

6.0 Vendor Sanctions

Effective Date: 08-01-2021

6.01 Vendor Sanction Schedule Overview

PURPOSE: To describe Department responsibilities for imposing sanctions for identified violations committed by WIC-authorized Vendors.

DEFINITIONS:

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

Sanction means a punitive or adverse action taken against a WIC Vendor for identified program violations. Sanctions may include, but are not limited to, termination, disqualification, and civil money penalties in lieu of disqualification.

A. POLICY:

1. The Department shall impose sanctions on WIC-authorized Vendors determined to be in violation of program rules and procedures, engaged in abusive WIC benefit redemption practices, and/or fraudulently obtaining program funds. (See Policy 5.0 Vendor Compliance.)
2. It is the responsibility of the Department to determine the need for and application of appropriate WIC Vendor Sanctions.
3. The Department is required to provide WIC Vendors with a copy of the WIC Vendor Sanction Schedule at the time of authorization. (See Exhibit 6.01A WIC Vendor Sanction Schedule.)
4. Vendor sanctions assigned in a preceding contract period may impact Vendor qualification for subsequent authorization and previous violations may also be carried over and used as basis for termination and/or disqualification or other sanctions in accordance with the WIC Vendor Sanction Schedule. (See Exhibit 2.05A WIC Vendor Contract, 2.05B WIC Pharmacy Vendor Contract and 6.01A WIC Vendor Sanction Schedule.)
5. The Department may refer WIC-authorized Vendors who commit fraud or abuse of the program to federal, state, or local authorities for prosecution under applicable statutes. These sanctions may be applied singly or in combination of two or more sanctions.

References:

7 CFR Part §246.12 (h) (I)

Cross-References:

Policy 5.0 Vendor Compliance

Exhibits:

- 2.05A WIC Vendor Contract
- 2.05B WIC Pharmacy Vendor Contract
- 6.01A WIC Vendor Sanction Schedule