



~~~~~ VERMONT WIC ~~~~~

# Grocer Handbook

**WIC** WOMEN  
INFANTS  
CHILDREN  
VERMONT DEPARTMENT OF HEALTH

# Vermont WIC Grocer Handbook

## Contents

|                                                                       |   |
|-----------------------------------------------------------------------|---|
| Introducing the WIC Program .....                                     | 1 |
| What is WIC? .....                                                    | 1 |
| How is WIC funded and operated? .....                                 | 1 |
| What are the benefits of WIC for families? .....                      | 1 |
| Does WIC make a difference? .....                                     | 2 |
| What is my role as a WIC grocer? .....                                | 3 |
| Thank you for being a WIC partner! .....                              | 3 |
| Becoming a WIC Grocer .....                                           | 3 |
| What are the requirements for becoming a WIC grocer? .....            | 3 |
| How do I apply to become a WIC grocer? .....                          | 4 |
| When can I apply? .....                                               | 4 |
| How often do I have to reapply? .....                                 | 5 |
| What happens after I submit an application? .....                     | 5 |
| How does WIC decide if my store is eligible to be a WIC grocer? ..... | 5 |
| Grocer Training .....                                                 | 5 |
| What is the purpose of grocer training? .....                         | 5 |
| How often do grocers have to attend training? .....                   | 6 |
| What are the state agency’s responsibilities? .....                   | 6 |
| What are the grocer’s responsibilities? .....                         | 6 |
| How does the state agency document training? .....                    | 6 |
| What are acceptable methods of training? .....                        | 6 |
| What does mandatory interactive training include? .....               | 6 |
| What happens if a grocer fails to attend a training session? .....    | 7 |
| WIC Approved Foods .....                                              | 7 |
| Who decides what foods are WIC approved? .....                        | 7 |
| What foods are on the Vermont WIC approved food list? .....           | 7 |
| Why are only certain types of infant formula approved? .....          | 8 |
| What are the requirements for infant formula purchases? .....         | 8 |
| Managing eWIC in Your Store .....                                     | 8 |

|                                                                                                |    |
|------------------------------------------------------------------------------------------------|----|
| What are the responsibilities of WIC families when shopping with eWIC? .....                   | 8  |
| What is an eWIC transaction?.....                                                              | 8  |
| What items may a family purchase with eWIC? .....                                              | 9  |
| What courtesies may a store offer to WIC families? .....                                       | 9  |
| Customer Service, Confidentiality and Complaints .....                                         | 10 |
| What is required for good customer service? .....                                              | 10 |
| What do I do if a WIC participant is physically or verbally abusive to store staff?.....       | 11 |
| Routine Monitoring and Compliance Investigations .....                                         | 11 |
| Who is responsible for monitoring grocers? .....                                               | 11 |
| What is a secret shopper report? .....                                                         | 11 |
| What is a routine monitoring review? .....                                                     | 11 |
| What does the state agency do during a routine monitoring review?.....                         | 12 |
| How does the state agency determine who gets a routine monitoring review? .....                | 12 |
| What are compliance investigations?.....                                                       | 12 |
| How does the state agency select grocers for a compliance investigation? .....                 | 12 |
| How does the state agency document monitoring visits?.....                                     | 12 |
| Violations and Sanctions .....                                                                 | 13 |
| Does the state agency have to warn a grocer before applying a sanction?.....                   | 13 |
| What types of activities are considered violations? .....                                      | 13 |
| What happens when there are multiple violations during a single investigation? .....           | 15 |
| Are there any actions in addition to sanctions? .....                                          | 15 |
| How does disqualification or termination affect grocers? .....                                 | 16 |
| What are the notification procedures for disqualifying or terminating a grocer? .....          | 16 |
| When is a grocer not permitted to voluntarily withdraw from WIC? .....                         | 16 |
| What is a civil money penalty? .....                                                           | 16 |
| When does the State agency use a civil money penalty?.....                                     | 17 |
| Does the state agency always impose a civil money penalty? .....                               | 17 |
| Can a grocer request a civil money penalty in lieu of disqualification? .....                  | 17 |
| When does the state agency notify FNS of sanctions and penalties? .....                        | 17 |
| Changes in Business Operations .....                                                           | 18 |
| When does a grocer need to notify the state agency about changes in business operations? ..... | 18 |
| Does a grocer need to notify the State agency if there is a temporary store closure? .....     | 18 |

|                                                                            |    |
|----------------------------------------------------------------------------|----|
| Can a grocer sell his or her WIC authorization with the store? .....       | 18 |
| What happens to the agreement if there is a cessation of operations? ..... | 18 |
| What happens to the agreement if the store moves?.....                     | 18 |
| WIC/SNAP Information Sharing .....                                         | 18 |
| Can the state agency share information with staff in the SNAP?.....        | 18 |
| Does the State agency share information with SNAP on a regular basis?..... | 18 |
| Does the State agency assist in SNAP investigations? .....                 | 19 |
| Incentive Items.....                                                       | 19 |
| What does the term <i>incentive item</i> mean? .....                       | 19 |
| What types of incentive items are acceptable?.....                         | 19 |
| What types of incentive items are not allowed? .....                       | 19 |
| Are buy-one-get-one-free promotions considered incentive items?.....       | 19 |
| Manufacturers, Wholesalers, Distributors and Retailers .....               | 19 |

# Introducing the WIC Program

