

## **I. VENDOR MANAGEMENT**

Vendor management includes all those activities associated with selecting, authorizing, training, monitoring, and investigating the State agency's vendor population for the purpose of reducing fraud and abuse in the WIC Program food delivery system.

**A. Vendor Selection and Authorization – 7 CFR 246.4(a)(14)(i), (ii), and (iii):** identify the types of food delivery systems used in the State's jurisdiction, describe, if used, the State agency's limiting criteria, describe the State agency's selection criteria, attach a sample vendor agreement, and describe, if applicable, the supervision and instruction the State agency provides to local agencies to which vendor agreement signing has been delegated.

**B. Vendor Training – 7 CFR 246.4(a)(14)(xi):** describe State and local agency procedures for training WIC Program vendors and for documenting all relevant training.

**C. High-Risk Vendor Identification Systems – 7 CFR 246.12(j)(3):** describe the policies and procedures for monitoring and identifying high-risk vendors through the use of vendor peer groups, food instrument redemption screening and analysis of overcharging and other violations, the use of price lists, a system for tracking complaints, or other means. *This section may be submitted separately because it is no longer a State Plan requirement but must still be approved by FNS.*

**D. Routine Monitoring – 7 CFR 246.4(a)(14)(iv):** describe the methods and scope of on-site routine monitoring activities and the criteria used to select vendors for routine monitoring.

**E. Compliance Investigations – 7 CFR 246.4(a)(14)(iv):** describe the investigative practices and procedures used to conduct both compliance buys and inventory audits for the purpose of detecting, tracking, and documenting vendor noncompliance with program requirements.

**F. Vendor Sanction System – 7 CFR 246.4(a)(14)(iii):** attach a copy of the State agency's sanction schedule and describe, if applicable, any option exercised under § 246.12(l)(1)(i) regarding trafficking convictions.

**G. Administrative Review of State Agency Actions – 7 CFR 246.4(a)(14)(iii):** describe the procedures for conducting both full and abbreviated administrative reviews.

**H. Coordination with the Food Stamp Program – 7 CFR 246.4(a)(14)(ii), (14)(a)(iv), and (14)(a)(xxv):** describe the methods and procedures used to coordinate the monitoring and sharing of information on vendors who participate in both the WIC Program and the Food Stamp Program.

**I. Staff Training on Vendor Management – 7 CFR 246.4(a)(14)(ii), (a)(14)(iii), (a)(14)(iv), and (a)(14)(xi):** describe the distribution of responsibilities and activities of those individuals at both the State and local levels who are involved in vendor management activities.

## **I. VENDOR MANAGEMENT**

### **A. Vendor Selection and Authorization**

#### **1. Number and Distribution of Authorized Vendors**

##### **a. The State agency uses limiting criteria to limit the number of vendors it authorizes:**

☒ Yes ☐ No

##### **b. If yes, check the type of criteria used:**

- ☐ Vendor/participant ratio
- ☐ Vendors/local agency or clinic ratio
- ☐ Vendors/local service area or county ratio
- ☐ Vendors/geographic area (e.g., number per mile, city block, zip code)
- ☐ Vendor/State agency staff ratio
- ☒ Other (specify): Fundamental criteria

**ADDITIONAL DETAIL: Vendor Management Appendix  
and/or Procedure Manual (cite): 8.05 A**

#### **2. Vendor Application Periods**

##### **a. The State agency considers applications:**

- ☒ On an on-going basis
- ☐ Annually
- ☒ Every two years
- ☐ Every three years
- ☐ Other (specify):

**ADDITIONAL DETAIL: Vendor Management Appendix  
and/or Procedure Manual (cite): 8.05 B**

#### **3. Vendor Selection and Authorization**

##### **a. The vendor selection criteria used to select vendors for program authorization include:**

- ☒ A competitive price criterion based on:
  - ☒ Vendor applicant price lists
  - ☒ WIC redemption data
  - ☒ A State agency standard drawn from a price survey
  - ☐ A standard drawn from another source
  - ☐ Other (specify):
- ☒ A minimum variety and quantity of supplemental foods criterion that is:
  - ☐ Statewide
  - ☒ Peer group specific
  - ☐ Other (specify):

