



STATE OF CONNECTICUT DEPARTMENT OF PUBLIC HEALTH



Connecticut WIC Nutrition Program

WIC VENDOR AGREEMENT

FY2017



E-mail: ctwic@ct.gov • Phone: (860) 509-8084 • Fax: (860) 509-8391 • VP: (860) 899-1611
410 Capitol Avenue, MS# 11WIC, Hartford, Connecticut 06106
www.ct.gov/dph/wic

This institution is an equal opportunity provider.

FY 17 CONNECTICUT WIC VENDOR AGREEMENT

The U.S. Department of Agriculture sponsors the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) authorized by the Child Nutrition Act of 1966. WIC is federally funded, and is administered by the State of Connecticut, Department of Public Health. The Connecticut WIC Program enters into an agreement with retail stores to provide specific nutritious foods through a retail food delivery system. Home deliveries are not permitted under the retail food delivery system used in Connecticut.

GENERAL CONDITIONS

All stores must be authorized by the WIC Program in order to accept WIC benefits. A vendor is authorized after receiving an executed copy of the WIC Vendor Application and Agreement Signature Page with the effective agreement period. The State will determine if an integrated register system is certified or assist the vendor in obtaining equipment to process transactions.

The Vendor Selection Criteria (See Appendix A) must be met by all vendors at the time of authorization and must be maintained throughout the agreement period. The WIC Program may reassess any authorized vendor at any time during the vendor's agreement period using the vendor selection criteria in effect at the time of the reassessment. The WIC Program will terminate the authorization of vendors who fail to meet the criteria.

The vendor agreement does not constitute a license or a property interest. The WIC Vendor Agreement is in effect for the stated time period only. If the vendor wishes to continue to be authorized beyond the period of its current agreement, the vendor must reapply for authorization. If a vendor's agreement expires or is terminated and the vendor wishes to reapply, the vendor will be subject to the WIC Program's vendor selection criteria in effect at the time of the reapplication.

A WIC Vendor Agreement may cover more than one vendor if all stores are under the exact same ownership and a list of each store location is attached. When more than one vendor is specified in the agreement, the WIC Program may add or terminate an individual vendor without affecting the remaining vendors.

All vendors are subject to announced and unannounced on-site visits.

All vendors must maintain an active email account that is capable of receiving WIC Agreement and program information. Notify the WIC Program immediately of any changes to the email address.

Either the WIC Program or the vendor may terminate the agreement for cause after providing advance written notice of at least fifteen (15) days.

The agreement will be terminated upon a change in vendor ownership, store location (over one mile), or cessation of operations. The WIC Program has the discretion to determine whether a change in business structure constitutes a change in ownership.

A vendor applicant that does not meet the minimum inventory requirements (Appendix B) will not be authorized, even if such denial of authorization would result in inadequate participant access.

The vendor may be monitored for compliance with program requirements. In addition to claims collection (Appendix E), the vendor may be sanctioned for vendor violations in accordance with the WIC Program's sanction schedule (Appendix F). Sanctions may include warnings, administrative fines, disqualification, and civil money penalties in lieu of disqualification.

Disqualification from the WIC Program may result in disqualification as a retailer in SNAP. Such disqualification may not be subject to administrative or judicial review under SNAP.

Adverse actions against a vendor associated with Federal mandatory sanction number one (1) (Appendix F) and denials of new authorizations shall be effective on the date of receipt of the WIC Program's written notice. All other adverse actions taken by the WIC Program against a vendor shall be effective fifteen (15) days from the date of the written notice.

A vendor may be entitled to an administrative review when notified of certain adverse actions taken by the WIC Program. See Appendix G for administrative review procedures.

A vendor who commits fraud or abuse in the Program is liable to prosecution under applicable Federal, State or 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 five years or both, if the value of the funds is \$100 or more. If the value is less than \$100, the penalties are a fine of not more than \$1,000 or imprisonment for not more than one year or both.

The agreement will be terminated if the WIC Program determines that the vendor has provided significant false information in connection with its application for authorization.

The agreement will be terminated if the WIC Program identifies a conflict of interest, as defined by applicable State laws, regulations, and policies, between the vendor and the WIC Program or its local agencies.

The agreement will be terminated if the vendor accepts and/or transacts WIC benefits anywhere other than the fixed location of the store(s) as covered by this agreement.

There can be no unauthorized use of the WIC logo or acronym in promoting the store's business. The logo and acronym may only be displayed on official WIC Program materials.

THE WIC VENDOR AGREES TO:

Transact only the WIC benefits allowed by the type of store. Food stores are allowed to transact all types of WIC benefits. Pharmacy vendors are only allowed to transact WIC benefits for formula and medical foods.

Comply with the WIC Vendor Agreement and Federal and State statutes, regulations, policies, and procedures that govern the WIC Program, including any changes or amendments made during the agreement period.

Accept written communications via postal service mail and/or electronic messages via email.

Comply with, and be subject to, all the vendor selection criteria listed in Appendix A, including the minimum inventory requirements in Appendix B at the time of authorization and throughout the Agreement period, including any changes made during the Agreement period.

Stock those items that are in good condition, undamaged, unspoiled and are not beyond the expiration date or has exceeded its "sell by," "best if used by," manufacturer suggested, or other date limiting the sale or use of the food item.

Comply with all of the procedures for transacting WIC benefits included in Appendix C. All procedures must be followed at all times, and normal transactions must be able to occur during times of renovations or alternate conditions of the store.

Comply with all of the pricing requirements included in Appendix D.

Pay all monetary claims established by the WIC Program in accordance with Appendix E.

Accept the WIC Program's sanction schedule for disqualifications, civil money penalties and fines found in Appendix F.

Follow the administrative review procedures in Appendix G

Cooperate with State or Federal officials when an on-site visit occurs.