## What is WIC?

The Special Supplemental Nutrition Program for Women, Infants, and Children, commonly known as WIC, is a cost-effective nutrition intervention program with demonstrated success in improving the health and nutritional status of women, infants and children. WIC provides nutritious foods and nutrition education, as well as referrals for health care and information on community health and nutrition services to eligible pregnant women, new moms, infants and children less than 5 years of age. Proper nutrition at the beginning of life can help prevent serious health problems. Infants and preschoolers are going through a period of rapid growth, and intellectual and social development. Their nutritional status and the health care they receive can have a major impact on their ability to function as happy, healthy children.

## How is WIC funded and operated?

Funding for WIC is provided by the United States Department of Agriculture (USDA) Food and Nutrition Service (FNS). WIC operates in all 50 states, the District of Columbia, Indian Tribal Organizations and 4 U.S. territories. In Vermont, WIC is part of the Vermont Department of Health, and WIC Program services are provided throughout the State by Department of Health District Offices. Statewide, the WIC Program serves approximately 15,000 participants each month.

WIC participants redeem food benefits at authorized WIC grocery stores that meet certain requirements and sign agreements to follow all WIC Program regulations.

WIC participants have limited incomes and health risks that can be improved through good nutrition. The WIC Program provides supplemental foods high in protein, vitamins and minerals that have been carefully selected and are individually prescribed to meet the nutrition needs of the participant. Health professionals at District Offices determine WIC eligibility based on nutritional risk, income eligibility and Vermont residency.

## What are the benefits of WIC for families?

WIC is different from other nutrition programs in several ways:

- WIC eligibility is based on health risk, in addition to income.
- WIC services include nutrition education and health referrals, in addition to food benefits.
- WIC participants receive only the specific types and quantities of foods prescribed to them.

WIC food packages align with the Dietary Guidelines for Americans and Infant Feeding Practice Guideline of the American Academy of Pediatrics.

Women and children may receive:

- Milk, yogurt, eggs & cheese
- Beans, peas & lentils, peanut butter
- Certain brands of iron---fortified cereal
- 100% fruit juices high in vitamin C
- Fresh, canned or frozen fruits and vegetables
- Canned fish
- Whole grains
- Tofu and soy beverages

Infants may receive:

- Infant cereal
- Jarred baby food fruits & vegetables
- Jarred baby food meats
- Iron---fortified formula

WIC also refers participants to health and social service programs and provides information and education on good eating habits, to help families be healthy and eat well.

Does WIC make a difference?

Over 70 evaluation studies have been conducted to assess the WIC Program's effectiveness in improving the health of its participants. This research has shown that WIC is effective in improving participants' health. Some of the findings are summarized below.

For pregnant women, WIC participation has been associated with:

- earlier and adequate prenatal care visits.
- greater consumption of iron, protein, calcium and vitamin C.
- longer pregnancies, resulting in fewer premature births.
- improved maternal weight gain.
- larger head sizes of infants, reflecting greater brain growth.
- higher birth weights of infants.

For infants and children, WIC participation has been associated with:

- an increase in the rates of infants being breastfed.
- a reduced incidence of anemia.
- greater consumption of iron, folate and vitamin B6.
- better vocabulary and digit memory test scores.
- higher rates of immunization against diseases.

Participation in WIC is also associated with real cost savings. For every \$1 spent by WIC on pregnant women, \$2 to \$3 is saved in Medicaid costs for newborn infants and their mothers.

Today, WIC is recognized as the Nation's premier public health nutrition program.

What is my role as a WIC grocer?

The grocers who are partners in WIC are very important because they:

- help infants, children and pregnant women become healthier;
- provide convenient access to healthy foods;
- assure the integrity of the WIC program by following the procedures in this handbook.

Thank you for being a WIC partner!

Although the WIC participant may become a regular shopper at the participating grocery store and purchase additional groceries, WIC food benefits can only be used to purchase specific types and quantities of foods. The foods and quantities that may be purchased are listed on the participants shopping list. Participants may also perform a balance inquiry transaction at the EBT POS (Point of Sale) terminal. A balance inquiry will show the participant and the cashier the remaining benefits in the participant's account.

## **Becoming a WIC Grocer**

What are the requirements for becoming a WIC grocer?

In order to be authorized as a WIC retail vendor in Vermont, grocers must satisfy these selection criteria:

- The grocer has the ability to maintain adequate stock of WIC approved food items year around. Specifically, the grocer must stock at least the minimum variety and quantity of foods included in Appendix A. (Free-standing retail pharmacies are exempt from this criterion.)
- The grocer currently participates in, and is not disqualified from or has not been assessed a civil money penalty by, 3SquaresVT/SNAP.
- The grocer meets competitive price requirements described in Section 3.4 throughout the authorization period.
- A need exists for a WIC authorized grocer in the area where the store is located to assure participant access to the WIC food benefit.
