

Sanction Schedule Update

WIC Alert Volume 12, Issue 4, sent last week included an updated Sanction Schedule with the effective date of October 1, 2013. This Sanction Schedule described changes that include fines in addition to the sanction points for violations.

The Sanction Schedule with the effective date of October 1, 2013 was sent in error so please dispose of this Sanction Schedule.

ITCA will continue to use the Sanction Schedule with the effective date of July 1, 2013 until further notice. ITCA is in the process of sending all ITCA authorized stores the FY 2014 Annual Vendor Training packet. The Sanction Schedule with the effective date of July 1, 2013, will be included in the training packet. The correct Sanction Schedule with the effective date of July 1, 2013 is enclosed with this WIC alert.

Please note that this Sanction Schedule with the effective date of October 1, 2013, was also included in the Vendor Manual (CD-ROM). The correct Vendor Manual is available on our website at <http://itcaonline.com/wic/vendor>.

We apologize for any confusion this may have caused. If you have any questions or concerns regarding this information, please contact Crystalina Corona, Vendor Coordinator, at (602) 307-1511 or by email at: crystalina.corona@itcaonline.com

Vendor Sanctions Schedule

ITCA WIC PROGRAM

FY 2013-2015

Effective July 1, 2013

MANDATORY DISQUALIFICATION FOR FIRST (1 ST) TIME VIOLATION	
Conviction for trafficking in checks/FVCs (fruit and vegetable checks) or selling firearms, ammunition, explosives, or controlled substances in exchange for checks/FVCs.	Permanent disqualification (DQ)
Trafficking: <u>One incident</u> of buying or selling checks/FVCs for cash (trafficking).	6 year disqualification (DQ)*
Trafficking or Illegal Sales: <u>One incidence</u> of selling firearms, ammunition, explosives or controlled substances as defined in 21 USC 802, in exchange for checks/FVCs.	6 year disqualification (DQ)*
Sale of Alcohol or Tobacco: <u>One incidence</u> of the sale of alcohol or alcoholic beverages or tobacco products in exchange for checks/FVC.	3 year disqualification (DQ)*

DISQUALIFICATION FROM OTHER PROGRAMS
SNAP (Supplemental Nutrition Assistance Program) Disqualification: Vendors who have been disqualified from SNAP shall be disqualified from the WIC Program. The disqualification shall be for the same length of time as the SNAP disqualification and may begin at a later date than the SNAP disqualification. The disqualification is not subject to administrative or judicial review under the WIC Program.
Disqualification from another WIC Program: Vendors who have been disqualified by another WIC Program will be disqualified from the ITCA WIC Program. The length of the disqualification will be for the same length of time as the disqualification by the other WIC Program and may begin at a later date.

MANDATORY SANCTIONS

Violations	1 st Investigation	2 nd Investigation and Final Outcome
Overcharging: A pattern** of vendor overcharges.	Warning Letter and 15 Sanction Points Assigned	15 Sanction Points Assigned and 3 year disqualification * ***
Receiving, Transacting and Redeeming FI Outside of Authorized Channels: A pattern** of receiving, transacting and/or redeeming checks/FVCs outside of authorized channels, including the use of an unauthorized vendor and/or unauthorized person.	Warning Letter and 15 Sanction Points Assigned	15 Points Assigned and 3 year disqualification * ***
Charging for Food Not Received: A pattern** of charging for supplemental foods not received by the client.	Warning Letter and 15 Sanction Points Assigned	15 Sanction Points Assigned and 3 year disqualification * ***
Credit or Non-food items: A pattern** of providing credit or non-food items other than alcohol, alcoholic beverages, tobacco products, cash, firearms, ammunition, explosives, or controlled substances in exchange for checks/FVCs.	Warning Letter and 15 Sanction Points Assigned	15 Sanction Points Assigned and 3 year disqualification * ***
Substitution: A pattern** of providing unauthorized food items in exchange for checks/FVCs, including charging for supplemental foods provided in excess of those listed on the check.	Warning Letter and 15 Sanction Points Assigned	15 Sanction Points Assigned and 1 year disqualification * ***
A-50 Vendor Provided Prohibited Incentives: A pattern ** of an A-50 vendor that provided prohibited incentive items to clients.	Warning Letter and 15 Sanction Points Assigned	15 Sanction Points Assigned and 1 year disqualification * ***