Allow reasonable monitoring & inspection of the store premises, procedures, records and WIC transactions.

Make available all WIC transactions and all program-related records upon request to WIC Program representatives, the United States Department of Agriculture (USDA), and the Comptroller General of the United States, at any reasonable time and place for inspection and audit.

Have at least one representative participate in training annually. Annual training may be provided by the WIC Program through newsletters, videos, or interactive training.

Train new cashiers and other staff on program requirements before they handle WIC benefits. Inform and provide existing employees with annual and regular review of WIC policies and procedures, including bulletins, website content and all WIC vendor communications.

Provide documentation of employee WIC training upon request. Keep a copy of this WIC Vendor Agreement, bulletins and other WIC Program correspondence on the store premise at all times.

Keep stand beside equipment accessible to WIC customers in order to enter their own PIN to perform balance inquiries and transactions.

Provide the capability for WIC customers to retrieve their currently available benefits balance upon request without requiring a purchase to be made.

Be accountable for its owners, officers, managers, agents, and employees, whether they are paid or unpaid, who commit vendor violations.

Retain all original inventory records used for tax reporting purposes including purchase invoices, purchase slips and receipts of delivery for WIC food items for the most recent three-year period. All such documents must indicate the quantity, unit price, description and container size of WIC food items purchased and must be provided when requested and available for inspection by federal and/or state agents. Cash register receipts without specific identification of the quantity, unit price, description, and container size of WIC food items purchased shall not be accepted as evidence of WIC food item purchases.

Only make exchanges of an identical approved WIC food item when the original WIC food 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. An identical approved WIC food item means the exact brand and size as the original WIC food item purchased and returned by the participant.

Never provide cash or credit refunds or permit exchanges for non-WIC foods obtained with WIC benefits.

Never seek payment from a WIC customer for the difference between the price charged and the maximum price paid on WIC food items.

Not request payment from the WIC Program for the difference between the price charged and the maximum price paid for WIC food items.

Comply with the nondiscrimination provisions of USDA regulations (7 CFR Parts 15, 15a and 15b of this title).

Never breach WIC customer confidentiality. Do not have separate lines or checkout counters for only WIC customers. Do not identify customers using WIC benefits by calling out a WIC transaction.

Never discriminate against a person using WIC benefits (i.e. denying or delaying services or treating WIC customers differently from others).

Treat WIC customers courteously, with respect to issues, including but not limited to, language barriers between the participant and employees, limited understanding of Program rules by both the participant 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 participant shopping experience is positive and store management is aware of a situation.

After a complaint has been filed regarding the mistreatment of a WIC customer and the vendor is found at fault, the vendor must provide proof of retraining the employee and the corrective action to prevent future occurrences.

Provide any WIC-approved food item that is not listed as a minimum inventory requirement, but printed on a WIC benefits list within 48 hours of the request (business days, not including holidays or weekends).

Allow the sale of all brands of food items according to the WIC Approved Food Guide. The vendor agrees to not promote or restrict the sale of WIC purchases to only the store's brand.

Maintain EBT capable equipment in accordance with minimum lane coverage provisions of Federal Regulations, and communicate directly with the EBT Contractor (currently Xerox) if there is an issue.

Be responsible for ongoing maintenance and operational costs for vendor systems and equipment used to support WIC EBT, unless using single-function Point-of-Sale (POS) stand beside machines.

Incur all interchange fees related to WIC transactions. The Connecticut WIC Program shall not pay or reimburse the vendor for interchange fees related to WIC EBT transactions.

Comply with all requirements of the EBT Contractor (currently Xerox), in accordance with Vendor Agreement, including but not limited to, providing banking information, proper handling of the equipment, and if applicable the return of equipment when requested.

Comply with the Operating rules, standards and technical requirements established by the WIC Program.

www.fns.usda.gov/wic/wic-ebt-operating-rules-technical-implementation-guide

Never assign, subcontract or sublease any vendor duties or responsibilities under this agreement.

Provide the WIC Program with advanced written notification (as soon as possible) of any change in vendor ownership, store location, or cessation of operations.

Report to the State WIC Office any suspicious usage of the WIC card or requests for cash or credit. The last four digits of the card number found on the receipt, plus the date and time of the transaction is required to file complaints.

Report to the State WIC Office complaints of fraudulent activity by an unauthorized person, another authorized WIC vendor or a WIC customer attempting to defraud the WIC Program.

Report to the State WIC Office within thirty (30) days of a conviction or civil judgement related to a lack of business integrity. Provide the name(s) of the person(s) charged or convicted, their relationship to the owner, their current position, and the court and docket number.

THE WIC PROGRAM AGREES TO:

Interact with and provide training and technical assistance to vendors on issues related to redemptions, contract violations, complaints, allegations of program abuse by either vendors or participants, and administrative hearings.

Provide training on the Vendor Agreement, Federal and State Statutes, regulations, and policies and procedures governing the WIC Program on an annual basis. The WIC Program has sole discretion to designate the date, time, and location of all interactive training, except that the WIC Program will provide the vendor with one alternative date on which to attend the training.

Provide shelf labels to identify WIC approved foods.

Post information on the website when offering enrollment periods for stores to apply for WIC authorization. Limited enrollment periods will be offered when the Program determines there will be inadequate participant access and additional stores are needed.

Notify the vendor on WIC customer complaints and provide guidance.

Provide an executed copy of the WIC Vendor Agreement to authorized vendors.

Notify WIC participants of vendors that are authorized to accept WIC. Lists are provided at the local agency and posted on website.

Provide WIC participants with a WIC Food Guide that describes approved food items and brands they are allowed to purchase.

Notify the vendor of WIC Program violation(s) and applicable warnings and sanction(s) imposed in accordance with the terms of the WIC Vendor Agreement.