- There is no conflict of interest between store ownership and management, and WIC state or local agency staff.
- The store must be in a permanent location, and be open a minimum of 8 hours per day, 6 days per week.
- The grocer carries a full line or "market basket" of standard grocery items such as: dairy, dry staples (dry cereal, bread, brown rice, beans) and at least two varieties of fresh, frozen, or canned meat and/or fish. (Smaller "convenience" stores, with limited variety and inventory,

and free-standing retail pharmacies, may be authorized only if they meet all other criteria and State determines authorization is necessary to ensure participant access in the specific geographic area in which the store is located.)

- Grocer has no serious SNAP violations.
- Grocer has no serious WIC vendor violations in Vermont or any other state.
- None of the current owners, officers, or managers has been convicted of or has had a civil judgment during the last 6 years for the following:
  - fraud, antitrust violations, embezzlement, or theft
  - forgery, bribery, falsification, or destruction of records
  - making false statements, receiving stolen property
  - making false claims, or obstruction of justice
- The grocer successfully completes on-site inspection requirements, including a review of the sanitary conditions of the store.

#### How do I apply to become a WIC grocer?

An owner of a retail grocery store may request an electronic or mailed Retail Vendor Application Package by contacting the Retail Vendor Manager in the WIC State Central Office.

Patrick Henry  
Patrick.Henry@state.vt.us  
802-951-5167

The package will contain:

- Retail Vendor FAQ
- WIC Vendor Corporate Application
- Selection Criteria for VT WIC Retail Vendors
- Minimum Stocking Requirements
- Price Survey
- Retail Vendor Agreement

The owner or business representative must complete and submit all retail vendor application forms according to the included instructions. One corporate application must be completed by all applicants, and multi-store corporations must include information about each store location to be authorized.

Vermont WIC requires the grocer's SNAP authorization number on the WIC application form to ensure the vendor enrolled in the SNAP program, and will use the FNS STARS database to verify participation.

#### When can I apply?

Vermont authorizes vendors for a three-year cycle, but does not currently limit the period when new applications will be accepted and processed.

How often do I have to reapply?

The standard grocer agreement is for a three-year cycle. Grocers who are authorized mid-cycle will receive a pro-rated agreement, so that all grocers will be on the same agreement cycle.

What happens after I submit an application?

Any grocer who is new to WIC will have an onsite visit by WIC staff prior to authorization. Stores that are re-applying and that have had an onsite visit in the previous three years will have an onsite visit within three years of the prior onsite visit. However, if the state is imposing new requirements on vendors in conjunction with the authorization cycle, all stores will have site visits as necessary to confirm compliance.

Upon determination by WIC staff that the application is complete and the applicant satisfies selection criteria, WIC staff will arrange for a preauthorization site visit by a WIC staff representative. This assessment is not a health or safety inspection; it is an assessment of whether the store meets WIC criteria.

The site visit will consist of a review of:

- Handicap accessibility
- Minimum inventory requirements
- Minimum variety requirements
- Full service grocery status
- Sanitary and safety conditions, general appearance
- Store staff knowledge of the contents of the Vermont WIC Vendor Manual

The WIC staff representative will complete a preauthorization site visit checklist. A representative of the applicant retail vendor must sign the checklist where indicated, and will receive a copy of the completed, signed checklist. The completed, signed checklist will become part of the application.

How does WIC decide if my store is eligible to be a WIC grocer?

WIC central office staff will objectively apply the selection criteria to each vendor applicant. Only applicants meeting all of the selection and limitation criteria will be selected as eligible WIC authorized vendors. The determination of eligibility is not subject to appeal.

## **Grocer Training**

What is the purpose of grocer training?

All grocer training is designed to prevent program errors and noncompliance, and to improve program service.

### How often do grocers have to attend training?

All grocers must attend mandatory training before initial authorization. Authorized grocers must attend at least one mandatory interactive training session during their period of authorization.

The state agency will also schedule and require corrective action training for grocers who are not meeting program requirements on an as needed basis.

### What are the state agency's responsibilities?

- Provide training annually to at least one representative of each grocer
- Determine the method of training used, regardless of the reason for training
- Provide interactive training before a grocer is authorized
- Designate the date, time, and location of the interactive training, and who should attend (for example, managers or cashiers)
- Provide at least one alternate date for interactive training
- Document the content of grocer training, and who attends
- Terminate any grocer who does not attend mandatory training

### What are the grocer's responsibilities?

- Attend mandatory training as scheduled by the state agency
- Train cashiers and other staff on program requirements

### How does the state agency document training?

- The state agency will document content and attendance in each grocer's file in Ceres, the WIC management information system.

### What are acceptable methods of training?

- In person, classroom style training for store managers or corporate trainers
- In person training at the store for managers or cashiers
- Interactive training by webinar
- Training newsletters and grocer blog
- Informal training during site visits, or by phone or email

### What does mandatory interactive training include?

- Information about the purpose of the WIC program
- Supplemental foods authorized by Vermont WIC
- The minimum inventory of approved WIC foods that the grocer must keep in stock, including the types, brands, sizes and quantities

- Procedures for completing eWIC transactions
- The grocer sanction system
- The grocer complaint process
- The claims procedure
- The authorized list of infant formula distributors, wholesalers and grocers for WIC formula
- The policy regarding the use of incentive items
- Any changes to program requirements that have occurred since the last annual training.

