

5.0 Vendor Compliance

Effective Date: 08-01-2021

5.02 High-Risk Vendor Identification

PURPOSE: To describe how Vendors are selected for monitoring activities based on high-risk indicators.

DEFINITIONS:

High-risk Vendor means a Vendor identified as having a high probability of committing a program violation based on criteria established by the Department.

A. POLICY:

1. The Department shall identify high-risk Vendors and refer them for compliance activities using the following criteria:
 - a. System-Generated Reports. The Department uses statistically based reports to identify Vendors who are out of program compliance and/or have a high probability of having a Vendor violation.
 - i. These reports are produced, reviewed, and analyzed at least annually and comply with USDA, FNS criteria for high-risk reports.
 - ii. Vendors identified on these reports may receive a warning notice, sanction, monitoring visit, compliance buy and/or inventory audit.
 - b. Complaints. The Department receives information about Vendor noncompliance from a variety of sources, including WIC clients, other Vendors, local clinics, federal, state or local agencies (including law enforcement agencies) and interested citizens.
 - i. Follow-up on complaints may include investigations by the Department, monitoring visits, compliance buys or referral to federal, state or local law enforcement agencies.
 - ii. Additional information on complaints is described in Policy 5.06 Vendor Complaints.
 - c. Other Sources of Information. The Department may also identify high-risk Vendors through referrals from other units within the WIC Division regarding unusual WIC benefit redemptions or redemption patterns by Vendors.

References:

[7 CFR Part 246.12 \(j\)](#)

Cross-References:

5.06 [Vendor Complaints](#)