Notify vendors within twenty-one (21) days of the expiration of their WIC Vendor Agreement of the need to re-apply for authorization to remain a WIC vendor.

Notify vendors of any Program changes before the changes are implemented.

Provide the vendor with a file folder for the vendor to maintain a copy of the WIC Vendor Agreement, bulletins, minimum inventory and all WIC Program correspondence.

Assist with issues brought to the attention of the State WIC Office by the vendor.

Assist newly authorized vendors with certification of integrated cash register systems or to obtain single function POS equipment.

Only disclose the following vendor information: store name, address, authorization status, phone number, web site/e-mail address and store type.

Make available daily the most current Approved Product Listing (APL) which contains the current listing of food items that are approved for redemption by the WIC Program through its WIC card processor.

Reimburse the vendor for all approved WIC redemptions that are made in accordance with applicable state and federal requirements, and the WIC Vendor Agreement.

Incur monthly costs for single-function POS machines used for WIC transactions in accordance with the minimum lane coverage provisions of Federal Regulations. The State agency may remove excess terminals if actual redemption activity warrants a reduction consistent with the redemption levels.

FY17 WIC VENDOR AGREEMENT –APPENDIX A - VENDOR SELECTION CRITERIA

Authorized vendors must meet the selection criteria at all times throughout the authorization period. The Agreement will be terminated if any one of these criteria is not met. Applicant and renewing vendors who do not meet the following criteria will not be selected for authorization:

1. A vendor must submit a complete application package before the last acceptable deadline date. If incomplete at the time of the initial submission, a vendor will receive 15 days from the date of notification of the deficiency to cure such deficiency, and to file a completed application package.
2. Falsification of any information.
3. A vendor must attend all assigned mandatory training sessions.
4. A vendor must not be expected to derive more than 50% of its annual food sales revenue from acceptance of WIC benefits.
5. A vendor must post the product prices that are charged. Prices must be posted on the store shelf in front of the item, on the product itself or, in the case of chilled or frozen items, on a sign attached to the door of a cooler or freezer in front of the food item. When prices change, all signs must be updated, in addition to registers and all stand beside units.
6. A vendor must have and maintain the established WIC Program Minimum Inventory Requirements so that WIC customers may redeem their WIC benefits at any time that the vendor is open for business (See Appendix B).
7. A vendor must meet established competitive pricing criteria, which involve the ranking, by peer group, of the price index of all vendors. The price index is calculated by using each vendor's reported prices for WIC food items. Each vendor's price index is then compared to the average price index for the peer group with which it is associated.
8. A food store vendor, excluding pharmacies, must be currently authorized by SNAP and must provide its FNS number.
9. A vendor must not be currently disqualified from SNAP or must not have been assessed a SNAP civil money penalty for hardship, and the disqualification period that would otherwise have been imposed has not expired.
10. A vendor applicant or current owners, officers or managers must not have been convicted of nor had a civil judgment entered against them within the last six (6) years for any activity indicating a lack of business integrity. Activities include but are not limited to, fraud, antitrust violation, embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statement, receiving stolen property, making false claims, or obstruction of justice.
11. A vendor must purchase infant formula only from the WIC Program's list of wholesalers, distributors, retailers and manufacturers. This list is included and sent to authorized vendors on an annual basis.
12. A vendor must not have been assessed more than \$2,500 in fines for State Agency-established sanctions in the last 3 years.
13. Vendors must maintain a minimum of \$25 per month in WIC redemptions.
14. If the WIC Program determines that the store's previous owner sold the store in an attempt to circumvent a WIC sanction.
15. A vendor must not offer, or intend to offer, incentive items solely to WIC customers, and must offer WIC customers the same courtesies that are offered to non-WIC customers.
16. A vendor with an integrated cash register system must be EBT capable, meaning the vendor must demonstrate the Point-of-Sale (POS) system can accept WIC purchases, obtain a benefit balance, and complete a WIC transaction accurately and securely. WIC vendors must be able to exchange updated files with the state pursuant to State agency EBT system requirements.
17. A vendor who will use a single function stand beside machine must demonstrate EBT capability and obtain equipment from the EBT processor (currently Xerox) through application process overseen by the State.
18. Not providing information as requested by the WIC Program within the time frame stated, including but not limited to proof of training staff, submitting questionnaires, surveys, invoices, sales and use tax documents for the time period stated.

If the WIC Program determines that authorization of the vendor is necessary in order to provide adequate participant access, an exception may be made to the selection criteria. However, vendors must meet the Minimum Inventory Requirement to become authorized and at all times throughout the authorization period to remain authorized.

FY17 WIC VENDOR AGREEMENT –APPENDIX B - MINIMUM INVENTORY REQUIREMENTS

For food stores, all food items below are required of vendor applicants awaiting pre-authorization visits and all currently authorized food stores. For pharmacies, only infant formula is required of vendor applicants awaiting pre-authorization visits and all currently authorized pharmacies.

At all times, the vendor must maintain each of the following WIC approved foods in the quantities stated with future expiration dates on the shelves or store premises. To ensure constant availability of WIC approved foods to WIC customers, a vendor may have to stock these food items in larger quantities than is required. See the WIC Approved Food Guide for specific products and brand names allowed.