What happens if a grocer fails to attend a training session?

| If the training is...                                                                                      | ...then the state agency will                                                             |
|------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| initial authorization training<br>or<br>mandatory interactive training<br>or<br>corrective action training | allow the grocer to attend training on an alternate date                                  |
| an alternate date for initial authorization training                                                       | deny the grocer authorization for failing to meet grocer eligibility criteria             |
| an alternate date for initial authorization training                                                       | terminate the grocer for failure to remain in compliance with grocer eligibility criteria |

## **WIC Approved Foods**

Who decides what foods are WIC approved?

The types and quantities of foods authorized for the WIC Program are specified in federal regulations. These foods have been chosen because they are high in nutrients that meet the WIC Program's specific nutrient requirements. They include cereals, fruit juices, milks, yogurt, eggs, cheeses, beans, peas or lentils, peanut butter, canned fish, fruits and vegetables, whole grains, tofu, soy beverages, infant formulas, jarred baby foods and infant cereals. Each state develops a list of the specific types of foods and/or brands approved for its WIC Program. Additional factors the state may consider when designating approved foods include: regional preferences, availability throughout the state, package sizes and competitive pricing.

What foods are on the Vermont WIC approved food list?

The 2015 approved product list is available on the Vermont WIC program website at <http://healthvermont.gov/wic/vendors.aspx> Only the varieties, brands and package sizes listed are approved. This list will be updated annually.

Why are only certain types of infant formula approved?

WIC regulations require each state to have a cost containment plan in place for infant formula.

What are the requirements for infant formula purchases?

Vermont WIC has a competitive bid contract with Abbott Nutrition for all standard infant formulas including Similac Advance, Similac Sensitive for Spit-Up, Similac Sensitive for Fussiness & Gas, Similac Total Comfort and Similac Soy Isomil.

Substitution of other formulas is prohibited unless the WIC food benefits list clearly specifies another brand.

In addition, the following restrictions on formula purchases apply:

- A participant may not purchase formula and later exchange it for another formula.
- A participant may not purchase another type of formula if the brand printed on the WIC food benefits list or balance inquiry is out of stock.
- A participant may not purchase formula and later return it for cash. If you suspect that someone is requesting a cash refund for infant formula purchased with an eWIC card, please report the information to the State WIC office. Remember, under no circumstances may a customer purchase a different formula than their food benefits list or balance inquiry specifies.

NOTE: The rebate contract goes out for bid every few years, and the contract brand may change from time to time. At the time the bids are awarded, all WIC vendors will be notified. As the contract formula represents over 98% of WIC formula purchases, a change in the company awarded the contract will make quite a difference in the movement of your infant formula stock.

## Managing eWIC in Your Store

What are the responsibilities of WIC families when shopping with eWIC?

WIC families are responsible for using their eWIC cards correctly. WIC families attend a learning session where they receive information about how to shop with their card, a *WIC Food Guide* showing which foods are approved, and a copy of their personalized family food benefit list.

What is an eWIC transaction?

An eWIC transaction begins as soon as a person presents the selected food at the counter, and ends when the eWIC card has been used and the person accepts or declines a sales receipt.

If a person has an eWIC card and successfully enters the PIN, the cashier must accept the eWIC card for the WIC approved items in the transaction. Cashiers may not request identification as part of authorizing an eWIC transaction.

In stores with integrated POS systems, WIC foods do not need to be separated from other items

at checkout. The POS system will automatically identify the items that are approved for eWIC in that transaction and deduct them from the family's eWIC account. The family will then use other forms of payment for the remaining items.

In stores with stand beside terminals, WIC foods must be separated from other items and processed as a separate transaction.

The cashier must offer the family the receipt showing the transaction. The family may decline to take the receipt but the cashier must make the offer to comply with the proper eWIC acceptance procedures.

### What items may a family purchase with eWIC?

Only those food items specifically listed on the family's eWIC family food benefit list or receipt can be purchased with the eWIC card.

- The family is not required to purchase all of the foods on their family food benefit list.
- WIC families must receive the food item that corresponds specifically to the UPC code scanned during the transaction.
- The grocer is prohibited from scanning any UPC code that is not affixed to the actual item being purchased by the WIC participant, or any UPC code as a substitute, replacement or otherwise not actually affixed to the actual item being purchased by the WIC participant.
- The grocer must assure that the price affixed to the scanned UPC code in the point of sale device is not greater than the price displayed on the package, container, shelf or other sign in the store for the purchased item.
- You may not ask a WIC family to pay the difference between the requested price and the maximum price paid by the WIC program.

In addition to the specific food items listed on the eWIC family food benefit list, most families have a dollar amount in their account for purchasing WIC approved fruits and vegetables.