INVENTORY AUDITS		
Violation	Investigation	Final Outcome
No Access to Inventory Records: The Vendor has failed to provide access to inventory records upon request by authorized WIC personnel.	Warning Letter and 15 Sanction Points Assigned	15 Sanction Points Assigned and Up to 1 year disqualification
Reimbursement: A pattern** of claiming reimbursement for the sale of an amount of a specific supplemental food item which exceeds the store's documented inventory of that supplemental food item for a specific period of time.	30 Sanction Points Assigned and 3 year disqualification ***	N/A

*ITCA may impose a civil monetary penalty in lieu of disqualification for the first or second violation if ITCA determines that disqualification would result in inadequate client access. Civil monetary penalties will be assessed according to the formula set forth at 7 CFR 246.12(j)(x).

** A pattern of violations is defined as 2 occurrences of the same violation.

*** A civil money penalty may be applied in place of disqualification due to inadequate client access, however, if a vendor is sanctioned for a third mandatory violation, the vendor will be disqualified and assigned 60 sanction points and a civil money penalty may be imposed.

ADMINISTRATIVE SANCTIONS

30 points accumulated within your Contract Period= Disqualification

Violation	1 st Incidence	Points Assigned
ID Folder or Proxy Form: The cashier failed to require a WIC ID folder or proxy form when checks/FVCs were redeemed.	Warning Letter	02
Signatures Not Verified: The cashier did not check the signature on the checks/FVC against the ID folder or Proxy Form	Warning Letter	02
Missing Signature: The cashier failed to obtain the WIC customer's signature.	Warning Letter	02
Recorded After the WIC Signature: The cashier failed to enter the date of use and dollar amount prior to obtaining the WIC customer's signature.	Warning Letter	02
Redeemed Early: The checks/FVC was accepted prior to its first date to use.	Warning Letter	02
Redeemed Late: The checks/FVC was accepted after it's last date to use.	Warning Letter	02
Refused Authorized Food: The cashier refused to allow the WIC customer to purchase authorized food.	Warning Letter	04
Required/Prevented All Items: The cashier required the purchase of all items listed on a check/FVC or prevented the purchase of all foods listed on the check/fruit & vegetable check.	Warning Letter	02
Denied Coupons Specials: The cashier denied the WIC customer the usage of coupons or other promotional specials for WIC purchases. (Except for infant formula)	Warning Letter	02
Combined WIC Checks/FVCs: The cashier combined the totals purchase amount of multiple checks/FVCs on one WIC checks/FVC.	Warning Letter	04
Added Taxes: The cashier added taxes to the WIC approved food items on the shelf. If client uses a fruit & vegetable check and paid the difference, the difference the client pays with his/her own funds may be subject to sales tax.	Warning Letter	04
Prices Not Displayed: The Vendor failed to clearly display the prices for all WIC approved food items on the shelf.	Warning Letter	02
Threatened/Verbally Abused: The cashier or store personnel treated WIC customer discourteously, threatened or were verbally abusive to the WIC customer and/or program staff.	Warning Letter	04
Invalid Vendor Number: The Vendor repeatedly (more than 2 times per month) failed to use the correct vendor ID stamp on WIC checks/FVCs. (I.e., they used Navajo Nation's vendor stamp on ITCA's WIC checks/FVCs.)	Warning Letter	04