FOOD ITEM	CONTAINER SIZE	MINIMUM QUANTITIES AND REQUIRED NUMBER OF KIND/TYPE/VARIETIES
1%/Low-fat/Light, or Skim/Fat Free/Nonfat Milk (Fluid)	Gallons and/or Half gallons	6 Gallons-Any combination of gallons and/or half gallons
Whole milk (Fluid)	Gallons and/or Half gallons	3 Gallons-Any combination of gallons and/or half gallons
Evaporated Milk	12 oz. cans	12 cans of evaporated milk
Cheese	8 or 16 oz., packages	2 varieties of cheese and 2 pounds of each variety
Eggs	1 dozen carton	4 dozen large white <u>or</u> brown eggs
Concentrated Juice	11.5 or 12 oz. cans of concentrate	12 cans of frozen or liquid concentrate juice
Fluid Juice	64 oz. plastic bottles of fluid	3 varieties 12 plastic bottles of fluid juice
Fruits	Pounds, pieces, cans bags, boxes	\$25 worth (at retail prices) 2 different varieties must be fresh fruits Other varieties may be canned or frozen.
Vegetables	Pounds, pieces, cans bags, boxes	\$25 worth (at retail prices) and at least 2 varieties total. 2 different varieties must be fresh vegetables Other varieties may be canned or frozen.
Whole Wheat/Whole Grain Bread Whole Wheat/Soft Corn Tortillas Brown Rice/Whole Wheat Pasta	1 pound (lb.) loaves or packages 14-16 oz. (1 lb.) packages of rice only	6 units of bread, tortillas, pasta or brown rice
Legumes – Dry Beans, Peas, Lentils	1 pound (lb.) bags	2 varieties 4 bags of dry beans, peas or lentils
Legumes-Canned Beans/Peas	15-16 oz. cans	8 cans of beans or peas (blackeye, chick, pigeon)
Canned Fish	3.75 oz. sardines, 5 oz. tuna, 6-15 oz. salmon	6 cans of canned light tuna, salmon or sardines
Hot Cereal	14 oz. boxes or larger	2 boxes
Cold Cereal	14 oz. or larger bags, boxes	3 varieties of cold cereal and 3 boxes of each variety. 1 variety must be whole grain.
Peanut Butter	16-18 oz. jars	3 jars
Baby Food – Fruits	4 oz. jars only -Beech-Nut Classics brand- Stage 2	2 varieties 36 jars of Beech-Nut baby food fruits
Baby Food – Vegetables	4 oz. jars only -Beech-Nut Classics brand- Stage 2	2 varieties 36 jars of Beech-Nut baby food vegetables
Infant Cereal (plain)	8 oz. box-Beech-Nut brand only	2 varieties of Beech-Nut infant cereal and 3 boxes of each variety
Infant Formula	13 oz. metal cans of concentrate <u>AND/OR</u> 12.4 oz. cans of powder	24 units of Similac Advance, in any combination of 13 oz. concentrate or 12.4 oz. cans of powder

For any requested WIC approved food item that is not a minimum inventory requirement, but on a participant's benefit, an attempt must be made to make the product available to the WIC customer within 48 hours of the request, excluding holidays and weekends.

Only those items that are in good condition (fresh/undamaged) and are not beyond the expiration date or have not exceeded its "sell by", "best if used by", "manufacturer suggested", or other date limiting the sale or use of the food item shall be considered. Refer to the WIC Program Food Guide for the approved WIC foods.

The entire WIC transaction must occur at the vendor's location listed on the WIC Vendor Application.

1. Maintain a certified automation in-store system to accept and process the WIC Card benefits using either stand beside or integrated solutions that perform online WIC Card transactions in accordance with the published rules, policies, specifications, procedures, WIC EBT Operating Rules and WIC EBT Technical Implementation Guide.
2. Update software as required by changes to the WIC EBT Operating Rules and Technical Implementation Guide.
3. Accept responsibility for any transaction of WIC benefits when an approval has been received from the Connecticut WIC Program host processor or for the incorrect transaction of WIC benefits.
4. Ensure the most current Connecticut WIC Program APL is installed in the store's POS system and is being used for processing WIC transactions.
5. Never ask the WIC customer for identification. The PIN, along with a valid WIC card, is the only identification needed.
6. Never mandate the WIC customer to provide store personnel with the benefit balance receipt prior to purchase.
7. Scan the actual item's Universal Product Code (UPC) that is affixed to the item, unless the item being purchased is a fresh fruit or vegetable. The retailer must never scan codes from UPC codebooks, other products, or reference sheets. The retailer is prohibited from scanning any UPC as a substitute, replacement or otherwise that is not actually affixed to the actual item being purchased by the WIC customer using a WIC card.
8. Provide only currently authorized WIC food in exchange for valid benefits issued by the WIC Program. Sell only WIC foods to WIC customers that are available in their current benefit balance AND that are approved on the CT WIC Program APL.
9. WIC customers must receive the food item that corresponds specifically to the UPC code scanned by the vendor during the WIC card transaction.
10. Provide the WIC customer with a receipt at the end of the WIC transaction, which at a minimum, shows the date of the transaction, product(s) purchased, and the remaining balance of available WIC benefits.
11. Provide the capability for WIC customers to retrieve their currently available benefits balance upon request without requiring a purchase to be made.
12. Do not charge the WIC customer any fee, either directly or indirectly, arising out of or associated with operating, maintaining, or processing WIC transactions.
13. Keep all WIC customer information confidential, do not confiscate the WIC card, or ask for or enter the cardholder's PIN.
14. Allow the purchase of the WIC foods printed in the WIC Approved Food Guide. A WIC customer may purchase any of the approved brands on the WIC Approved Food Guide. A WIC Approved Food Guide must be kept at the checkout lane or cash register. The store must not restrict WIC purchases to only their store brands.
15. WIC participants do not have to purchase all of their benefits in one shopping trip. A WIC customer is allowed to purchase as much or as little food from their remaining benefit throughout the month.
16. Do not allow store credit or IOU's in exchange for items not taken at the time of the transaction.
17. Allow participants to pay the difference between the purchase price and the maximum amount of the fruits and vegetables benefits. The difference may be paid with cash, credit/debit card, EBT, or other forms of payment that your store allows.
18. All food that was purchased must be taken at the time of the transaction.
19. Do not have checkout lane designated for WIC transactions only.
20. Never claim reimbursement for the sale of an amount of a specific WIC product that exceeds the store's documented inventory of that WIC product for a specific period of time.

