned \_\_\_\_\_

Mailing Address:  same \_\_\_\_\_

Phone: ( ) -      Cell: ( ) -      E-mail: \_\_\_\_\_

\*Does the applicant own the real estate where the store is located?  Yes     No

\*Is your store in a Permanent Fixed Location?  Yes     No      \*SSN:/ Federal ID: \_\_\_\_\_

\*Number of Cash Registers \_\_\_\_\_ Number of Cashiers: \_\_\_\_\_ Do Cash registers flag WIC items?  Yes     No

For questions contact us at:  
Ph.: 1-800-437-9300 or E-mail: [WIC.Maine@Maine.gov](mailto:WIC.Maine@Maine.gov)



For Resources visit: [www.WICforME.com](http://www.WICforME.com)

Do cash registers use optical scanning devices recording product & price information on the customer receipt?  Yes  No

\*Will you derive more than 50% of your annual food sales from the sale of WIC foods?  Yes  No

\*Date Store opened for business \_\_\_\_ / \_\_\_\_ / \_\_\_\_ \*Square Footage of **Selling Space** devoted to Grocery Sales: \_\_\_\_\_

\*Is your Store Authorized to Accept Food Stamps?  No  Pending  Yes \*SNAP Authorization Date: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

\*FNS No.(seven digits): \_\_\_\_\_ Kosher Foods  Yes-Some  Yes-Primarily  No

Do you use a stand beside machine to process SNAP payments?  Yes  No

**\*ANNUAL SALES (JAN 1 TO DEC 31) OF LAST TAX YEAR**

Food Sales	SNAP	\$ _____	Non-Food Sales	Alcohol	\$ _____
	WIC	\$ _____		Tobacco	\$ _____
	*Other Food	\$ _____		Other Non-Food	\$ _____
* <input type="checkbox"/> ATTACHE LAST TAX YEAR DOCUMENTATION			*Total Annual Sales \$ _____		

**\*BUSINESS HOURS\*** *OPEN to CLOSE*

	Sun:	Mon:	Tue:	Wed:	Thur.:	Fri:	Sat:
SPRING	____ to ____	____ to ____	____ to ____	____ to ____	____ to ____	____ to ____	____ to ____
SUMMER	<input type="checkbox"/> same	____ to ____					
FALL	<input type="checkbox"/> same	____ to ____					
WINTER	<input type="checkbox"/> same	____ to ____					

**\*SUPPLIER INFORMATION (NAME & ADDRESS)**

\*Wholesaler 1: \_\_\_\_\_  
 \*Infant Formula: \_\_\_\_\_ \*Local Dairy: \_\_\_\_\_  
 Another Retail Grocery \_\_\_\_\_ Other \_\_\_\_\_

**\*BANK INFORMATION**

\*Bank Name (Where WIC Checks Will Be Deposited): \_\_\_\_\_  
 Bank Address \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP Code: \_\_\_\_\_  
 Phone: ( ) - \_\_\_\_\_ Fax: ( ) - \_\_\_\_\_  
 \*Bank (Checking) Account Number: \_\_\_\_\_  
 \*Bank's ABA Transit Routing Number (nine digits): \_\_\_\_\_

**\*BUSINESS INTEGRITY**

Has the corporate entity, current owner, officer, manager, or any other individual who directly or indirectly participates in the operation of the store ever been denied participation, cited for non-compliance, involuntarily withdrawn, been disqualified, or fined by the Food Stamp Program, in Maine, or any other state within the past six years or ever been permanently disqualified?  
 No  Yes

Has the corporate entity, current owner, officer, manager, or any other individual who directly or indirectly participates in the operation of the store ever been convicted of or had a civil judgment entered against him for fraud, antitrust violations, embezzlement, theft, bribery, falsification or destruction of records, making false statements, receiving stolen property, making false claims or obstruction of justice?  No  Yes

I understand it is my responsibility as a vendor to obtain and pay for the services of an interpreter.

Interpreter services need?  No  Yes \_\_\_\_\_  
Interpreter Name Date

I hereby certify that I have the authority to contract for the business and all information submitted on this form is accurate and complete. I understand that this application does not guarantee selection and authorization to participate in the Maine WIC Nutrition Program. The prices listed are my current actual shelf prices. No conflict of interest exists between my business and any WIC agency. I understand that if this store is selected for authorization, I will be bound by the rules and regulations of the WIC program:

I understand that any false statements made in connection with this application may be grounds for denial of the application or termination of the location as an authorized WIC Vendor.