ADMINISTRATIVE SANCTIONS

30 points accumulated within your Contract Period= Disqualification

Violation	1 st Incidence	Points Assigned
<p>Vendor Number Missing: The Vendor has repeatedly (more than 2 times per month) processed WIC checks/FVCs, which have unreadable stamp or vendor ID numbers missing.</p>	Warning Letter	04
<p>Failed to Submit Information: The Vendor failed to submit requested forms or other information to ITCA (i.e. corrective action plan, WIC Price Stock Report, food sales, etc.)</p>	Warning Letter	06
<p>Inadequate Stock: The Vendor failed to stock minimum requirements of WIC approved foods.</p>	Warning Letter	06
<p>Unacceptable Storage of Foods: Foods are stored at unacceptable temperature and/or in violation of health code.</p>	Warning Letter	06
<p>Expired WIC Foods: The Vendor stocked expired WIC foods on the store's shelves.</p>	Warning Letter	06
<p>Accepted Altered Check/FVC: The cashier accepted a check/FVC for payment that had an overwritten signature, and/or altered amount or type of food(s).</p>	Warning Letter	06
<p>Failed to permit on-site visit: The Vendor failed to provide access to Vendor premises and/or in any manner hinder or impede authorized WIC personnel in the act of conducting an on-site education, monitoring, inventory, audit or investigation visit.</p>	Warning Letter	15
<p>Infant Formula: The cashier allowed WIC customer to purchase less formula than written on check. (WIC customers must purchase all formula written on check)</p>	Warning Letter	06
<p>Store Personnel Not Trained: Cashiers or store personnel have not been trained on processing a WIC transaction.</p>	Warning Letter	06
<p>Misuse of Shelf Talkers and Channel Strips: Vendors used shelf talkers and channel strips not provided by ITCA.</p>	Warning Letter	04
<p>Failed to Report Changes: The Vendor failed to report any changes in the Vendor's operation; (i.e., store name, address) This includes changes in management, which affect the program.</p>	Warning Letter	15
<p>Did Not Attend Training: The Vendor failed to attend mandatory vendor training.</p>	Warning Letter	15

ADMINISTRATIVE SANCTIONS

30 points accumulated within your Contract Period= Disqualification

Violation	1st Incidence	Points Assigned
<p>Required Payment: The Vendor sought restitution from WIC customers for checks/FVCs rejected for payment, damaged checks/FVCs, or the difference in value of the cost of foods, which exceeds the maximum value of the check. WIC customers may pay the difference between the actual purchase price and the maximum value of the fruit & vegetable check with another form of payment the vendor accepts.</p>	Warning Letter	15
<p>Prevented Payment: Fruit & Vegetable Check Only: The vendor did not allow the client to pay the difference between the value of the check and the actual cost of the fruit & vegetables when using the fruit & vegetable check.</p>	Warning Letter	10
<p>Equal Treatment: Vendor personnel did not treat WIC clients with the same courtesies as other customers, including offering incentive items to WIC clients that are not offered to non-WIC customers.</p>	Warning Letter	10
<p>Discrimination: The vendor personnel discriminated WIC customer on the basis of race, color, disability, age, national origin, or gender, sexual orientation.</p>	Warning Letter	15
<p>Post/Back Dating Date of Use: The Vendor personnel postdated or backdated the used date on the WIC checks/FVCs.</p>	Warning Letter	15
<p>Incentive Items (A-50 vendors): Vendors identified as A-50 vendors that have more than 50% of their annual food revenue from WIC transactions are not allowed to provide incentive items or other free merchandise.</p>	Warning Letter	15
<p>Wholesaler List: Vendors who purchase infant formula from a source that is not on the ITCA WIC Program list of infant formula manufacturers, wholesalers or distributors. Failure to provide invoices that show where infant formulas were purchased.</p>	Warning Letter	15

ADMINISTRATIVE SANCTIONS

30 points accumulated within your Contract Period= Disqualification

Violation	1 st Incidence	Points Assigned
<p>Store/house (declared) brand of Milk, Eggs and Cheese: The vendor sold milk, eggs and cheese not identified on their Food Item Declaration Form when stock was available to WIC customers or sold the replacement at higher prices than their declared milk, eggs and cheese when the declared items were unavailable. (WIC customers must purchase the store/house (declared) brand of milk, eggs and cheese. If the store is out of the store/house (declared) brand the vendor must charge the same price or less for the replacement food item.)</p>	Warning Letter	15
<p>Shelf labels not used for store/house (declared) brand of Milk, Eggs, and Cheese: Vendor failed to use WIC approved shelf labels for store/house (declared) brand of milk, eggs and cheese.</p>	Warning Letter	10
<p>Failed to Submit Tax forms for A-50% Assessment: Vendors who are potentially meeting the A-50% criteria failed to submit requested tax forms to ITCA.</p>	15 points ****	

**** Please note that ITCA may also terminate the vendor’s contract if further data is not provided to demonstrate that the vendor is a “regular” vendor in accordance with the selection criterion precluding the authorization of Above-50% vendors unless needed for participant access.

NOTE: In accordance with the Vendor Agreement and Selection Criteria, a vendor may be terminated for violations of the **Incentive Item** and **Wholesaler List** contract requirements.

Warnings and violations of the WIC Program that occur in previous years, and past contract periods, may be used toward denial of application for a WIC Vendor contract, sanctions, termination, disqualification, civil money penalties or monetary claims.