FY17 WIC VENDOR AGREEMENT –APPENDIX D - REQUIREMENTS FOR PRICING

1. The State WIC Office collects prices through vendor redemptions. Charge prices that are fair and competitive for your store type. Prices charged by a vendor that are higher than the peer group average will be reduced to the not-to-exceed (NTE) amount during the WIC transaction.
2. Never charge the WIC Program for products not actually purchased and received by the WIC customer.
3. Never charge WIC customers more for WIC products than non-WIC customers.
4. Never collect sales tax on WIC products purchased.
5. Never charge WIC customers a surcharge or a fee for making purchases with the WIC card.
6. Never seek restitution from WIC customers for benefits not paid by the Connecticut WIC Program.
7. All vendor prices must meet the WIC Program's price limitations.
8. Never charge a WIC customer money for approved WIC foods obtained with a WIC benefits, except when the purchase price for fruits and vegetables exceeds the maximum benefit allowed.
9. Offer a WIC customer the same courtesies offered to other customers. Vendor's must accept manufacturer's coupons from a WIC customer and allow other store promotions such as store savings cards, "buy one, get one free" offers, and any other types of sales to a WIC customer if these are being offered to other customers. Deduct the savings before completing the WIC transaction.
10. WIC transactions must be made through the store's business bank account that is reported to Xerox or the store's third party processor. Report any change of bank or bank account in writing to Xerox or the third party processor.

FY17 WIC VENDOR AGREEMENT –APPENDIX E - MONETARY CLAIMS

The Connecticut WIC Program may make monetary claims against vendors that have committed certain types of redemption abuse *in addition to any other sanctions applied against such vendors*. Those include but are not limited to:

- Inventory audits when a vendor cannot support all of its redemptions
- Any overcharges or errors made on WIC transactions discovered during undercover compliance buys.
- Transaction audit means a review of a vendor's redemptions to determine if the vendor has overcharged the WIC Program.

Payment of vendor claims does not preclude the WIC Program from assessing sanctions associated with the violations. Payment plans may be requested for an amount of \$500 or more on a case by case basis determined by the WIC Program.

When a review is requested by the vendor with respect to the monetary claim, the time period for payment shall not begin until after the date of the decision if the WIC Program's action is upheld.

All monetary claims must be paid within 30 days of the date of the notice. All remittances must be made with a certified bank check or money order and payable to Treasurer – State of Connecticut, Department of Public Health. Send to:

Connecticut Department of Public Health
410 Capitol Avenue, MS# 11WIC
Hartford, Connecticut 06106

El programa WIC podrá descalificar a un proveedor por falta de pago de una reclamación monetaria en el período de tiempo requerido

FY17 WIC VENDOR AGREEMENT—APPENDIX F —DISQUALIFICATIONS, CIVIL MONEY PENALTIES AND FINES

WIC Program violations shall be determined by investigation, which includes on-site monitoring, transaction audits, inventory audits and undercover compliance buys conducted by the WIC Program, USDA staff, or their designees. The intent to commit a violation versus inadvertent human error is not a distinction that the WIC Program must establish in order to impose sanctions. Sanctions are imposed in order to protect the integrity and the nutritional goals of the WIC Program.

FEDERAL MANDATORY SANCTIONS

Description of Violation	Number of Incidences, Occurrences or Pattern	Length of Disqualification
1. Judicial conviction of trafficking in WIC benefits or selling firearms, ammunition, explosives or controlled substances in exchange for WIC benefits.	One	Permanent
2. Administrative finding of buying or selling WIC benefits for cash (trafficking) or selling firearms, ammunition, explosives or controlled substances in exchange for WIC benefits.	One	6 Years
3. Sale of alcohol or alcoholic beverages or tobacco products in exchange for WIC benefits.	One	3 Years
4. Claiming reimbursement for the sale of an amount of a specific WIC food that exceeds the store's documented inventory of that WIC food for a specific period of time.	Shortfall of one WIC food in three consecutive months or shortfall of three or more WIC foods in one month.	3 Years
5. Overcharging on WIC benefits.	Three or more	3 Years
6. Receiving, transacting and/or redeeming WIC benefits outside of authorized channels, including the use of an unauthorized vendor and/or unauthorized person.	Three or more	3 Years
7. Charging for WIC food not received by the WIC customer.	Three or more	3 Years
8. 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.	Three or more	3 Years
9. Providing unauthorized food items in exchange for WIC benefits, including charging for WIC food provided in excess of those listed on the WIC benefits.	Three or more	1 Year
10. Disqualification from the Supplemental Nutrition Assistance Program (SNAP) or a civil money penalty in lieu of a SNAP disqualification when adequate WIC participant access exists.	One	Same as the SNAP disqualification, but does not need to be concurrent.

On a case by case basis, the WIC Program will determine if a warning for the initial occurrence of violations numbered; 5 through 9 will be issued prior to documenting another violation. The WIC Program has the discretion to determine which factors to consider and how much weight to give to each factor. A warning will not be issued if the WIC Program determines that, if by doing so, an investigation would be compromised.

When a completed investigation determines that a pattern of violations that requires a Federal Mandatory Sanction was not established, a warning letter will be issued to the vendor.

The WIC Program shall not accept voluntary withdrawal or use non-renewal of the vendor agreement as an alternative to disqualification for Federal Mandatory Sanctions.

Prior to imposing a disqualification for Federal Mandatory Sanctions numbered 2 through 10, the WIC Program shall determine, and document in the vendor file, whether the disqualification would result in inadequate participant access.

