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Maine CDC WIC Nutrition Program Vendor Authorization Agreement

This Agreement is made between _____

Owners(s) of _____

located at _____

(hereinafter Vendor) and the State of Maine Department of Health and Human Services Maine CDC WIC Nutrition Program (hereinafter WIC Program). The Vendor and the WIC Program mutually agree to the terms and conditions contained in this Agreement.

Assigned Vendor Number: [_____] Assigned Vendor Peer Group: **Peer Group** _____

The period of this Agreement is from _____ to _____

New vendors are under a 30 day probationary period after a vendor number is assigned. Vendor's POS system will need to pass Level 3 (L3) certification for processing eWIC transactions. Once L3 certification passes, a vendor's status will be upgraded to enrolled. If vendor is unable to pass L3 certification by the end of 30 day probation, vendor may submit a written request for a probationary period extension, not to exceed 60 days. A vendor who does not pass L3 certification by the end of the probationary period will be immediately terminated from the program.

1. General Requirements: The Vendor agrees to the following general requirements during the term of this Agreement and shall:
 - 1.1. Maintain compliance with this WIC Vendor Authorization Agreement, Title 7 of the Code of Federal Regulations Part 246, 10-144 Chapter 286 Maine WIC Program Rules, and Vendor Management Policies governing the WIC Program throughout the Vendor Authorization Agreement, including any changes made during the agreement period. All Vendor Management Policies are available for review at www.maine.gov/wic. The Vendor will be notified of any changes to the WIC Program in writing by methods including, but not limited to newsletters, special bulletins, and amendment to agreements, prior to the changes taking effect. Vendor Management Policies are reviewed by the WIC Program at least annually. Vendors are directed to the WIC Program website for the most recent version of the Vendor Management Policies.
 - 1.2. Meet Vendor selection criteria (as set out in VM-1: Vendor Selection and Authorization) at the time of the initiation of the Agreement and maintain compliance with Vendor selection criteria throughout the agreement period, including any changes to the criteria. Maine WIC may reassess any authorized vendor against the selection criteria at any time

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during the agreement period including any selection criteria in effect at the time of the reassessment and will terminate any agreement with vendors that fail to meet the selection criteria. In signing this document, the Vendor affirms that it meets, and will continue to meet, the following criteria:

- 1.2.1. Be EBT capable or, for vendors who are in the process of upgrading or replacing cash register systems to transition from paper instruments to EBT transaction processing, obtain Level 3 certification before 1/31/2021.
- 1.2.2. Maintain a certified automated in-store system to accept and process the WIC Card benefits using either a multi-function non-integrated system (stand-beside POS capable of supporting WIC and other payment types including SNAP), or an integrated system that performs online WIC Card transactions in accordance with the published rules, policies, specifications, procedures, WIC EBT Operating Rules and WIC EBT Technical Implementation Guide before 1/31/2021.
- 1.2.3. Ensure its self-checkout lanes are separately certified by the EBT contractor and approved by the Department.
- 1.2.4. Pay all third-party processing costs, interchange fees, and operating costs for multifunction point of sale devices or systems.
- 1.2.5. Maintain the establishment in a clean, orderly, and safe condition.
- 1.2.6. Derive less than 50 percent of annual food sales from WIC transactions.
- 1.2.7. Keep on file in the store, a copy of or electronic access to the WIC Vendor Manual, this Agreement, the approved application, stock price surveys, updates, and amendments received from the Department.
- 1.2.8. Provide a minimum variety and quantity of WIC-approved foods at prices that are competitive. WIC-approved foods are defined as those foods listed in the Approved Product List. These foods meet the nutrition standards of the WIC Program. The minimum varieties and quantities are identified in the current Minimum Inventory Requirements in Appendix VM-1-A (attached).
- 1.2.9. Offer competitive prices, based on comparison of Vendor applicant price lists and a Department standard drawn from a price survey completed by Vendors who are authorized in the Peer Group to which the Vendor applicant would be assigned. This requirement may be waived if denial of authorization or revoking the Vendor Agreement for this reason would result in WIC customers having inadequate access to an authorized WIC Vendor. For the purposes of this Agreement, “customer” shall mean any individual receiving WIC benefits or their alternate representative.
- 1.2.10. Possess a valid Food Establishment License from the Maine Department of Agriculture, Conservation and Forestry (or its equivalent from another state).
- 1.2.11. Maintain authorization as a Supplemental Nutrition Assistance Program (SNAP) retailer and provide the SNAP authorization number to the WIC Program.
- 1.2.12. Obtain infant formula for sale to WIC customers from sources on the WIC Program Appendix VM-1-B Infant Formula Authorized List (attached) or from

manufacturers registered with the U.S. Food and Drug Administration. Provide to WIC customers only formula which is purchased in this way and is specified in the customer's benefit account.

- 1.2.13. Be an established business, open to the public for at least one year in the current location. This requirement may be waived for a currently authorized Vendor in good standing who is adding a location or for a new owner of a currently authorized store in good standing.
- 1.2.14. Carry foods intended for home preparation and consumption in addition to the WIC-required minimum stock items including:
 - 1.2.14.1. Fresh or frozen uncooked meat, fish, poultry, or meat substitutes;
 - 1.2.14.2. Whole grain bread and cereal products;
 - 1.2.14.3. Dairy or dairy-substitute products; and
 - 1.2.14.4. Fresh fruits and vegetables.
- 1.2.15. Be open to the public for business at least ten hours per day, six days per week.
- 1.2.16. Have at least 1,000 square feet of area devoted to the sale of grocery items. This requirement may be waived if denial of authorization or revocation of the Vendor Agreement for this reason would result in inadequate customer access.
- 1.2.17. Clearly mark all items for sale in the store with prices, or clearly indicate prices with shelf labels or other signage.
- 1.2.18. Maintain satisfactory compliance with the previous Vendor Authorization Agreement, if previously authorized.
- 1.2.19. Operate at a fixed location that includes refrigeration and freezer equipment in the retail area.
- 1.2.20. Maintain business integrity, which excludes:
 - 1.2.20.1. Selling a store to circumvent a WIC sanction;
 - 1.2.20.2. The Vendor's owners, officers, or managers having a criminal conviction or civil judgment for activities listed in 7 CFR §246.12(g)(3)(ii) during the previous six (6)-year period. This requirement may be waived if denial of authorization or revocation of the Vendor Agreement for this reason would result in inadequate customer access;
 - 1.2.20.3. Having a history of WIC sanctions;
 - 1.2.20.4. Failing to pay a Vendor claim;
 - 1.2.20.5. Becoming disqualified from SNAP or incurring a civil money penalty for hardship from SNAP. This requirement may be waived if denial of authorization or revocation of the Vendor Agreement for this reason would result in inadequate customer access; or