- Families may purchase any variety of fresh, frozen or canned fruits and vegetables that do not have added sugar, salt, fats, oils or non-fruit/vegetable ingredients.
- If the value of the selected fruits and vegetables exceeds the eWIC benefit available, the family may choose to pay the difference using any other source of payment (cash, SNAP benefits, debit, credit or gift card).
- The family may also choose to return a portion of their fruit and vegetable purchase rather than paying the difference.

### What courtesies may a store offer to WIC families?

These courtesies must be extended if offered to other customers:

- *Sales:* If there is a sale price on a WIC food item, then WIC is charged the sale price. If there is a special where an extra quantity is given at the usual price for the quantity and size of an

approved item (e.g., 22 oz of peanut butter for the approved 18 oz size), then the family may purchase the sale item.

- *Manufacturer coupons:* Manufacturer coupons must be accepted from a WIC family in conjunction with an eWIC purchase, if the coupon is for a food item type, brand and package size included on the family food benefit list.
- *Buy One, Get One Free:* When WIC should be charged for the cost of the one item, that item must be a Vermont WIC Approved item that appears on the participant's WIC food benefits list. The participant then may receive the "free" item. The "free" item must not be counted as part of the WIC purchase and no charge for the "free" item shall be made to the WIC Program. If any amount is made to the WIC Program for the "free" item then this item becomes part of the WIC sale and the vendor is subject to sanction for providing more food than called for on the eWIC benefit card.
- *Store Loyalty or Other Discount Card Program:* Grocers that provide loyalty or discount programs must allow WIC families to use them during a eWIC transaction if they so desire. A WIC family may not be required to apply for nor use any loyalty or discount card program if they do not choose to do so.

These courtesies may not be extended to WIC families, even if they are offered to other customers:

- *Substitutions:* Substitutions of any kind for the designated food types, brands, forms or package sizes are not allowed under any circumstances.
- *Exchanges and Refunds:* Stores may not exchange food items for another food item or product or to refund the purchase price of a food item that was purchased with an eWIC card. Replacement of spoiled, defective, or damaged WIC food with the exact same food, which is fresh and undamaged, is allowed.
- *Rain Checks :* Stores may not offer a rain check for items listed on an eWIC benefit card that were not in stock at the time of the original WIC purchase.
- *Credit Accounts:* Some stores have programs in which an individual may get food or other items now and settle the bill at a later date. This procedure may be commonly called a "due bill" or allowing a "credit account" for an individual or family. Stores may not accept an eWIC card as payment for these types of accounts.

## **Customer Service, Confidentiality and Complaints**

What is required for good customer service?

Treat WIC shoppers with the same courtesy and respect as you do all shoppers.

To make the WIC shopping experience a great one:

- *Be pleasant.* Make sure your body language and tone of voice, as well as your actual words, are welcoming.
- *Be patient.* A WIC transaction may take a little longer than other transactions.
- *Be respectful.* Don't break confidentiality rules by mentioning that someone is on WIC. Don't

say “WIC” on the intercom when calling for assistance.

In accordance with federal law and USDA policy, authorized WIC grocers are prohibited from discrimination based on race, color, national origin, sex, age or disability.

What do I do if a WIC participant is physically or verbally abusive to store staff?  
You should follow your store policy regarding abusive customers. You may also file a complaint with WIC by calling 802-863-7333 and asking to speak to a WIC program staff person, or by submitting a complaint form through the WIC website at <http://healthvermont.gov/wic/vendors.aspx>

## **Routine Monitoring and Compliance Investigations**

Who is responsible for monitoring grocers?

The state agency is responsible for monitoring grocers to determine whether they are in compliance with WIC regulations and grocer agreements. Monitoring may include, but is not limited to:

- Secret shopper reports
- Eligibility criteria review, such as a minimum inventory check
- Educational visits
- Compliance buys
- Inventory audits

What is a secret shopper report?

A secret shopper is a WIC participant who has been asked by the WIC program to provide written feedback on their regular WIC shopping experience. Secret shoppers report on whether they were able to find the approved WIC foods on their family food benefits list, and on confidentiality and courtesy at checkout. Secret shopper monitoring helps WIC to identify customer service and training issues.

What is a routine monitoring review?

Routine monitoring may include a scheduled or unannounced visit to your store by a WIC program representative. The representative may be someone on the state or local staff, or another person designated by the state agency. He/she will introduce him/herself to a store representative, walk around the store and may observe operation of the eWIC system and WIC transactions. A store representative is encouraged to accompany the WIC program representative.

**What does the state agency do during a routine monitoring review?**

Routine monitoring activities include, but are not limited to:

- Verifying that the grocer meets the minimum inventory requirement
- Collecting/verifying shelf prices of WIC approved foods
- Observing eWIC transactions
- Interviewing grocer staff
- Compliance with other eligibility criteria, such as posting the “WIC accepted here” sign

**How does the state agency determine who gets a routine monitoring review?**

All grocers will receive at least one routine monitoring review during their agreement period.

Some grocers may receive more than one visit. The state agency selects grocers by random selection, periodic/scheduled reviews, or because of complaints about the grocer from WIC families.