If the WIC Program determines that a disqualification would result in inadequate participant access, then a civil money penalty shall be assessed in lieu of disqualification for Federal Mandatory Sanctions numbered 2 through 10. The amount of the civil money penalty shall equal the average monthly WIC redemptions for the six-month period ending with the month immediately preceding the month during which the notice of sanction is dated, multiplied times ten percent (.10), and then multiplied times the number of months for which the vendor would have been disqualified. The civil money penalty shall not exceed eleven thousand dollars (\$11,000) for each violation. If multiple violations are revealed by a single investigation, the total civil money penalty shall not exceed forty-nine thousand dollars (\$49,000).

When during the course of a single investigation, the WIC Program determines that the vendor has committed multiple violations (which may include violations subject to state agency-established sanctions); the WIC Program shall disqualify the vendor for the period corresponding to the most serious mandatory violation. However, the WIC Program shall include all violations in the notice of sanction. If a mandatory sanction is not upheld on appeal, then the WIC Program may impose state agency-established sanctions.

When a vendor who had previously been assessed a Federal Mandatory Sanction numbered 2 through 10 receives the same or another mandatory sanction, the WIC Program shall double the sanction for the second violation. Civil money penalties may also be doubled, but only to the extent of eleven thousand dollars (\$11,000) per violation up to the maximum of forty-nine thousand dollars (\$49,000) for multiple violations. When a vendor who had previously been assessed two Federal Mandatory Sanctions numbered 2 through 10 receives a third or subsequent mandatory sanction for the same or other Federal Mandatory Sanction, the WIC Program shall double the sanction for the violation. The WIC Program shall not impose a civil money penalty in lieu of disqualification for the third and subsequent mandatory violations.

If a vendor does not pay, only partially pays, or fails to timely pay a civil money penalty either within fifteen (15) days of the notice of the sanction or within the terms of an installment plan, the WIC Program shall disqualify the vendor. The length of the disqualification shall correspond to the violation for which the civil money penalty was assessed or, in cases where a mandatory sanction included the imposition of multiple civil money penalties, for a period corresponding to the most serious violation.

STATE AGENCY-ESTABLISHED SANCTIONS

Class A violations:

One-year disqualification shall be assessed for each occurrence of any of the following violations in this class:

- Substitution of a WIC food item for another WIC food item not listed on the WIC benefit.
- Allowing a refund or an exchange for WIC or non-WIC food items.
- Scanning a UPC codebook or reference sheet. Scanning any UPC as a substitute, replacement or otherwise not actually affixed to the actual item being purchased.
- Not allowing the WIC customer to enter their own PIN on the PIN pad.

Class B violations:

After issuance of one (1) warning letter for any violation in this class a five hundred dollar (\$500.00) fine shall be assessed for each occurrence of any of the following violations in this class. The WIC Program will not issue a warning for each separate violation. After issuance of the warning letter, upon accumulation of five (5) Class B violations within a twelve-month period, a one-year disqualification shall be imposed. The option to pay a fine shall not be available at that time.

- Not providing refunds or not paying fines by the due date as requested by the WIC Program.
- Limiting WIC customers in their choice of WIC products, (i.e. forcing a WIC customer to purchase only least expensive or store brands or the most expensive products).
- Not notifying the Connecticut WIC Program within thirty (30) days of a conviction or civil judgement related to a lack of business integrity.
- Offering store credit or IOU to a WIC customer.

Class C violations:

After issuance of one (1) warning letter for any violation in this class, a two hundred fifty dollar (\$250.00) fine shall be assessed for each occurrence of any of the following violations in this class. The WIC Program will not issue a warning for each separate violation. After issuance of the warning letter, upon accumulation of five (5) Class C violations within a twelve-month period, a one-year disqualification shall be imposed. The option to pay a fine shall not be available at that time.

- Allowing the sale of a WIC food item that is spoiled or is sold to WIC customers after the expiration date, "sell by", "best if used by", "manufacturer suggested", or other date limiting the sale or use of the food item.
- Allowing the return of any WIC purchases other than for identical WIC food items that are damaged, spoiled, or has exceeded its "sell by", "best if used by", "manufacturer suggested", or other date limiting the sale or use of the food.

Class D violations:

After issuance of one (1) warning letter for any violation in this class, a one hundred twenty-five dollar (\$125.00) fine shall be assessed for each occurrence of any of the following violations in this class. The WIC Program will not issue a warning for each separate violation. After issuance of the warning letter, upon accumulation of five (5) Class D violations within a twelve-month period, a six-month disqualification shall be imposed. The option to pay a fine shall not be available at that time.

- Not providing savings to WIC customers through coupons or store offered promotions.
- Failure to attempt to provide any requested WIC approved food item within forty-eight (48) hours that is on the participant's benefits list
- Failure to provide a receipt at the end of the transaction showing the date of the transaction, product(s) purchased, and the remaining balance of available benefits.
- Failure to cooperate with Federal, State, and Local WIC Program personnel during announced and unannounced on-site vendor monitoring.

The WIC Program shall determine and document in the vendor file whether a disqualification based on state agency established sanctions would result in inadequate participant access. If the WIC Program determines that there shall be undue hardship for WIC participants if a vendor is disqualified based on a State Agency Established Sanction, the store shall be allowed to remain on the program until such time that undue hardship no longer exists. A fine of two thousand five hundred dollars (\$2,500.00) shall be paid by the vendor to continue to accept WIC benefits. A review may be requested to determine if the disqualification is warranted. At such time that the WIC Program determines that undue hardship for WIC participants no longer exists, the vendor shall be notified that the original disqualification shall be effective fifteen (15) days after receipt of the letter. The vendor may request a review for the sole purpose of arguing the issue of undue hardship for WIC participants.