- 1.2.20.6. Becoming disqualified or incurring a civil money penalty for hardship from the New Hampshire WIC Program. This requirement may be waived if denial of authorization or revocation of the Vendor Agreement for this reason would result in inadequate customer access.
- 1.3. Maintain inventory records used for federal tax reporting purposes; maintain records in accordance with generally accepted accounting procedures; and ensure that records reflecting justification and receipt of WIC funds, transaction records and all other program-related records of the Vendor are available for inspection or audit by federal, State or other authorized personnel for a period of at least three years.
- 1.4. Cooperate with federal and State WIC Program and other authorized personnel during announced and unannounced on-site Vendor reviews, inspections and audits.
- 1.5. Provide the WIC Program with purchase invoices from wholesalers and receipts for WIC-approved foods purchased from other retailers, when requested. Invoices and receipts for infant formula shall show the name of the authorized supplier, the date of purchase, a transaction or invoice number, and the quantity and description of the specific formula product or they shall not be considered an acceptable record of inventory nor justification against a Vendor claim. Hand written receipts for formula will not be accepted.
- 1.6. Submit a current price list within the timeframes given and, in the format, requested by the WIC Program.
- 1.7. Have at least one authorized representative attend all mandatory Vendor trainings. Annual training may be provided in a variety of formats, including newsletters, videos, and interactive training. The Vendor shall inform and train all employees who have cashier duties, and other staff on program requirements, and shall maintain documentation of the training of staff as described in Vendor Management Policy VM-2: Vendor Training and Appendix VM -2-A WIC Vendor Training Log (attached).
- 1.8. Treat WIC customers courteously, with respect to issues, including but not limited to, language barriers between the customer and employees, limited understanding of Program rules by both the customer and/or the Vendor, or in some cases, the additional time required for WIC transactions. The Vendor agrees to instruct cashiers to involve a manager when an issue arises to ensure that the customer shopping experience is positive, and that store management is aware of a situation.
- 1.9. Never ask a WIC customer for identification or his/her Personal Identification Number (PIN). Entering a Personal Identification Number correctly establishes identity.
- 1.10. Accept WIC Program adjustments to the purchase price of benefits submitted by the Vendor for redemption to ensure compliance with Maximum Allowable Reimbursement Levels set by the WIC Program.
- 1.11. Never provide cash, firearms, ammunition, explosives, controlled substances, alcohol, or tobacco products in exchange for WIC benefits and/or eWIC card.
- 1.12. If presented with a final Vendor claim for Vendor overcharges or other Vendor errors, pay the claim within 30 days unless an installment payment plan is agreed to by the WIC Program. Vendor claim procedures are described in Vendor Management Policy VM-14: Vendor Claims.

- 1.13. Comply with the nondiscrimination provisions of Title VI of the Civil Rights Act as amended; 7 CFR Parts 15, 15A and 15B; and the Maine Human Rights Act regarding places of public accommodation (5 MRS §4591). These laws collectively prohibit discrimination against any person because of race, religion, color, national origin, ancestry, physical or mental disability or handicap, sexual orientation or sex.
 - 1.14 Have access to a computer or other electronic device that has the ability to access the internet, receive and send emails, use web-based applications, and apply an electronic signature to official documents.
 - 1.15 Provide a valid email address, a valid mailing address, and a valid text-enabled telephone number to the Department.
 - 1.16 Maintain an active electronic mailing address to be used for Department communications.
 - 1.17 Update the Department on all changes to contact information, to ensure that all communications sent electronically or via postal mail by the Department are received by the Vendor.
2. Operational Requirements: The Vendor agrees to the following operational requirements during the term of this Agreement and shall:
- 2.1 Deploy Point of Sale (POS) terminals used to support the WIC Program in accordance with the minimum lane coverage provisions of 7 CFR Part 246, §246.12(z)(2). The Department may remove excess terminals if actual redemption activity warrants a reduction consistent with the redemption levels outlined in 7 CFR Part 246, §§246.12(z)(2)(i) -(ii).
 - 2.2 Pay third-party commercial processing costs and fees incurred by the Vendor from EBT multi-functional/integrated equipment; and pay commercial transaction processing costs and fees imposed by a third-party processor to connect the Vendor to the EBT system of the State.
 - 2.3 Pay interchange fees related to eWIC transactions.
 - 2.4 Pay for ongoing maintenance, processing fees and operational costs for Vendor systems and equipment used to support eWIC after the Department has implemented eWIC statewide.
 - 2.5 Comply with the Operating rules, standards and technical requirements established by the Department.
 - 2.6. Never transact WIC benefit purchases outside of the authorized store. Vendors offering delivery services may deliver the foods purchased with WIC benefits after the transaction has been completed in the store.
 - 2.7. Never publicly identify, call unnecessary attention to, or allow discourteous treatment of a WIC customer. Treat WIC customers with the same courtesies offered to other customers.
 - 2.8. Keep all information regarding WIC customers confidential.
 - 2.9. Never refuse to accept a valid eWIC card from a WIC customer.

- 2.10. Only redeem WIC benefits for the WIC-approved food items specifically allowed on the approved food list. Never allow purchase using an eWIC card of a WIC-approved food item that is not specified in the available benefits as presented by the WIC customer. Never allow purchase of a food that is not WIC-approved with an eWIC card. Never offer cash, credit, “rain checks”, or non-food items in exchange for WIC benefits.
- 2.11. Only accept eWIC cards at the time of the actual purchase and never issue “rain checks” or credit slips to WIC customers.
- 2.12. If the Vendor is a combination food store and pharmacy, ensure that WIC customers can receive any authorized prescription infant formula or WIC-eligible medical foods within 72 hours of a request from a customer of the WIC Program.
- 2.13. Ensure that prices charged to WIC customers for WIC-approved foods are equal to or less than prices charged to non-WIC customers.
- 2.14. Accept any manufacturer's coupons, in accordance with store policies, and honor store promotions for WIC-approved food when processing WIC transactions, in compliance with the U.S. Department of Agriculture ,Food and Nutrition Service EBT Operating Rules, found in 7 CFR Part 246, §246.12. Allow WIC participants to take advantage of manufacturer or Vendor promotions that provide WIC-approved foods free of charge. The Vendor shall also accept manufacturers’ “cents off coupons” from WIC participants for WIC-approved foods being purchased with WIC benefits and deduct the value of the coupons from the cost of the WIC-approved foods being purchased.
- 2.15. Allow WIC customers to purchase less than the total amount of WIC-approved food specified in their WIC benefits, if desired.
- 2.16. Never charge the WIC Program for WIC-approved foods not actually purchased and received by the WIC customer.
- 2.17. Never charge the WIC Program for WIC-approved foods provided in excess of those quantities listed in their WIC benefits.
- 2.18. Never price WIC transactions by benefit type. Each benefit must have a purchase price entered at the time of the transaction for only the WIC-approved foods allowed in the customer’s benefits that are actually purchased and received during that transaction.
- 2.19. Never request or accept cash payment and never request or accept restitution for the quantities of foods specified in the customer’s WIC benefit; except that a customer may pay, and the Vendor may accept, money for the difference when the purchase of authorized fruits and vegetables exceeds the value of a cash-value fruit and vegetable cash-value benefit.
- 2.20. Never collect sales tax on WIC food purchases.
- 2.21. Collect Maine Bottle Bill (38 MRS Chapter 33) deposits from the WIC customer and not from the WIC Program.
- 2.22. Collect any mandated bag fees from the WIC customer and not from the WIC Program.