**What are compliance investigations?**

Compliance investigations consist of

- Compliance buys - unannounced, undercover/covert on-site visit in which an individual poses as a WIC participant, a parent or caretaker of an infant or child participant, or proxy, and purchases items in order to determine whether a grocer complies with their WIC agreement and the applicable regulations.
- Inventory audits - examination of food invoices or other proofs of purchase to determine whether a grocer has purchased sufficient quantities of WIC foods to provide participants the quantities redeemed by the grocer during a given period of time.

**How does the state agency select grocers for a compliance investigation?**

The state agency is required to conduct annual compliance buys for at least 5% of active grocers, prioritized based on the greatest potential for non-compliance. This requirement is a minimum, and does not preclude the state agency from performing compliance investigations on more than 5% of grocers. Each year, some grocers are randomly chosen for compliance buys, even if their potential for non-compliance is low.

**How does the state agency document monitoring visits?**

The state agency must document the following information for all monitoring visits, including routine monitoring visits and inventory audits:

- The date of the monitoring visit or inventory audit
- The name and signature of the reviewer
- The nature of any problems detected

For compliance buys, the state agency must document:

- The date of the compliance buy
- The name and signature of the reviewer
- The nature of any problems detected
- A description of the cashier involved in each transaction
- The types and quantities of items purchased, current shelf prices or prices charged to other customers, if available. Price information may be obtained before, during, or after the compliance buy.
- The final disposition of all items as destroyed, donated, provided to other authorities, or kept as evidence.

## **Violations and Sanctions**

Does the state agency have to warn a grocer before applying a sanction?

Not always. If the State Agency finds that a grocer has committed a violation that requires a pattern (2 or more) of occurrences in order to impose a penalty, the State agency shall send a written warning to the grocer, unless the State agency determines, on a case-by-case basis, that notifying the grocer would compromise the compliance investigation. (7 CFR 246.12(h)(3)(xviii)).

What types of activities are considered violations?

**Category I** violations are grocer errors uncovered by the state agency during the payment reconciliation. They accrue no sanction points but may result in non-payment of the eWIC transaction during which the violation occurred. Vermont WIC has not yet defined Category I violations.

**Category II violations are:**

- Failure to provide promotional specials or accept manufacturer or store coupons for WIC purchases. The only exception is cash-only promotions if other customers using EBT, gift, credit or debit cards or personal checks for payment are also unable to participate in the promotion
- Failure to provide security during the redemption process preventing the unauthorized disclosure of participant PIN numbers
- Failure to make staff available for training in program rules and procedures
- Allowing untrained personnel to accept and process eWIC redemptions
- Failure to clearly indicate the retail price of all WIC approved items, either individually on each item, or at the shelf or point of display.

Category II violations accrue 2 points per violation, retained for 12 months.

**Category III violations are:**

- Contacting participants in an attempt to have them return to the store to fix a grocer error or to seek reimbursement for food costs not paid by the state agency

- Accepting the return of items purchased with an eWIC card for cash or credit towards other purchases
- Requiring cash purchases in order to redeem WIC benefits
- Requiring participants to use special checkout lanes, except that participants may be limited from cash-only or maximum item lanes if other customers using EBT, gift, credit or debit cards for payment are also limited from these lanes

Category III violations accrue 3 points per violation, retained for 18 months.

**Category IV violations are:**

- Failure to allow WIC program representatives to complete on-site monitoring;
- Failure to pay claims for unauthorized costs assessed by the state agency;
- Providing false information on the WIC grocer application or agreement;
- Providing false information regarding ownership or eligibility under the selection criteria.

Category IV violations accrue 12 points per violation and result in a 1 year disqualification.