A fine is payable fifteen (15) days from the receipt of the notice. If payment of the fine is not paid, only partially paid, or not timely paid, the WIC Program shall disqualify the vendor for the length of the disqualification corresponding to the violation(s) documented in the notice up to a maximum of one (1) year.

If a vendor is assessed a settlement fine, or any other monetary penalty or fee relating to a disqualification from SNAP, a WIC civil money penalty shall be assessed the vendor equal to the FNS penalty.

State agency-established sanctions do not apply to vendors that do not meet selection criteria during an authorization, re-authorization or reassessment process.

The WIC Program shall not accept voluntary withdrawal or use non- of the vendor agreement as an alternative to disqualification for state-agency established sanctions.

Warnings shall remain active for three (3) years from the date of the violation for the entire term of the store's ownership.

Payments must be made with a certified bank check or money order and payable to Treasurer – State of Connecticut, Department of Public Health. Send to:

Connecticut Department of Public Health
410 Capitol Avenue, MS# 11WIC
Hartford, Connecticut 06106

Actions subject to an Administrative Review:

1. Denial of authorization based on vendor selection criteria or on a determination that the vendor is attempting to circumvent a sanction.
2. Termination of the WIC Vendor Agreement.
3. Disqualification of the vendor except when it is based on a SNAP disqualification.
4. Imposition of a fine or civil money penalty in lieu of disqualification.

Actions not subject to Administrative Review:

1. Disqualification of a vendor as a result of a disqualification or a CMP in lieu of disqualification from SNAP
 2. The expiration of a WIC Vendor Agreement.
 3. Validity or appropriateness of the WIC Program's vendor selection criteria.
 4. Validity or appropriateness of the WIC Program's participant access criteria and the Program's access determinations.
 5. Validity or appropriateness of the WIC Program's criteria for determining whether a vendor applicant is expected to meet the more than 50% criterion. (Appendix A)
 6. Disputes regarding WIC benefits payments, vendor claims, and associated administrative fees.
- Vendors will be provided with written notification whenever an adverse action is taken. The notification will include the procedure to follow to obtain an administrative review, the time period in which to appeal, and the cause for and the effective date of the action. When a vendor is disqualified due in whole or in part to a Federal Mandatory Sanction violation numbered 1 through 9 in Appendix F, such notification shall include the following statement: "This disqualification from WIC may result in disqualification as a retailer in the Special Supplemental Nutrition Assistance Program." Such disqualification is not subject to administrative or judicial review under SNAP."
 - Requests for review must be received by the department within 7 days of receipt of the adverse action letter.
 - A vendor that appeals an adverse action for non-selection or disqualification will not be permitted to continue Program operations (will not be allowed to accept WIC benefits) while its appeal is in process.
 - The vendor will be provided with adequate advance notice of the time and location of the administrative review to provide all parties involved sufficient time to prepare.
 - The vendor will have an opportunity to reschedule the administrative review date upon written request.
 - The vendor will have the opportunity to present its case and to cross-examine adverse witnesses. To protect the identity of WIC Program investigators, such examination will be conducted behind a protective screen or other means.
 - The vendor will have the opportunity to be represented by counsel at any review proceeding.
 - Prior to the review, the vendor will have an opportunity to examine the evidence upon which the WIC Program's action is based. The review record will be sent to the vendor at least 10 days prior to the review date.
 - An impartial decision-maker will be assigned to the appeal. The decision-maker's determination is based solely on whether the WIC Program has correctly applied Federal and State statutes, regulations, policies, and procedures governing the Program, according to the evidence presented at the review. The State agency may appoint a reviewing official, such as a chief hearing officer or judicial officer, to review appeal decisions to ensure that they conform to approved policies and procedures.
 - Notification of the review decision, including the basis for the decision, will be issued within 90 days from the date of receipt of a vendor's request for an administrative review. This timeframe is only an administrative requirement for the State agency and does not provide a basis for overturning the WIC Program's adverse action if a decision is not made within the specified timeframe.
 - If the adverse action under review has not already taken effect, the State agency shall make the action effective on the date of receipt of the final decision by the vendor.

- If the final decision upholds the adverse action against the vendor, the State agency shall inform the vendor that it may be able to pursue judicial review of the decision.

FY17 WIC VENDOR AGREEMENT - APPENDIX H - GLOSSARY

Adverse action means a denial of authorization, termination, disqualification or imposition of a fine or civil money penalty against a vendor for any violation found during monitoring, compliance investigation, inventory audit or reassessment.

APL means the approved product listing that contains all WIC approved products allowed to be purchased with WIC benefits.

Change of ownership means a transfer of more than 50 % of the interest in a vendor's business entity within a one-year period or a change in business entities except for a change from sole proprietorship to a single-member limited liability company or single-shareholder corporation where the sole proprietor is the member or shareholder and when there is a change from one entity to another, e.g., a corporation to a limited liability company when the business retains the same federal tax identification number.

Change of location means an authorized WIC vendor, under the same ownership and same tax ID number, relocates the business. If the distance moved is greater than one mile, the agreement will be terminated.

Compliance buy means a covert, on-site investigation in which a representative of the Program poses as a WIC customer and transacts one or more WIC benefits, and does not reveal during the visit that he or she is a Program representative.

Days mean calendar days. If a "due date" falls on a State holiday or weekend, the due date is the next business day.

Disqualification means the act of ending the authorization of a vendor, whether as a punitive sanction or for administrative reasons.

EBT (Electronic Benefits Transfer) means a method that permits electronic access to WIC food benefits using a card.

EBT Capable means the WIC vendor demonstrates their cash register system or payment equipment can accurately and securely obtain WIC food balances associated with an EBT card, maintain the necessary files such as the authorized product list, hot card file and claim file and successfully complete WIC EBT purchase.