- 2.23. Allow the exchange of a WIC-approved food purchased with WIC benefits for an identical item only when the original item is defective, spoiled, or has exceeded its expiration date on or before the date of the product purchase as given on the sales receipt.
- 2.24. Report to the WIC Program if a WIC customer attempts to return foods purchased with an eWIC card in exchange for cash or credit.
- 2.25. Report to the WIC Program any irregularities in the use of an eWIC card by WIC customers.
- 2.26. Never attempt to seek restitution from customers for redeemed WIC benefits that are in excess of the Maximum Allowable Reimbursement Levels.
- 2.27. Direct questions concerning payment only to the WIC EBT contractor. Never contact WIC customers concerning this or any other problem area.
- 2.28. Never provide incentive items (items costing \$1.99 or less) or other free merchandise to WIC customers unless the Vendor provides the same items to non-WIC customers as well.
- 2.29. Redeem a minimum of 15 WIC transactions or \$200 per month on average.
- 2.30. Accept WIC Program adjustments to the purchase price for each WIC approved food redemption submitted by the Vendor for redemption to ensure compliance with Maximum Allowable Reimbursement Levels set by the WIC Program.
- 2.31. Operate a certified EBT capable system or device prior to accepting WIC cards for purchase that perform online WIC transactions in accordance with current published rules, policies, and specifications, including:
 - 2.31.1 WIC EBT Operating Rules, 7 CFR Part 246; and
 - 2.31.2 Technical Implementation Guidelines (TIG) [WIC EBT Technical Implementation Guide](#) .
- 2.32. Ensure an electronic cash register (ECR) system for WIC processing during all hours the store is open for business.
- 2.33. Request re-certification of the Vendor's integrated ECR system if the Vendor alters/revises the system in any manner that impacts its WIC transaction processing capabilities.
- 2.34. Comply with the terms of the Solutran, Inc. Agreement, if using a stand-beside device.
- 2.35. Ensure that the most current Maine APL is downloaded daily to the Vendor's ECR system or stand-beside device.
- 2.36. Follow Department procedure to submit new UPC codes for consideration to be added to the Maine APL.
- 2.37. Affix the Department-issued "eWIC Accepted Here" decal to store entrance.
- 2.38. Provide timely transaction documentation as requested by the Department and fully cooperate in the resolution of any dispute arising in relation to WIC transactions and redemptions.

- 2.39. Return any WIC cards left at the store or on the store property to the Department, if unclaimed for 24 hours, by mailing the cards to the address listed on the back of the card.
 - 2.40. Accept liability for any redemption of WIC benefits:
 - 2.40.1 For which an approval has not been received from the Department; and
 - 2.40.2 For the incorrect redemption of benefits (e.g., providing an item not authorized by the Department or not available in the customer 's account).
 - 2.41. Have the current WIC Cashier Guide readily accessible to all cashiers.
 - 2.42. Provide in a timely manner all information or records requested by the Department during the Agreement period.
 - 2.43. Maintain for a period of three (3) years and provide access to paper or electronic records used for state or federal tax reporting purposes and other WIC Program records including inventory records showing all purchases, wholesale and retail, in the form of invoices, books of account, and other pertinent records. All purchase records or invoices shall reflect the following: (a). name and address of the supplier or wholesaler; (b). name and address of the purchaser (if receipt is from wholesaler); (c). date of purchase, including month, day, and year; (d). list of the items purchased including, size, stock number (if available), UPC code, quantity, and unit price; (e). method of payment; and (f). sales receipts for WIC-approved foods purchased at retail grocer (for resale by the Vendor). These sales receipts must include the name and address of the store; the date of purchase; description of the exact items purchased (e.g., 12 oz Total cereal); the unit price of the items; and the total quantity purchased.
3. Vendor Compliance: The Vendor agrees to the following compliance requirements during the term of this Agreement and shall:
- 3.1. Cooperate with the WIC Program which monitors Vendors for compliance with program requirements. A description of monitoring methods can be found in Vendor Management Policies VM-4: Routine Monitoring and VM-5: Compliance Investigations.
 - 3.2. Accept the sanction system detailed in Vendor Management Policy VM-6: Vendor Sanction System (attached).
 - 3.3. Understand and accept that the WIC Program may initiate administrative action to disqualify or assess a civil money penalty, in lieu of disqualification, against a Vendor for non-compliance based on an incident of violation or a pattern of violations.
 - 3.4. Understand and accept that the WIC Program will notify the Vendor in writing when an investigation reveals an initial incident of violation for which a pattern of incidents must be established in order to impose a sanction, before another such incident is documented. The two exceptions to this provision, which would not require notification, are:
 - 3.4.1. If the WIC Program determines, in its discretion, that notifying the Vendor would compromise an investigation; or
 - 3.4.2. The initial incident is for claiming reimbursement for sale of a WIC-approved item which exceeds the Vendor's documented inventory of that specific item for a specific period of time.

- 3.5. Understand and accept that the WIC Program reports Vendor sanctions to the U.S. Department of Agriculture, Food and Nutrition Service. Disqualification of a Vendor from the WIC Program for Class I or Class II violations described in Vendor Management Policy VM-6: Vendor Sanction System may result in Vendor disqualification from the Supplemental Nutrition Assistance Program (SNAP). These “reciprocal” food program disqualifications may not be subject to administrative or judicial review under SNAP.
 - 3.6. Understand and accept that 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.
 - 3.7. Understand and accept that a Vendor who commits fraud or abuse in the WIC Program is liable to prosecution under applicable federal, state and local laws. Those who have willfully misapplied, stolen, or fraudulently obtained program funds will be subject to a fine of not more than \$25,000 or imprisonment for not more than 5 years, or both, if the value of the funds is \$100 or more. If the value is less than \$100, the penalties include a fine of not more than \$1,000 or imprisonment for not more than one year, or both.
4. Transaction Requirements: The Vendor agrees to comply with WIC Program requirements for transacting WIC benefits, as described in Vendor Management Policy VM-12: Vendor Operations. The Vendor agrees to the requirements for transaction of WIC benefits during the term of this Agreement. The requirements include but are not limited to the following. The Vendor shall:
- 4.1. Ensure the WIC redemption process requires the e-WIC customer to use a Personal Identification Number (PIN) in a manner that protects the security of the PIN and ensures that no one other than the WIC customer will have knowledge of the PIN. The PIN, along with a valid WIC card, is the sole source of identification needed in processing a WIC transaction.
 - 4.2. Manually enter the WIC card number if the card fails when swiped. The WIC card must be physically present at the time of purchase.
 - 4.3. Request that the WIC customer enter the PIN.
 - 4.4. Provide the WIC customer a receipt, which at a minimum, shows the last four digits of the card number, store name and address, the date and time of the transaction, purchased food items including quantity, description and unit of measure, unit cost, total purchase price, benefit expiration date, and the remaining balance of available benefits.
5. Prohibited Practices: The Vendor agrees to refrain from the following prohibited practices during the term of this Agreement and shall:
- 5.1. NOT confiscate the WIC card, or ask for, or enter, the customer's PIN.
 - 5.2. NOT ask for or require additional forms of identification from the WIC customer.
 - 5.3. NOT buy or sell a WIC benefit for cash.
 - 5.4. NOT sell, in exchange for a WIC benefit, any of the following:
 - 5.4.1. A firearm;