\*Print

\*Signature

\*Date

\* = Required Field





Paul R. LePage, Governor Mary C. Mayhew, Commissioner

Department of Health and Human Services
Maine Center for Disease Control and Prevention
286 Water Street
11 State House Station
Augusta, Maine 04333-0011
Tel.: (207) 287-8016; Fax: (207) 287-9058
TTY Users: Dial 711 (Maine Relay)
WIC Nutrition Program
Tel. (207) 287-3991 or (800) 437-9300
Fax: 207-287-3993

Compliance Buy Reporting Form

- Summarize the events that occurred during the compliance purchase immediately upon exiting the store
If more than one check is used on the same date in the same store fill out multiple check logs indicating "1 of 2" and "2 of 2" and attach log(s).
Attach receipt(s) to the back of form
Food disposition- WIC approved foods that have been purchased appropriately should be donated to an approved organization. Community nonprofit charitable organizations, such as churches, food banks, and so on, are the best donation sites.
Items purchased that are not WIC approved are to be kept as evidence of program non-compliance.
Submit to State Agency completed Compliance Report within five business days of purchase date

Demographics

Store Name: Vendor No.
Address: City:
Buy Type: Trafficking Safe Short Major Substitution Minor Substitution
Compliance buy date:
Time entered store: Visit number: Number of checks used:
Time exited store: (attach logs and receipts)

Compliance Buy Scenario (what is the plan? Note any changes to plan):

Blank lines for writing the Compliance Buy Scenario.

Compliance Buy Outcome (Fill out immediately following compliance buy)

Store Open: Yes No Closed due to: Cessation of operations Other:
Register #: # of Customers Ahead: # of Customers Behind:
Cashier Name Tag:
Sex: Female Male Height: ft in. Build: Small Medium Large
Estimated Age: Teen 20-25 26-30 31-35 36-40 41-45 46-50 51-55 56+
Apparent Ethnicity: White Black Hispanic Asian Other
Other Identifying Information:

Did cashier refuse to transact WIC check?  Yes  No

Reason given for refusal: \_\_\_\_\_

Did cashier request your WIC Participant Folder?  Yes  No

Did cashier confirm dates on the WIC check?  Yes  No

Did cashier verify the WIC products?  Yes  No

Did cashier ring in only the items on WIC check?  Yes  No

Cashier allowed you to buy:  Alcohol/ Tobacco  Non-food item  Non-WIC food  Other WIC food not on check

If applicable, cashier charged:  more than shelf price  for food not purchased, but listed on WIC check  Sales tax

Did cashier request the amount to be written on WIC check?  Yes  No

If no, amount entered by :  Clerk  Register  No amount entered during transaction

Did cashier request a signature prior to total amount on WIC check?  Yes  No

Did cashier compare signature to WIC ID folder?  Yes  No

Did the cashier offer receipt?  Yes  No

*(if applicable )* Did cashier request bottle deposit?  Yes  No

Do cash registers use scanners?  Yes  No

Did cashier sell expired WIC food?  Yes  No

Were you treated the same as other customers?  Yes  No

Was the cashier able to perform correct procedure without assistance?  Yes  No

If no, was there a WIC procedure card or instructions at register?  Yes  No

Did store have stock of WIC foods on shelves?  Yes  No

If no, did cashier provide:  Rain check or store credit  Provide cash for WIC checks  N/A

Other issues/deficiencies: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Comments/ Observations: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The facts stated on this Compliance Buy Reporting Form are true and accurate to the best of my knowledge. If I am called to testify as a witness in any proceeding, I am competent to testify to the matters stated herein on this form.

\_\_\_\_\_  
Compliance Shopper Print

\_\_\_\_\_  
Compliance Shopper Signature

\_\_\_\_\_  
Date

# WIC Compliance Buy- Check Log

Check \_\_\_\_\_ Of \_\_\_\_\_ Used during compliance buy date: \_\_\_\_\_ Vendor # \_\_\_\_\_

**WIC Check – (Fill out before performing compliance buy.)**

Check Number: \_\_\_\_\_ FIRST DAY TO USE \_\_\_\_ / \_\_\_\_ / \_\_\_\_ LAST DAY TO USE \_\_\_\_ / \_\_\_\_ / \_\_\_\_  
 (attached copy)

Quantity	Size	Item Description

**WIC Check Foods Purchased with above check number (attach picture)**

Quantity	Size	Item Description & Manufacturer	Unit Cost	Total Cost	Check if Non-Auth WIC Item
Dollar amount written/printed on Food Instrument			Total: \$		

*Attach receipt if given*

**List of foods NOT purchased on WIC Check**

Quantity	Size	Item Description	Reason:

**Violation items** are to be kept as evidence of program noncompliance and submitted to WIC Program

Page # \_\_\_\_\_ of Page \_\_\_\_\_

Vendor # \_\_\_\_\_ Date: \_\_\_\_\_





# Vendor Compliance Determination Form

Letter Needed?  Letter Sent?  Event Log Updated   
 Yes  No CB Plan?  Docs Scan/Loaded

## Vendor Information

**Type of Store** Supermarket (Peer A)  Convenience Store (Peer C)

**Store Name:** \_\_\_\_\_ **City:** \_\_\_\_\_ **Vendor No.** \_\_\_\_\_

**Date of Activity:** \_\_\_\_ / \_\_\_\_ / \_\_\_\_ **Buy Number:** \_\_\_\_\_

Type of investigation:  Compliance Buy  Inventory Audit  Monitoring  Other: \_\_\_\_\_

## Store History

Date of last Training received: \_\_\_\_ / \_\_\_\_ / \_\_\_\_ Type:  New  Annual  Interactive  Special

Date of last Compliance investigation \_\_\_\_ / \_\_\_\_ / \_\_\_\_ Type:  Compliance Buy  Inventory Audit  Monitoring  Other

Avg monthly redemption \$: \_\_\_\_\_ High risk vendor:  Yes  No

Prior Violation/Sanction points:  Yes  No Existing Sanction Points (previous 12 mo): \_\_\_\_\_

Prior WIC/SNAP disqualification:  Yes  No

Other: \_\_\_\_\_

## Violations

Violations found		Length of disqualification
<input type="checkbox"/> Yes	<b>1. Class I Violations:</b>	
	1.1. Conviction of trafficking vouchers/ selling ammunition, ECT. / controlled substances in exchange for WIC FIs	Permanent
	1.2. One incident of trafficking	six (6) years
<input type="checkbox"/> Yes	1.3. One incident of the sale of alcohol, or tobacco products in exchange for WIC FIs.	three (3) years.
<input type="checkbox"/> Yes	<b>2. Class II Violations:</b>	
	2.1. Claiming reimbursement for the sale of any WIC item that exceeds the store's documented inventory within specific timeframe	three (3) years.
	2.2. <b>Two or more incidents of</b> intentionally or unintentionally charging the State more for WIC foods than is permitted	three (3) years.
	2.3. <b>Two or more incidents of</b> WIC FIs received , transacted, or redeemed from outside of the authorized store location	three (3) years.
	2.4. <b>Two or more incidents of</b> charging for WIC foods not received by customer	three (3) years.
	2.5. <b>Two or more incidents of</b> providing credit or non food item(s) for WIC FIs	three (3) years.
<input type="checkbox"/> Yes	2.6. <b>Two or more incidents of</b> providing unauthorized foods including charging for foods purchased in excess of foods listed on WIC FIs	one (1) year.
<b>Findings:</b> <input type="checkbox"/> Yes <input type="checkbox"/> Yes	<b>3. Class III Violations:</b> Under sanction points	<b>Points</b>
	3.1. Contacting participant to recoup funds not reimbursed by WIC	10
	3.2. Improperly refusing to accept a WIC FIs from WIC Participant	10
	3.3. First incident of WIC FIs received , transacted, or redeemed from outside of the authorized store location	7
	3.4. Altering information on a WIC FIs	7
	3.5. Failure to submit information documentation within timeframe specified	5
	3.6. Selling out-of-date WIC foods	5
	3.7. Failure to maintain minimum stock of WIC foods	5
	3.8. Accepting or requiring signature on FIs without the purchase price filled in	5
	3.9. Failure to request WIC ID Folder from participant and to verify signature	5
<input type="checkbox"/> Yes	3.10. Charging sales tax on WIC purchase	5