Equipment

Multi-function equipment (Integrated cash register systems) means Point-of Sale equipment obtained by a WIC vendor through commercial suppliers, which is capable of supporting WIC EBT and other payment tender types.

Single-function equipment means Point-of-Sale equipment, such as barcode scanners, card readers, PIN pads and printers, provided to an authorized WIC vendor solely for use with the WIC Program.

Food sales means sales of all foods, based on all payment methods that are eligible items under SNAP. These include breads and cereals, dairy products, fruits and vegetables, meat, fish, and poultry, as well as non- alcoholic beverages, snack foods, soft drinks, candy, ice, and seeds and plants intended to grow food.

High risk vendor means a vendor identified as having a high probability of committing a vendor violation through application of the criteria established in federal or state regulations.

Inventory audit means the examination of food invoices or other proofs of purchase to determine whether a vendor has purchased sufficient quantities of WIC food items to provide participants the quantities specified on WIC benefits that have been redeemed by the vendor during a given period of time.

Investigation means the use of on-site monitoring, transaction audits, inventory audits, and undercover compliance buys to determine if a vendor is committing Program violations. An undercover compliance investigation is considered complete when the WIC Program determines that a sufficient number of compliance buys have been conducted to provide evidence of Program noncompliance or when two consecutive compliance buys have been conducted in which no Federal Mandatory Sanction violations are found.

Lack of business integrity means fraud, antitrust violation, embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statement, receiving stolen property, making false claims, or obstruction of justice. Examples include but are not limited to liquor, cigarette or tax violations, falsifying invoices, etc.

Maximum not to exceed (NTE) price means the highest price at which the vendor may be paid for a food item. The maximum not to exceed prices are based on average vendor prices for WIC food items within a peer group and are used by the WIC Program to determine the reimbursement level for each food item.

Multiple store under the same ownership policy means that stores owned by an entity currently authorized by the WIC Program may submit an application package outside of enrollment periods. All selection criteria must be met in order to be authorized under the multiple store under the same ownership and agreement policy.

Number of incidences or occurrences means the number of individual WIC items that result in a violation(s) during an investigation except for violation number 4 in Appendix F.

On-site monitoring means a visit from a WIC Program representative to determine compliance with program rules and procedures. Monitoring includes but is not limited to checking the types and quantities of minimum inventory items, reviewing records, observing transactions, follow up on complaints, etc.

Peer group means a category of vendors that are assigned based on population density in the ZIP code area of the store and the number of checkout lanes or cash registers in the store. There are three population density groups (population density of 1-1500 people per square mile, 1501-3000 people per square mile, and over 3001 people per square mile). There are three cash register groups (1-3 registers, 4-9 registers, and 10 or more registers). Vendors that are in the same population density and cash register groups are placed in a peer group. There are a total of 9 basic peer groups, as described above. Pharmacies are divided into two peer groups: large chain pharmacies and small chain/independent pharmacies.

Prepackaged means packaged at the manufacturer.

Redemption means the act of payment of WIC transactions according to WIC regulations and banking standards.

Retail food delivery system means a system in which WIC customers exchange WIC benefits for approved WIC foods at the vendor's fixed location that is covered by the WIC Vendor Agreement.

SNAP means The Supplemental Nutrition Assistance Program.

Transaction audit means a review of a vendor's redemptions to determine if the vendor has overcharged the WIC Program.

Unauthorized food means any food items or package sizes not included in the Approved Food Guide or not printed on a WIC benefit. Unauthorized food may be a WIC approved food that is substituted for a different food item that is printed on a WIC benefits list.

Vendor means a sole proprietorship, partnership, cooperative association, corporation, or other business entity operating one or more stores authorized by the WIC Program to provide authorized WIC foods to participants under a retail food delivery system. Each store operated by a business entity constitutes a separate vendor and must be authorized separately from other stores operated by the business entity. Each store must have a single, fixed location. A vendor may be a food store, pharmacy or farmer.

Vendor authorization means the process by which the WIC Program assesses, selects, and enters into agreements with stores that apply or subsequently reapply to be authorized as vendors.

Vendor overcharge means intentionally or unintentionally charging the WIC Program more for authorized WIC foods than is permitted under the vendor agreement.

Vendor selection criteria means the criteria established by the WIC Program to select individual vendors for authorization consistent with the requirements in §246.12(g)(3) and (g)(4).

Vendor violation means any intentional or unintentional action of a vendor's current owners, officers, managers, agent, or employees (with or without the knowledge of management) that violates the vendor agreement or Federal or State statutes, regulations, policies, or procedures governing the Program.

WIC benefits for fruits and vegetables means a WIC benefit that has a stated dollar value and is the equivalent to the cash value benefits (CVV) in the Federal Regulations that allows the purchase of all allowable fruits and vegetables.

WIC Approved Foods means all foods, which are approved by the WIC Program and provided to a WIC participant. Each participant's approved foods in the specific sizes allowed are listed in the CT Approved Food Guide or printed on a WIC benefit list.

WIC customer means anyone using a eWIC card as payment for a WIC transaction.

Non-discrimination statement

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, sex, disability, age, or reprisal or retaliation for prior civil rights activity in any program or activity conducted or funded by USDA.

Persons with disabilities who require alternative means of communication for program information (e.g. Braille, large print, audiotape, American Sign Language, etc.), should contact the Agency (State or local) where they applied for benefits. Individuals who are deaf, hard of hearing or have speech disabilities may contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, (AD-3027) found online at http://www.ascr.usda.gov/complaint_filing_cust.html, and at any USDA office, or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

- (1) Mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410;
- (2) Fax: (202) 690-7442; or
- (3) Email: program.intake@usda.gov.

This institution is an equal opportunity provider.