- 5.4.2. Ammunition;
- 5.4.3. An explosive;
- 5.4.4. A controlled substance;
- 5.4.5. Alcohol;
- 5.4.6. An alcoholic beverage;
- 5.4.7. A tobacco product;
- 5.4.8. Non-food items;
- 5.4.9. Rain checks;
- 5.4.10. Store credit; or
- 5.4.11. Unapproved food.
- 5.5. NOT allow a WIC transaction to occur other than face-to-face with the WIC customer at the Vendor's fixed location, unless otherwise approved by the Department.
- 5.6. NOT charge WIC customers more than the current shelf price for an approved food.
- 5.7. NOT charge WIC customers prices that are higher than prices charged to other non-WIC customers.
- 5.8. NOT charge for approved food not received by a WIC customer.
- 5.9. NOT charge or collect sales tax on approved food.
- 5.10. NOT charge the WIC customer any fee, either directly or indirectly, arising out of or associated with operating, maintaining, or processing WIC transactions.
- 5.11. NOT provide refunds or permit exchanges for approved foods obtained with WIC benefits, except for exchanges of an identical approved food item when the original item is defective, spoiled, or has exceeded its "sell by," "best if used by," or other date limiting the sale or use of the food item on or before the date of the product purchase as identified on the sales receipt. "Identical approved food item" means the exact brand and size as the original item obtained and returned by the customer.
- 5.12. NOT provide cash for returned WIC-approved food or transaction errors.
- 5.13. NOT provide coupons, certificates, or lottery tickets redeemable for cash, alcoholic beverages, tobacco products, or non-WIC items, that are contingent upon the redemption of a WIC benefit.
- 5.14. NOT charge the Department any fee arising out of, or associated with, operating, maintaining or processing WIC transactions.
- 5.15. NOT claim reimbursement for the sale of a specific approved food in an amount that exceeds the Vendor store's documented inventory of that food for the same period of time.
- 5.16. NOT provide incentive items to WIC customers dependent upon redeeming some or all their benefits.

- 5.17. NOT redeem WIC benefits issued to themselves or to any relative of the Vendor at a store owned by the same family. This condition may be waived if there is no other WIC-authorized grocery store within a 10-mile radius.
 - 5.18. NOT receive or redeem WIC benefits on behalf of a retailer that is not an authorized Vendor.
 - 5.19. NOT redeem WIC benefits for food purchased or received at an address other than the store address that appears on the authorized Vendor's application.
 - 5.20. NOT contact, question, or seek restitution from WIC customers, parents of WIC customers, or caretakers of WIC customers, for WIC benefits not paid or only partially paid by the Department.
 - 5.21. NOT restrict WIC customers to a single checkout lane when multiple checkout lanes are open and EBT capable.
 - 5.22. NOT scan codes using a UPC codebook or reference sheet. The Vendor is prohibited from scanning any UPC as a substitute or replacement, and from scanning a UPC that is otherwise not actually affixed to the item being purchased by the WIC customer.
 - 5.23. NOT use WIC, SNAP, or any other government assistance program benefits to purchase WIC-approved foods for resale at the authorized store location.
6. Termination for Cause: This Agreement may be terminated for cause by the WIC Program with fifteen (15) days' advance written notice. Reasons for termination of this Agreement for cause include:
- 6.1. Failure by the Vendor to maintain compliance with Vendor selection criteria as set out in Vendor Management Policy VM-1: Vendor Selection and Authorization and including compliance with changes to selection criteria made during the term of this Agreement.
 - 6.2. A change of the store location by more than a short distance, as determined by the Department.
 - 6.3. A change in ownership of the Vendor by 50% or more.
 - 6.4. A conflict of interest, as defined in Vendor Management Policy VM-13: Conflict of Interest, is identified by the Department.
 - 6.5. Failure by the Vendor to attend mandatory Vendor training.
 - 6.6. Failure by the Vendor to pay a financial claim by the WIC Program against the Vendor as described in Vendor Management Policy VM-14: Vendor Claims.
 - 6.7. Failure by the Vendor to allow monitoring and inspection of the store premises and procedures to ensure compliance with this Agreement and with state and federal WIC Program statutes, rules, regulations, and policies. Monitoring and inspection includes, but is not limited to, allowing access to WIC benefits negotiated the day of monitoring, access to shelf price records and to any other Vendor records pertinent to the purchase of WIC supplemental food items, including the documentation of the source of infant formula.

- 6.8. Failure by the Vendor to maintain inventory records used for federal tax reporting purposes; to maintain records in accordance with generally accepted accounting principles; or to ensure that records reflecting justification and receipt of WIC funds, WIC benefit transactions and all other program-related records of the Vendor are available for inspection or audit by federal, state or other authorized personnel.
 - 6.9. Failure by the Vendor to provide the WIC Program with purchase invoices from wholesalers or receipts for WIC-approved products purchased from other retailers, when requested.
 - 6.10. Failure by the Vendor to cooperate with federal and state WIC Program staff and other authorized personnel during announced and unannounced on-site Vendor reviews, inspections and audits.
 - 6.11. Failure by the Vendor to meet minimum redemption requirements (no less than 15 WIC transactions or \$200 redeemed per month). The WIC Program will consider a new application from the Vendor prior to the end of the termination period if circumstances that caused the failure to meet minimum redemption requirements have changed.
 - 6.12. The Vendor derives more than 50% of its sales volume from WIC benefits, as determined by the Department during routine monitoring.
7. Administrative Appeal Hearings: The Maine Department of Health and Human Services Administrative Hearings Regulations (10-144 CMR Ch.1) are available upon request. In addition, notice about applicable appeal rights will be provided by the Department to the Vendor at the time the Department provides notice to the Vendor of any adverse action. The Vendor understands and agrees to the following regarding administrative and judicial appeals:
- 7.1. Pursuant to 7 CFR §246.18 and 10-144 CMR Ch. 286, §V(A), the Vendor may request an administrative appeal of the following actions taken by the Department:
 - 7.1.(A) Denial of authorization;
 - 7.1.(B) Termination of this Agreement for cause;
 - 7.1.(C) Disqualification of the Vendor from the WIC Program during this Agreement period;
 - 7.1.(D) Imposition of a fine or civil money penalty in lieu of disqualification;
 - 7.1.(E) Decision to assign the Vendor to a specific peer group;
 - 7.1.(F) Denial of an application based on a determination of whether the Vendor is currently authorized by the Supplemental Nutrition Assistance Program (SNAP); and
 - 7.1.(G) Denial of Vendor claims.
 - 7.2. Pursuant to 7 CFR §246.18(a)(iii), the Vendor may not request an appeal of the following:
 - 7.2.(A) The validity or appropriateness of the Department's vendor limiting criteria (§ 246.12(g)(2)) or vendor selection criteria for minimum variety and quantity of supplemental foods, business integrity, and current Supplemental Nutrition Assistance Program disqualification or civil money penalty for hardship (§ 246.12(g)(3));