<b>Findings:</b>	<b>Continue Class III Violations:</b> Under sanction points	<b>Points</b>
<input type="checkbox"/> Yes	3.11. Obtaining/using WIC vendor stamps from sources other than the State Agency	3
<input type="checkbox"/> Yes	3.12. Accepting WIC FIs that appear to be altered	3
<input type="checkbox"/> Yes	3.13. Failure to have participant enter purchase price on WIC FIs during transaction	3
<input type="checkbox"/> Yes	3.14. Requiring participants to purchase all foods listed on WIC FIs	3
<input type="checkbox"/> Yes	3.15. Failure to provide an itemized receipt for foods	3
<b>To be added as of 10/1/2014</b>		
<input type="checkbox"/> Yes	3.16 First incident of intentionally or unintentionally charging the State more for WIC foods	10 (DQ on 2 <sup>nd</sup> )
<input type="checkbox"/> Yes	3.17 First incident of charging for WIC foods not purchased	10 (DQ on 2 <sup>nd</sup> )
<input type="checkbox"/> Yes	3.18 First incident of providing credit or non-food items on a WIC FIs (not Class I items)	10 (DQ on 2 <sup>nd</sup> )
<input type="checkbox"/> Yes	3.19 First incident of providing unauthorized foods or charging for foods purchased in excess of foods listed on WIC FIs	10 (DQ on 2 <sup>nd</sup> )
<input type="checkbox"/> Yes	3.20 Failure to train all staff and store representatives who work cash register on WIC procedures	5
<input type="checkbox"/> Yes	3.21 Charging WIC for Maine Bottle Bill deposits	3
<input type="checkbox"/> Yes	3.22 Requiring participants to purchase specific brands	3
<input type="checkbox"/> Yes	3.23 Allowing substitution of WIC food on FI for a WIC food not on FI	5
<input type="checkbox"/> Yes	3.24 Requiring participants to make a cash purchase	7
<b>Other:</b>		

**Termination of Agreement:**

- Yes 1.1 Failure to maintain compliance with vendor selection criteria, including changes to selection criteria made during the Vendor Agreement period.
- Yes 1.2 Intentionally providing false information in the vendor application or price survey.
- Yes 1.3 A change to the store location by more than a short distance as determined by State Agency staff.
- Yes 1.4 A change in ownership of the Vendor by more than 50%.
- Yes 1.5 Cessation of operations of the authorized Vendor location.
- Yes 1.6 The State agency identifies a conflict of interest, as defined by applicable State laws, regulations and policies.
- Yes 1.7 Failure to stock any WIC-approved items in three or more of the WIC-approved food categories.
- Yes 1.8 Failure to attend mandatory vendor training.
- Yes 1.9 Nonpayment of a claim for documented overcharges to the Maine CDC WIC Nutrition Program.
- Yes 1.10 Failure to allow monitoring and inspection of the store premises and procedures to ensure compliance with the agreement and state and federal WIC Program rules, regulations, and policies. Monitoring and inspection includes, but is not limited to, allowance of access to WIC FIs/CVVs negotiated the day of monitoring, access to shelf price records and any other vendor records pertinent to the purchase of WIC supplemental food items.
- Yes 1.11 Failure to maintain inventory records used for federal tax reporting purposes; to maintain records in accordance with generally accepted accounting procedures; and to assure that records reflecting justification and receipt of WIC funds, FIs/CVVs and all other program-related records of the Vendor are available for inspection or audit by federal, state or other authorized personnel.
- Yes 1.12 Failure to cooperate with federal and state WIC Program and other authorized personnel during announced and unannounced on-site vendor reviews, inspections and audits.
- Yes 1.13 Failure to provide the Maine CDC WIC Nutrition Program with purchase invoices from wholesalers or receipts for WIC-approved products purchased from other retailers, when requested.
- Yes 1.14 Failure to meet minimum redemption requirements (no less than an average of 15 WIC FIs/CVVs or an average of \$200.00 in value of WIC FIs/CVVs redeemed per month averaged over the previous 12 months).
- Yes 1.15 The Vendor's prices have increased over the prices submitted in the Vendor's application or the most recent price list submitted, and such increase is not due to the inflation rate and/or other legitimate factors. If, within the fifteen (15) days, the Vendor can demonstrate that the prices have been lowered so as to not exceed the MRP established for the Vendor's assigned peer group, termination will not occur.
- Yes 1.16 During the course of routine monitoring the State agency determines that the Vendor derives more than 50% of their sales volume from WIC FIs.
- Yes 1.17 Failure to participate in the transition of WIC FIs from paper instruments to eWIC card.

**Points Assessed:** \_\_\_\_\_

**Processor**

\_\_\_\_\_  
WIC Nutrition Program Representative Signature

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
Date

**Determination:**

Sent letter after initial compliance investigation:

Yes  No

If No, how would you notice of first incident of violation compromise the investigation?

- Exposes the shopper identification when anonymity is important to this investigation
- Intentional conduct indicative of fraud; warning would not serve the function of correction of inadvertent error, but would allow this vendor to possibly escape sanction.
- Other: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If Yes, send letter for :

- Warning
- Violation(s), & **Total Points** \_\_\_\_\_
- Inventory Audit
- In Compliance
- Termination of Agreement

Additional investigations scheduled?

