

5.0 Vendor Compliance

Effective Date: 02-01-2024

5.05 Compliance Buys

PURPOSE: To define compliance buys and describe Department procedures for conducting compliance buy investigations.

DEFINITIONS:

Compliance buy means a covert (undercover), on-site investigation in which a representative of the WIC Program poses as a participant, parent or caretaker of an infant or child participant, or proxy, transacts WIC benefits, and does not reveal during the visit that he or she is a program representative.

A. POLICY:

1. The Department will contract with a private investigation company, or other entities, or utilize appropriate WIC staff to conduct compliance buys according to established internal procedures.
2. The Department is solely responsible for selecting:
 - a. Vendors on which compliance buys are to be conducted;
 - b. The timeframes within which buys are to be done; and
 - c. The type of compliance buy to be completed. Compliance buys include, but are not limited to:
 - i. An attempt to purchase WIC foods in excess of the quantity authorized.
 - ii. An attempt to purchase non-WIC food items with WIC benefits.
 - iii. An attempt to obtain cash from a Vendor in exchange for WIC benefits.
 - iv. An attempt to return WIC foods for cash.
3. The results of each compliance buy, including the date of the visit, the name and signature of the investigator, and any program violations found, are documented after completion of each visit. (See Exhibit 5.05A Compliance Buy Report.)
4. The Department may direct the investigators to expand the scope of a particular investigation if specific behaviors or activities are observed. Additional buys shall be conducted in a manner that will not compromise the underlying investigation and following investigation protocols established by the Department.

5. Vendors shall be notified of violations identified during a compliance buy, unless doing so would compromise the integrity of the investigation. In such instances, the Vendor will be notified at the conclusion of the case.
6. Based on the findings from a compliance buy, the Department shall take appropriate adverse action against a Vendor in accordance with the current WIC Vendor Contract, the current WIC Vendor Sanction Schedule, federal regulations, or federal or state law. (See Exhibit 2.05A WIC Vendor Contract, 2.05B WIC Pharmacy Vendor Contract, and 6.01A WIC Vendor Sanction Schedule.)
7. Food purchased during a compliance buy is donated to a charitable organization and documented on the Compliance Buy Report (See Exhibit 5.05A Compliance Buy Report.) Formula purchased during compliance buys is destroyed at the end of the business day. (See Exhibit 5.05B WIC Formula Acceptance Log.)
8. The Department shall refer cases of suspected Vendor fraud or abuse to federal, state or local law enforcement agencies for investigation and possible criminal prosecution.

References:

- 7 CFR Part §246.2
- 7 CFR Part §246.12 (j)

Exhibits:

- 2.05A WIC Vendor Contract
- 2.05B WIC Pharmacy Contract
- 5.05A Compliance Buy Report
- 5.05B WIC Formula Acceptance Log
- 6.01A WIC Vendor Sanction Schedule