7.2.(B) The validity or appropriateness of the Department's selection criteria for competitive price (§ 246.12(g)(4)), including, but not limited to, vendor peer group criteria and the criteria used to identify vendors that are above-50-percent vendors or comparable to above-50-percent vendors;

7.2.(C) The validity or appropriateness of the Department's customer access criteria and the Department's customer access determinations;

7.2.(D) The Department's determination to include or exclude an infant formula manufacturer, wholesaler, distributor, or retailer from the list required pursuant to 7 CFR §246.12(g)(11);

7.2.(E) The validity or appropriateness of the Department's prohibition of incentive items and the Department's denial of an above-50-percent vendor's request to provide an incentive item to customers pursuant to 7 CFR § 246.12(h)(8);

7.2.(F) The Department'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, pursuant to 7 CFR §246.12(l)(3);

7.2.(G) The Department'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 (7 CFR §246.12(l)(1)(i)(B));

7.2.(H) Denial of authorization if the Department's vendor authorization is subject to the procurement procedures applicable to the State agency;

7.2.(I) The expiration of a vendor's agreement;

7.2.(J) Disputes regarding eWIC benefits or cash-value benefits (CVB) payments and vendor claims other than the opportunity to justify or correct a vendor overcharge or other error, as permitted by 7 CFR §246.12(k)(3); and

7.2.(K) Disqualification of a vendor as a result of disqualification from SNAP (7 CFR §246.12(l)(1)(vii)).

8. WIC Program Responsibilities: The WIC Program agrees to the following requirements and shall:

8.1. Inform the Vendor of federal or state changes in WIC Program requirements in writing, by newsletter, mailings, or other means before the changes become effective.

8.2. Assign Vendors to Peer Groups and assess and reassign the Vendor to a different peer group as changes affect an original peer group assignment.

8.3. Establish Maximum Allowable Reimbursement Levels for food items based upon the price

surveys submitted by Vendors, or after implementation of eWIC, based upon the actual prices

charged by Vendors in the same Peer Group for food items.

- 8.4. Make payment to the Vendor for actual retail costs for eWIC benefits accepted and redeemed in compliance with the conditions contained.
 - 8.5. Reimburse (settle to) the Vendor for all approved eWIC transactions that are made in accordance with applicable state and federal statutes, rules and requirements. Settlement will make use of commercial payment system settlement practices. Settlement amounts may differ from requested amounts because:
 - 8.5.1. The price of the food items within a transaction exceeds the Maximum Allowable Reimbursement Level price designated by the Department for that food item and quantity or exceeds the Vendor's shelf price for the food purchased;
 - 8.5.2. Not all the food items within a transaction are approved; or
 - 8.5.3. Adjustments for previous transactions are applied.
 - 8.6. Deny payment for improperly transacted eWIC purchases and initiate a claim for payments already made on improperly redeemed eWIC purchases or prices submitted above the calculated cost competitive pricing for appropriate peer group.
 - 8.7. Provide the Vendor access to information and training on maintaining compliance with WIC Program requirements.
 - 8.8. Provide networks and host processing for eWIC transactions that provide online and real-time approval.
 - 8.9. Provide notice of planned eWIC system maintenance and outages.
 - 8.10. Make available daily the most current APL containing a complete listing of products that are approved for redemption by the Department through its eWIC contractor.
 - 8.11. Pay ongoing maintenance and operational costs of the minimum required quantity of single-function equipment for those vendors designated by the Department as necessary for customer access. The eWIC contractor will continue to provide the single-function equipment and customer support services.
 - 8.12. Compile and maintain a list of certified EBT-capable systems for Vendor applicants to consider.
 - 8.13. Transfer funds to the Vendor's account for valid WIC transactions appropriately transacted via ACH to the Vendor's bank.
 - 8.14. Provide the Vendor with an application for a new Vendor Authorization Agreement at least thirty (30) days before the current Agreement expires, including notification that failure to return the application prior to the date of expiration of the current Agreement will result in termination.
 - 8.15. Manage the WIC Program in accordance with all federal and state requirements.
9. This Agreement does not constitute a license or property interest.
10. This Agreement is non-transferable. Any change in ownership of 50% or more or sale of the

business by the Vendor shall render this Agreement and the Vendor stamp null and void. This Agreement also shall be null and void if the Vendor ceases operations or leases the business, or changes location of retail sales without notice to the WIC Program.

11. This Agreement is in effect for only the time period stated. An application for a new Vendor Authorization Agreement must be submitted for consideration prior to the expiration date of the current Agreement.
12. This Agreement is subject to change in accordance with any changes in federal and state requirements governing the WIC Program.
13. Parties to this Agreement represent that there is no conflict of interest between the WIC Program, the local WIC agencies and the Vendor.
14. Neither the Vendor nor the WIC Program has an obligation to enter into a new Vendor Authorization Agreement when a current agreement expires.
15. Providing false information on the Vendor application, price survey, or invoices or other required records will be cause for immediate termination of this Agreement.
16. This Agreement may be terminated, without cause, by the WIC Program or the Vendor with a thirty- (30)-day advance written notice.

By signing below as the Authorized Vendor, I certify that:

I, as the owner, operator, manager, or other person(s), am authorized to sign this Maine CDC WIC Nutrition Program Vendor Authorization Agreement and, prior to signing this Agreement, I have carefully read the entire Agreement.

I understand the processes, procedures and requirements of the Maine CDC WIC Nutrition Program and what is required of me as set forth by the Maine CDC WIC Nutrition Program and this Agreement.

I understand that compliance with all statutes, policies, procedures, and regulations of the Maine CDC WIC Nutrition Program is my responsibility.