Violations with federally mandated sanctions:

- A grocer convicted in court for the crime of trafficking in food benefits or cash-value vouchers, or for selling firearms, ammunition, explosives, or controlled substances, as defined in section 102 of the Controlled Substances Act, 21 U.S.C. 802, in exchange for eWIC cards shall be permanently disqualified from program participation, effective on the date of receipt of the notice of disqualification
- A grocer shall be disqualified from program participation for 6 years for a single incidence of buying or selling eWIC cards for cash trafficking or a single incidence of selling firearms, ammunition, explosives, or controlled substances as defined in section 102 of the Controlled Substances Act, 21 U.S.C 802, in exchange for food benefits
- A grocer shall be disqualified for 3 years for:
  - A single incidence of the sale of alcohol or alcoholic beverages or tobacco products in exchange for eWIC benefit OR
  - A pattern of 3 or more incidences within a 12-month period of:
    - Charging the state agency more for an approved supplemental food than non-WIC customers or charging the state agency more than the current shelf price permitted under the grocer agreement OR
    - Receiving, transacting or redeeming eWIC benefits outside authorized channels, including the use of an unauthorized grocer or an unauthorized person OR
    - Charging the state Agency for supplemental food not received by the participant OR
    - Providing credit or non-food items in exchange for eWIC benefits
- Claiming reimbursement for the sale of an amount of a specific food item which exceeds the store's documented inventory of the food item for a specific period of time
- A grocer shall be disqualified for one year for a pattern of 3 or more incidences within a 12

month period of providing unapproved food items in exchange for eWIC benefits, including charging for supplemental food provided in excess of those listed on the family food benefit list

- In accordance with 7 CFR 246.12(l)(1)(vii) a grocer who has been disqualified from the 3SquaresVT/Supplemental Nutrition Assistance Program shall:
  - Be disqualified from WIC program participation for the same length of time as the 3SquaresVT/Supplemental Nutrition Assistance Program disqualification which may begin at a later date than SNAP disqualification AND
  - Not appeal the WIC program disqualification to federal administrative or judicial tribunals AND
  - A grocer who has been assessed a 3SquaresVT/Supplemental Nutrition Assistance Program civil money penalty for hardship in lieu of disqualification from the 3SquaresVT/Supplemental Nutrition Assistance Program shall be disqualified from WIC program participation, the length of which shall correspond to the period for which the grocer would otherwise have been disqualified in the 3SquaresVT/Supplemental Nutrition Assistance Program
- In accordance with 7 CFR 246.12(l)(2)(ii)B., if the State Agency determines that disqualification of the grocer for (6) above would result in inadequate participant access, the grocer may not be disqualified and a civil money penalty may not be imposed. To determine inadequate participant access, the State Agency will consider several factors that include, but are not limited to:
  - A participant would be required to drive 45 minutes or more (one way) from the disqualified grocer to the nearest authorized grocer
  - There are physical barriers, such as poor road conditions, that would make normal travel to another authorized grocer difficult or impossible

A participant access determination is not subject to appeal.

What happens when there are multiple violations during a single investigation?

If a grocer has committed multiple violations during a single investigation, the state agency will disqualify the grocer for the period corresponding to the most serious mandatory violation. However, the state agency shall include all violations in the notice of administrative action. If a mandatory sanction is not upheld on appeal, then the state agency may impose a state agency-established sanction. (7 CFR 246.12(l)(1)(xii))

Are there any actions in addition to sanctions?

The State agency will refer food grocers and participants who abuse the program to Federal, State or local authorities for prosecution under applicable statutes, where appropriate. Under 7CFR 246.23(d) of the Federal Regulations, whoever embezzles, willfully misapplies, steals or obtains by fraud any funds, assets or property provided under section 17 of the Child Nutrition Act of 1966, as amended, whether received directly or indirectly from USDA, or whoever receives, conceals or retains such funds,

assets or property for his or her own interest, knowing such funds, assets or property have been embezzled, willfully misapplied, stolen, or obtained by fraud shall, if such funds, assets or property are of the value of \$100 or more, be fined not more than \$25,000 or imprisoned not more than five years, or both, or if such funds, assets or property are of a value of less than \$100, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both. (7 CFR 246.12(l)(7)). Sanctions and violations are subject to periodic revisions by State agency office

**How does disqualification or termination affect grocers?**

Grocers disqualified from the Vermont WIC program may not accept eWIC cards during the period of disqualification. Disqualified grocers do not have automatic reinstatement rights at the end of the disqualification period. After the disqualification period ends the grocer may apply for authorization. Application does not ensure authorization. The Vermont WIC program reserves the right to deny authorization to any applicant who was previously disqualified from the WIC Program.

Grocers terminated from the Vermont WIC program may not accept eWIC cards after termination. Terminated grocers do not have automatic reinstatement rights to the program, but may reapply for authorization. Application does not ensure authorization. Vermont WIC program reserves the right to deny authorization to any applicant who was previously terminated from the WIC program.

**What are the notification procedures for disqualifying or terminating a grocer?**

When the state agency has determined a grocer will be disqualified or terminated:

- A letter will be sent outlining the cause for disqualification or termination, the beginning and ending date of the disqualification or termination period, the grocer's right to appeal the decision, and the procedures for an administrative review.
- The letter will be signed by the a WIC program representative and sent certified mail, return receipt requested, at least 30 calendar days prior to the disqualification/termination start date.
- After receiving the return receipt, 15 calendar days (from the date on the return receipt) will be allowed as a waiting period for the grocer to appeal the decision.

**When is a grocer not permitted to voluntarily withdraw from WIC?**

The State agency shall not accept voluntary withdrawal of the grocer from the Program as an alternative to disqualification for violations with federally mandated sanctions. All disqualifications for violations with federally mandated sanctions shall be entered on record and reported to SNAP. (7 CFR 246.12(l)(1)(viii)).

**What is a civil money penalty?**

As an alternate sanction, the state agency may assess a civil money penalty in lieu of

disqualification in order to emphasize the seriousness of program compliance and to allow the grocer to continue to serve an otherwise uncovered participant group. A civil money penalty does not, however, relieve the grocer of financial liability for previous compliance issues such as outstanding overage and/or overcharge reimbursements or payments due for sale of unauthorized foods. Grocers must pay these outstanding liabilities in addition to the civil money penalty.

**When does the State agency use a civil money penalty?**

Under special circumstances, the state agency may choose to waive disqualification of an abusive grocer or non-compliant grocer. The state agency uses civil money penalties where the disqualification of the grocer would cause a hardship, not just an inconvenience, to participants. Participant hardship is not the same as participant inconvenience or preference. Grocers may not appeal or protest State agency decisions based on participant access or preference.