Yes  No – Close investigation case

Proceed with:

- Compliance Buy
- Safe – Buy check description
- Short – Buy less than check description
- Exceed – purchase WIC foods in excess of food listed on check
- Exchange- WIC food for another WIC food not on check
- Minor Substitution- attempt to buy non-WIC foods
- Major Substitution – attempt to buy alcohol, or tobacco products
- Credit or non food item(s)– Get credit or non food item(s)
- Trafficking – exchange for cash, firearms, ammunition, explosives, or controlled substances
- Inventory Audit
- Monitoring
- Other: \_\_\_\_\_

**Completed By**

I Tina Bernier, of the Maine CDC, WIC Nutrition Program Vendor Unit, have determined that notifying this Vendor after the first incident would compromise and investigation of a pattern of misconduct by this Vendor.

\_\_\_\_\_  
Tina Bernier, WIC Nutrition Program Vendor and Data Services Manager Signature

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
Date

# DEPARTMENT OF HEALTH & HUMAN SERVICES

Division of Administrative Hearings  
Marquardt Building, #11 State House Station  
Augusta, ME 04333 (207)287-3610  
Facsimile (207)287-8448

## FAIR HEARING REPORT FORM

Date Form Prepared:

**CLIENT NAME:**

**CASE NUMBER:**

**ADDRESS:**

**DATE OF REQUEST FOR HEARING:**

**DEPARTMENT CONTACT PERSON:**

**TITLE:**

**ADDRESS:**

**TELEPHONE #**

**DHHS OFFICE WHERE THIS HEARING SHOULD BE HELD:**

**WHO WILL ATTEND FOR THE DEPARTMENT:**

**WHO WILL ATTEND FOR/WITH THE CLIENT (If you know):**

**DEPARTMENT ACTION WHICH CLIENT IS APPEALING:**

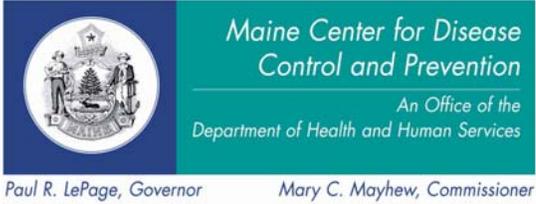
**REGULATION UNDER WHICH THE ACTION WAS TAKEN BY THE DEPARTMENT:**

**MANUAL TITLE: CHAP. SEC. PG.**

**REASON FOR DEPARTMENT'S ACTION:**

For Office Use Only:

hoa: \_\_\_\_\_ hd: \_\_\_\_\_ /Place: \_\_\_\_\_ /Time: \_\_\_\_\_



Department of Health and Human Services  
 Maine Center for Disease Control and Prevention  
 286 Water Street  
 11 State House Station  
 Augusta, Maine 04333-0011  
 Tel.: (207) 287-8016; Fax: (207) 287-9058  
 TTY Users: Dial 711 (Maine Relay)  
 WIC Nutrition Program  
 Tel. (207) 287-3991 or (800) 437-9300  
 Fax: 207-287-3993

## WIC Check Appeal Request

All fields must be completed or check appeal will be denied. Mail completed form, check, and matching register receipt. **Remember to always keep a photocopy of all items being mailed, including the check.**

To: **WIC Nutrition Program, Vendor**  
**# 11 State House Station, 6<sup>th</sup> FL**  
**Augusta, Maine 04333-0011**

Send the following to the Maine CDC, WIC Nutrition Program:

- WIC check Appeal Request** form
- WIC check** Legal WIC check copy
- Receipt** Copy of the original receipt or journal transaction report verifying the correct WIC transaction procedures

The Maine CDC, WIC Nutrition Program is not responsible for any bank charges, returned checks or other fees charged to the vendor that result from the non-payment of WIC checks. Vendors may not recover any bank charges from the WIC program, or from WIC participants or their proxies.

**Vendor Stamp  
Number Below**

### WIC VENDOR INFORMATION

Business Name: \_\_\_\_\_ Phone: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP Code: \_\_\_\_\_

Store Manager/WIC Contact \_\_\_\_\_ E-mail address: \_\_\_\_\_

Name of person filing this form: \_\_\_\_\_ Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

### WIC check Information

WIC Check Number: \_\_\_\_\_ Bank Rejection Reason: \_\_\_\_\_

### Justification

**Attach Receipt Here**

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### WIC USE ONLY

<input type="checkbox"/> Approved ACH Record#: _____	Letter Sent <input type="checkbox"/>	Denied <input type="checkbox"/>
Payment Justification: _____		
Processor: _____ Date: ____/____/____		

For questions contact us at:  
 Ph.: 1-800-437-9300 or E-mail: [WIC.Maine@Maine.gov](mailto:WIC.Maine@Maine.gov)



For Resources visit: [www.WICforME.com](http://www.WICforME.com)