Title _____

Authorized Vendor Signature _____

Date _____

Director of
Maine WIC Nutrition Program
Signature

Date _____

MAINE WIC PROGRAM

11 State House Station Augusta, ME 04333 Tel: (207) 287-3991 WICVendor@maine.gov Appendix VM1-A

WIC VENDOR MINIMUM STOCK REQUIREMENTS

Effective: 10/1/2020

Vendors are strongly encouraged to stock as many varieties of WIC approved foods as possible. If possible, please make the following items available upon request: Infant meat, other infant formulas, tuna, pink salmon, sardines, tofu, whole wheat/whole grain pasta, tortillas, oatmeal, brown rice, 15-16 oz. canned beans, dry beans, lentils, or peas, soy beverage, lactose free milk, non-fat dry milk, 2% reduced fat milk, low fat and nonfat yogurt.

A WIC VENDOR MUST HAVE, AT A MINIMUM, THE FOLLOWING FOOD ITEMS IN STOCK AT ALL TIMES:

Category	Type or Brand	Quantity
Infant Formula	Similac Advance® Similac Isomil® Similac Sensitive® Similac for Spit-Up® Similac Total Comfort®	Peer A: 24 cans of Similac Peer C: 2 cans of Similac
Infant Fruits & Vegetables	2 oz or 4 oz container single or multipack or 2 packs of 2 oz net wt. 4 oz. Conventional or Organic Jars, pouches, and plastic tubs Any stage of infant fruit or vegetable or blends of fruits and/or vegetables WIC approved brands are <ul style="list-style-type: none"> • Beech-Nut (Classics, Naturals, Organic) • Earth's Best Organic • Gerber (Natural, Original, Organic) • Happy Baby Organic • Nature's Promise • Once Upon A Farm • Organics • Parent's Choice • Plum Organics 	72 Units Total- At least one variety of single or mixed fruit AND one variety of single or mixed vegetable
Infant Cereal	<ul style="list-style-type: none"> • Beech-Nut (Original, Organic) • Earth's Best Organic • Gerber (Original, Organic) ○ Barley ○ Millet Quinoa ○ Multigrain ○ Oatmeal ○ Rice ○ Whole Wheat 	6 Boxes/Containers
Fresh Fruits & Vegetables	Any combination of fresh fruits and vegetables except those listed in the Approved Food List as not allowed. Must carry at least 2 varieties of fresh fruits AND 2 varieties of fresh vegetables.	\$25 Retail Value OR 10 Pounds
Milk	Any brand of Whole, Low Fat (1%, ½%) or Fat Free (skim). Not Allowed: Pints, Chocolate or flavored milk, glass bottles, organic milk, raw milk, milk not from cows.	4 Gallons Whole Milk AND 8 Gallons Low Fat or Fat Free Milk
Cheese	Any brand U.S. made real cheese in the types listed in the Approved Food List. Must be pre-packaged in 8 oz. 16 oz. 24 oz. and 32 oz. sizes.	5 Pounds
Eggs	Any brand and size of eggs listed in the Approved Food List 1 dozen size only.	5 Dozen
Cereal	At least 6 brands in approved sizes only. At least 3 of the 6 brands must be whole grain. See Approved Food List for allowed brands and sizes of cereal, including those that are whole grain.	12 Boxes
Bread	Any combination of 14-16 oz. of whole grain packages. See Approved Food List for allowed brands.	6 Loaves and/or Packages
Juice	At least 2 flavors in 64 oz. bottles AND At least 2 flavors in 11.5 – 12 oz. concentrate.	10 Bottles 64 oz 5 cans of 11.5-12 oz conc
Peanut Butter	Any brand (smooth, creamy, crunchy, extra crunchy) 16-18 oz. jar only. No specialty brands.	4 Jars

See the Approved Food List to determine the specific WIC allowed brands, types and sizes.

Only those items listed on the most recent Approved Product List (APL) will be counted toward the mandatory minimum stock requirements listed above.

Maine CDC WIC Nutrition Program Authorized Infant Formula Supplier List

A condition of the WIC Vendor Agreement is that all formula must be purchased from a supplier on this list.

WIC Vendors must maintain inventory records for a period of at least three years. These inventory records include inventory records showing all infant formula purchases, wholesale and retail, in the form of invoices identifying the wholesale or retail quantity and prices.

Wholesale or Retail Supplier	Address	City	State	Zip	Phone
ADUSA Distribution, LLC	1245 US Route 202	Winthrop	ME	04364	207-377-2251
Associated Grocers of New England (AGNE)	11 Cooperative Way	Pembroke	NH	03275	603-223-6710
BJ's Wholesale Club, Inc. locations	25 Research Dr	Westborough	MA	01582	774-512-7400
Bozzuto's Inc.,	275 Schoolhouse Rd	Cheshire	CT	06410	203-250-5377
C & S Wholesale Grocers	7 Corporate Dr	Keene	NH	03431	603-357-7301
Capitol Candy Co. Inc. Wholesalers	32 Burnham St	Barre	VT	05641	800-639-2224
Core-Mark	355 Maine St	Whitinsville	MA	01588	508-234-9000
Garber Brothers, Inc.	Route 139 Kay Way	Stoughton	MA	02072	800-242-0965
HD Smith Wholesale Drug Co.	8 Marin Way	Stratham	NH	03885	866-238-9791
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 SE Simple Savings Drive	Bentonville	AR	72716	800-331-0085
Save a Lot Distribution Center	1 Van Bergen Lane	W. Coxsackie	NY	12192	518-731-1300
Shaw's Wells Distribution Center	Route 109	Wells	ME	04090	207-646-9616
Wal-Mart and/or Distribution	31 Alfred Plourde Parkway	Lewiston	ME	04240	207-344-2700
Yell-O-Glow Corp	21 Arlington Street	Chelsea	MA	02150	317-394-0300

FDA-Registered Manufacturers	Address	City	State	Zip
Abbott Laboratories	3300 Stelzer Road	Columbus	OH	043219
Mead Johnson	2400 West Lloyd Expressway	Evansville	IN	47721
Nestle USA	12 Vreeland Road Box 697	Florham Park	NJ	07932
Nutricia North America	9900 Belward Campus Dr Ste 100	Rockville	MD	20850
PBM Nutritionals	652 Peter Jefferson Parkway Ste 300	Charlottesville	VA	22911
Prolecta Bioscience	757 Baldwin Park Blvd	City of Industry	CA	91746

You may request that another formula source be considered for addition to this list. Such a request does not guarantee the supplier will be added. Fax to (2017)287-3993 or email to wic.maine@maine.gov

On behalf of _____
Store Name _____ City _____

I request the following infant formula supplier be added to the authorized supplier list.