**Does the state agency always impose a civil money penalty?**

Regardless of participant hardship, the state agency will not offer a civil money penalty if the disqualification is based on:

- Buying or selling eWIC benefit cards for cash (trafficking)
- Overcharging the program, with the intent to defraud.
- A grocer refuses to be monitored to supply the program with supplier's invoices
- A grocer refuses to accept mandatory training.
- A grocer has been disqualified from or has been assessed a civil money penalty by the SNAP Program in the past two years
- Third or subsequent mandatory sanctions, as listed in 7CFR246.12(l)(1)(vi).

**Can a grocer request a civil money penalty in lieu of disqualification?**

No. If the state agency has determined that a civil money penalty is not appropriate, a grocer does not have the option to pay a civil money penalty to avoid disqualification.

**When does the state agency notify FNS of sanctions and penalties?**

The state agency must provide the appropriate FNS office with a copy of the notice of administrative action and information on grocers it has either disqualified or imposed a civil money penalty in lieu of disqualification for any of the violations listed in paragraphs 7 CFR 246.12(l)(1)(i) through 246.12(l)(1)(iv).

**This information shall include**

- the name of the grocer, address, identification number
- the type of violation(s)
- the length of disqualification or the length of the disqualification corresponding to the

violation for which the civil money penalty was assessed

Notification shall be provided within 15 days after the grocer's opportunity to file for a WIC administrative review has expired or all of the grocer's WIC administrative reviews have been completed.

## **Changes in Business Operations**

When does a grocer need to notify the state agency about changes in business operations?  
A grocer must notify the State agency, in writing, at least 15 calendar days before any change in grocer ownership, store location, or cessation of operations.

Does a grocer need to notify the State agency if there is a temporary store closure?  
Yes. The grocer must notify the state agency immediately, via telephone, and receive authorization from the state agency in the event that a store will be closed for any days and times other than those specified on the application information sheet.

Can a grocer sell his or her WIC authorization with the store?  
No, the WIC agreement is not transferable. Agreements become null and void if ownership of the store changes. New owners must apply to the program on their own behalf.

What happens to the agreement if there is a cessation of operations?  
The state agency is required to terminate the agreement.

What happens to the agreement if the store moves?  
The state agency has the discretion to determine whether a change in location would necessitate a termination of the agreement. Factors that the state agency considers are miles moved, moving from one local agency area to another, moving closer or farther from other existing stores and how participant access will be affected.

## **WIC/SNAP Information Sharing**

Can the state agency share information with staff in the SNAP?  
Yes. The State agency may disclose confidential grocer information to persons directly connected with the administration or enforcement of SNAP. The State agency will share any information necessary with persons investigating or prosecuting SNAP violations

Does the State agency share information with SNAP on a regular basis?  
Yes. Vermont WIC includes a report of authorized grocers in the annual WIC State Plan. The report contains the:

- grocer name

- store address
- WIC grocer identification number
- store owner name

Does the State agency assist in SNAP investigations?

Normally, WIC investigations and SNAP investigations are separate. Upon request, the State agency will coordinate investigative efforts with SNAP.

## **Incentive Items**

What does the term *incentive item* mean?

An incentive item is merchandise or other giveaways made available to all customers.

What types of incentive items are acceptable?

- Merchandise obtained at no cost to the grocer and provided to all customers without cost
- Food or merchandise of nominal value. Nominal value means a per item cost of less than \$2.00
- Food sales and specials which involve no cost or nominal value for the grocer, and do not result in a charge to the family's eWIC account in excess of the foods shown on the family food benefit list.

What types of incentive items are not allowed?

- Vendors are not allowed to offer ANY incentives for the purpose of attracting WIC participants only
- The WIC acronym or logo cannot be used on incentive items
- Grocers cannot give or sell an incentive item for less than cost
- Under no circumstances are grocers allowed to offer cash, alcohol, tobacco or lottery tickets to WIC participants as an incentive, even if these items are being offered to non-WIC customers.

Are buy-one-get-one-free promotions considered incentive items?

No, buy-one-get-one-free promotions are not considered incentive items.

## **Manufacturers, Wholesalers, Distributors and Retailers**

In accordance with the federal Child Nutrition and WIC Reauthorization Act of 2004, P.L. 108-265, authorized WIC grocers must purchase infant formula only from the sources approved by the state. The list provided by the Vermont WIC program is to ensure that vendors are

providing infant formula to WIC participants approved by the FDA.

As a Vermont WIC authorized grocer, you must obtain infant formula only from the sources listed in the directory provided by the state. The list of approved sources can be found at:

<http://healthvermont.gov/wic/vendors.aspx>

Authorized WIC grocers must be able to provide invoices showing infant formula was purchased from an approved manufacturer, wholesaler, distributor or grocer.

Grocers may not appeal the State's decision to include or exclude an infant formula wholesaler, grocer, distributor or manufacturer.