Business Name: _____ Contact Name: _____

Address: _____ City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____ E-mail: _____

_____/_____/_____
Authorized Vendor Print _____ Authorized Vendor Signature _____ Date _____

Revised: November 14, 2019

WIC Vendor Training Log

Vendor #:

Store Name:

Information covered in the training:	Name of Trainer:	Name of employee being trained:	Date of training:	Signature of employee after training
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				

Maine Center for Disease Control and Prevention

WIC Nutrition Program

Effective: October 1, 2011
Revised: October 1, 2020

Policy No. VM-6

Vendor Sanction System

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, 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 at 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 in the description of the specific violation listed below.
 - 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 applied to the violations defined in 7 CFR 246.12(l). The federally-defined violations (Federal Violations) and resulting sanctions are listed in Class I and Class II below. Sanctions range from one-year to permanent disqualification from the WIC Program.
3. Patterns of state-defined violations (Class III State Violations) constitute grounds for disqualification from the Maine CDC WIC Nutrition Program. State Violations will be reported but will not be added to a mandatory federal sanction within the same compliance investigation unless a mandatory federal sanction from the same investigation is not upheld on appeal. Initial and subsequent incidents of a Class III State Violation will have the following consequences:
 - 3.1. First incident- the vendor will receive a warning letter with corrective guidance;
 - 3.2. Second incident- the vendor will be required to attend additional training and will be required to submit a corrective action plan, and or including a written plan for additional training to staff;
 - 3.3. Third incident- the Vendor Agreement will be disqualified for one year.

4. 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.
5. A vendor committing fraud or abuse of the Maine CDC WIC Nutrition Program is liable to prosecution under applicable federal, state or local laws. In addition, a claim can be established for any moneys inappropriately paid to the vendor
6. Except when specifically stated with Class I and II violations below, 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 or termination

Violations

Federal 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 Benefits or a conviction for selling firearms, ammunition, explosives, or controlled substances in exchange for WIC Benefits. Length of disqualification – permanent.
 - 1.2. One incident of trafficking (buying or selling WIC Benefits) or selling firearms, ammunition, explosives, or controlled substances in exchange for WIC Benefits. Length of disqualification – six (6) years.
 - 1.3. One incident of the sale of alcohol, alcoholic beverages or tobacco products in exchange for WIC Benefits. Length of disqualification – three (3) years.
 - 1.4. 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) and described in Procedures below.
 - 1.5. 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 incidents to be documented before a sanction can be imposed. Unless otherwise noted, “pattern” is defined as two or more incidents of these violative behaviors described below 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.

- 2.1.1. This violation is typically identified through an inventory audit. An individual “incident” for this violation is defined based upon the largest quantity of the inventory item redeemed by the vendor in a single transaction, or, if the item is obtained from a wholesale distributor, by the standard case size for the item. Using infant formula for an example, if a vendor’s invoices show that it purchases a specific infant formula by the case and the case contains six units of formula, the inability to show documentation for eighteen units of that specific infant formula would represent three incidents of this violation. If the vendor purchases infant formula by the individual unit and the largest number of units on a WIC Benefit redeemed by the vendor for a specific infant formula allowed 5 units, the inability of the vendor to show documentation for eighteen units of that specific infant formula would represent four incidents of this violation.
 - 2.1.2. When incidents of this violation occur for multiple WIC foods, the incidents are additive. For example, three incidents of insufficient inventory for Formula A, two incidents of insufficient inventory for Formula B, and 1 incident of insufficient inventory for Formula C would constitute six total incidents.
 - 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. For the purpose of this violation, if the overcharge is less than two dollars per WIC transaction, four incidents will be required to define a pattern. Length of disqualification – three (3) years.
 - 2.3. Receiving, transacting, and/or redeeming WIC Benefits 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.
 - 2.5. Providing credit or non-food items, other than alcohol, alcoholic beverages, tobacco products, cash, firearms, ammunition, explosives, or controlled substances, in exchange for WIC Benefits. Length of disqualification – three (3) years.
 - 2.6. Providing unauthorized food items in exchange for WIC Benefits, including charging for supplemental foods provided in excess of those listed on the . For the purpose of this violation, a pattern shall be defined as four or more incidents for all foods except infant formula. Two incidents of selling the incorrect infant formula or excess infant formula will be considered a pattern. Length of disqualification – one (1) year.
 - 2.7. If 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(1)(1)(x)(C).
 - 2.8. If 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.

State Violations

Vendor Management
VM-6 Vendor Sanction System
Revised: October 1, 2020

3. CLASS III VIOLATIONS: are state-defined and primarily administrative in nature. These violations require a pattern of incidents to be documented before a sanction can be imposed. Unless otherwise noted, “pattern” is defined as two or more incidents of these violative behaviors described below that occur during the period the vendor is under contract. State Violations are:
- 3.1. Contacting a WIC customer to recover funds for a WIC transaction that was not reimbursed or for which overcharges were requested. Sanctions imposed will be as described under Policy, Paragraph 3, Sections 3.1 – 3.3 of this VM-6 Vendor Sanction System.
 - 3.2. Refusing to accept a valid eWIC Benefit card from a WIC customer. Sanctions imposed will be as described under Policy, Paragraph 3, Sections 3.1 – 3.3 of this VM-6 Vendor Sanction System.
 - 3.3. Altering an eWIC Benefit card. Sanctions imposed will be as described under Policy, Paragraph 3, Sections 3.1 – 3.3 of this VM-6 Vendor Sanction System.
 - 3.4. During a WIC transaction, providing WIC-approved food that is beyond the expiration, last sale date, or best before date imprinted on the product packaging by the product’s manufacturer. Sanctions imposed will be as described under Policy, Paragraph 3, Sections 3.1 – 3.3 of this VM-6 Vendor Sanction System.
 - 3.5. Charging sales tax on a WIC purchase. Sanctions imposed will be as described under Policy, Paragraph 3, Sections 3.1 – 3.3 of this VM-6 Vendor Sanction System.
 - 3.6. Accepting eWIC Benefit cards that appear to be altered. Sanctions imposed will be as described under Policy, Paragraph 3, Sections 3.1 – 3.3 of this VM-6 Vendor Sanction System.
 - 3.7. Requiring a WIC customer to purchase all food listed in their WIC benefit. Sanctions imposed will be as described under Policy, Paragraph 3, Sections 3.1 – 3.3 of this VM-6 Vendor Sanction System.
 - 3.8. Failing to provide a WIC customer with an itemized receipt for foods purchased with WIC benefits. Sanctions imposed will be as described under Policy, Paragraph 3, Sections 3.1 – 3.3 of this VM-6 Vendor Sanction System.
 - 3.9. Failing to train all staff and store representatives who conduct cash register transactions in WIC procedures and requirements. Sanctions imposed will be as described under Policy, Paragraph 3, Sections 3.1 – 3.3 of this VM-6 Vendor Sanction System.
 - 3.10. Charging WIC for Maine Bottle Bill deposits. Sanctions imposed will be as described under Policy, Paragraph 3, Sections 3.1 – 3.3 of this VM-6 Vendor Sanction System.
 - 3.11. Requiring WIC participants to buy specific brands when the brands are not stipulated on the WIC Approved Food List. Sanctions imposed will be as described under Policy, Paragraph 3, Sections 3.1 – 3.3 of this VM-6 Vendor Sanction System.
 - 3.12. Requiring WIC customer to make a cash purchase or a minimum purchase to transact a WIC purchase. Sanctions imposed will be as described under Policy, Paragraph 3, Sections 3.1 – 3.3 of this VM-6 Vendor Sanction System.

- 3.13. Failing to maintain an eWIC Accepted Here sticker on the entry to the store. Sanctions imposed will be as described under Policy, Paragraph 3, Sections 3.1 – 3.3 of this VM-6 Vendor Sanction System.
- 3.14. Failing to maintain the minimum stock of any WIC-approved foods. Any vendor in violation also will be required to correct the insufficient inventory and provide verification to the State Agency within 72 hours. (update Deficiency & Corrective Actions Form) Vendor may request a waiver on certain stock requirements. Sanctions imposed will be as described under Policy, Paragraph 3, Sections 3.1 – 3.3 of this VM-6 Vendor Sanction System.
- 3.15. Failure to show the price of an WIC authorized food on the item, container, shelf or sign.
- 3.16. Advertising a non-WIC food item as a WIC-authorized food item or other improper use of the WIC logo or acronym.
- 3.17. Requiring WIC customer to show identification other than their Maine eWIC Card.
- 3.18. Failure to properly process eWIC transactions in accordance with the procedures set forth in the most recent publication of the Maine WIC Program Vendor
- 3.19. Guidebook and any revisions or supplements issued by the Department.
- 3.20. Not allowing a split tender transaction whereby a WIC customer is allowed to pay a remaining balance on a fresh fruit/vegetable transaction (CVB) with another form of tender. Fresh fruits and vegetables are the only WIC authorized items a Vendor may ask a client to pay the difference for with another form of tender.
- 3.21. Not allowing sales promotions, such as cents off coupons, and/or not honoring any and all manufacturer's promotional specials to WIC customer, but offered to other customers, and not reducing the corresponding amount from the food benefit price.
- 3.22. Providing incentive items or other free merchandise to only WIC customers and not offered to any other customers.
- 3.23. Failure to extend to WIC customers the same courtesy offered to other customers.
- 3.24. Issuing "Rain Checks" in exchange for food benefits.
- 3.25. Conducting WIC business in a way that is contrary to the health, welfare, and safety of WIC customers.

Other Disqualifications

4. 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.
5. 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.

6. 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.
7. Failure to attend the required training. The Department may issue a written warning after the first incident. Termination of Contract and/or ineligibility for reauthorization.
8. Failure to provide access to store premises and/or in any manner to hinder or impede authorized WIC Program staff in the act of conducting an on-site education, monitoring, inventory audit, or investigation visit. The Department may issue a written warning after the first incident. Termination of Contract and immediate termination in the State MIS or ineligibility for reauthorization.
9. Threatening and/or verbally abusing WIC customers and/or authorized WIC Program staff in the conduct of legitimate WIC Program business. Termination of Contract and immediate termination in the State MIS.
10. Making false statements on a WIC Vendor Application, Contract, request for information, audit, etc. Termination of Contract and immediate termination in the State MIS.
11. The State Agency shall disqualify a vendor that has a suspension or loss of a license or permit to operate a food establishment issued by the Maine Department of Agriculture, Conservation and Forestry. Termination of Contract and/or immediate termination in the State MIS.
12. Vendor ceasing operation for any reason except due to temporary closure from casualty losses, natural disaster, or renovations for improvements. Termination of Contract and immediate termination in the State MIS.
13. A pattern of failing to maintain inventory records or other records the Department requires in the WIC Vendor Contract for a period of three-years after final payment has been received by the Vendor for redeemed food benefits or after all pending matters have been resolved. A pattern will be established when a Vendor fails to produce inventory records for specified WIC-authorized foods as requested by the Department corresponding to a 3- month to 36-month audit period as applicable. Termination of Contract and one-year disqualification.
14. Failure to make available to the Department, the United States Department of Agriculture, or the Comptroller General of the United States, upon request, at a reasonable time and place for inspection and audit or to provide legible copies to the Department within 21 calendar days of the date of the request, all WIC transaction information in the Vendor's possession and all Program related records, including purchase and inventory records for WIC-authorized food items for which the Vendor has claimed reimbursement from the Department. Termination of Contract and immediate termination in the State MIS.

15. Failure to purchase infant formula from licensed wholesalers, distributors and retailers as listed in the Authorized Infant Formula Supplier List. The Department may issue a written warning after the first incident. Termination of Contract and immediate termination in the State MIS or ineligibility for reauthorization.
16. Failure to immediately notify the Department when total WIC sales exceed more than 50% of total store food sales. Termination of Contract and immediate termination in the State MIS or ineligibility for reauthorization.

Procedures

1. The State Agency shall determine compliance with the Vendor Agreement and the Vendor Management Policies thru the following methods:
 - 1.1. Monitoring
 - 1.2. WIC Benefit 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. With the exception of an audit that reveals two or more incidents of charging the WIC Program for a specific supplemental food in excess of the store's documented inventory of that food, 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.
3. The State Agency shall issue written notices of sanctions for all violations for which adverse action against the vendor 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.
4. In the event that the State Agency determines that a vendor should be disqualified or terminated based upon the occurrence of violations listed above, excluding Class I Violation the State Agency shall make a determination of participant access. If 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 or termination of the violating vendor.
 - 4.1. The State Agency, in its sole discretion (7 CFR §246.18), will determine whether the disqualification or termination 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:

- 4.1.1. Whether a WIC participant living in a town with a population of 5,000 or more people would be required to travel more than five miles one way from the disqualified vendor to the nearest authorized WIC vendor.
 - 4.1.2. Whether a WIC participant living in a town with a population of less than 5,000 people would be required to travel more than ten (10) miles one way from the disqualified vendor to the nearest authorized WIC vendor.
 - 4.1.3. The presence of physical barriers or conditions that would make normal travel to another authorized vendor difficult or impossible (e.g. an island store, poor road conditions).
 - 4.2. A participant access determination is not subject to appeal.
 - 4.3. Documentation of the participant access determination shall be placed in the vendor's file.
 - 4.4. A civil money penalty imposed by the State Agency in lieu of disqualification due to a Class I or Class II sanction will be calculated using the following formula: 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 \$15,041 per violation and \$60,1611 per investigation.
 - 4.5. A civil money penalty imposed by the State Agency in lieu of termination due to a Class III sanction will be calculated using the following formula: five (5) 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 termination period, not to exceed \$2,000 per violation and \$5,000 per investigation.
 - 4.6. 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.
 - 4.7. 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).
5. 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.