## **I. VENDOR MANAGEMENT**

### **A. Vendor Selection and Authorization**

- ☒ A business integrity criterion that includes:
  - ☒ No history, during the past six years, among the vendor's owners, officers, or managers of criminal convictions or civil judgments for activities listed in 7 CFR 246.12(g)(3)(iii)
  - ☐ No history of other business-related criminal convictions or civil judgments
  - ☐ Lack of previous WIC sanctions
  - ☒ Lack of a current Food Stamp Program disqualification or civil money penalty for hardship
  - ☐ Other (specify):
- ☒ A requirement to obtain infant formula only from sources included in the State agency's list of State licensed infant formula wholesalers, distributors, and retailers, and manufacturers registered with the U.S. Food and Drug Administration
- ☐ Stock a full range of foods in addition to WIC supplemental foods
- ☒ A location necessary to ensure adequate participant access
- ☐ Redemption of a minimum number/volume of food instruments
- ☒ Satisfactory compliance with previous vendor agreement
- ☒ Certification by an approved State or local health department
- ☐ Proof of authorization as an FSP retailer, including FSP authorization number
- ☒ Hours of operation which meet State criteria (specify): 10 hours per day, 6 days per week
- ☒ Other criteria (specify): Certification is required by local health dept. when the local health department provides this service for the county - otherwise we simply require a satisfactory condition.
- ☐ Not applicable (explain):

**b. The State agency authorizes vendors deriving more than 50 percent of food sales from WIC transactions (above-50-percent vendors)**

☒ Yes      ☒ No

If the State agency authorizes above-50-percent vendors, how many such vendors are currently authorized, including all above-50-percent vendors, not only WIC-only vendors: 6 These were approved prior to December 2004. No new 50% vendors to be approved, unless participant access problems identified.

If the State agency authorizes above-50-percent vendors, the State agency requires that such vendors obtain prior State agency approval to provide incentive items to WIC participants

## **I. VENDOR MANAGEMENT**

### **A. Vendor Selection and Authorization**

☒ Yes      ☐ No

- c. On-site preauthorization visits are conducted to verify information received during the application process:**

**by SA**

**by LA**

☒☐

For vendors at initial authorization

☒☐

For all vendors at authorization/reauthorization

- d. The State agency routinely verifies with the FNS field office information provided by vendor applicants regarding the status of their Food Stamp Program retailer authorization.**

☐ Yes

☒ No

**ADDITIONAL DETAIL: Vendor Management Appendix  
and/or Procedure Manual (cite): 8.05 B**

#### **4. Vendor Peer Groups**

- a. Vendors are assigned to peer groups for selection/authorization:**

☒ Yes

☐ No

- b. Peer groups are based on the following (check all that apply):**

☐

WIC sales volume

☐

Gross food sales volume

☒

Number of cash registers

☐

Square footage of store

☐

Type of store

☐

Location of store

☐

Local agency service areas

☐

City, county or regional divisions

☐

Urban/suburban/rural

☐

Zip codes

☐

Unique economic location (e.g., rural island, single metro area)

☐

Other (specify):

☒

Other (specify): Pharmacies are in separate peer group

## I. VENDOR MANAGEMENT

### A. Vendor Selection and Authorization

- c. Identify and describe the State agency's peer groupings (e.g., supermarkets, medium and small grocery stores, convenience stores, etc.):

<u>Peer Groups</u>	<u>Description</u>
<u>Class 1</u>	<u>5 or more registers</u>
<u>Class 2</u>	<u>3 to 4 registers</u>
<u>Class 3</u>	<u>Pharmacies Only</u>
<u>Class 4</u>	<u>1 to 2 registers</u>

\_\_\_\_\_

\_\_\_\_\_

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\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Revisions to vendor peer groups are in process with anticipated completion date of 9/30/2005 and implementation of 1/1/2006.

\_\_\_\_\_

**ADDITIONAL DETAIL: Vendor Management Appendix  
and/or Procedure Manual (cite):**

### 5. Vendor Agreements

- a. The following reflect the State agency's vendor agreement practices:

- ☒ All vendors have a written agreement with the State agency
- ☒ A standard vendor agreement is used statewide
- ☐ Vendor agreements are subject to the State's procurement procedures
- ☐ Vendor agreements/handbooks are subject to the State's Administrative Procedures Act
- ☐ A nonstandard vendor agreement is used for:
  - ☐ Military commissaries
  - ☐ Pharmacies that only provide exempt infant formula and/or WIC-eligible medical foods
  - ☐ All pharmacies
  - ☐ Home food delivery contractors
  - ☐ Mobile stores
  - ☐ Other (specify):
- ☒ Vendors are authorized for a period of 2 years
- ☐ Vendors are authorized/reauthorized under renewable agreements, provided no vendor violations occurred during the previous vendor agreement period
- ☒ All vendors are provided at least 15 days advance written notice of the expiration of the vendor agreement
- ☐ Other (specify):

## **I. VENDOR MANAGEMENT**

### **A. Vendor Selection and Authorization**

**b. In addition to the requirements in 7 CFR 246.12(h)(3)-(h)(6), the vendor agreement includes:**

- ☐ Periodic submission of vendor price lists. If so, specify frequency
- ☒ Maintenance of records in addition to the required inventory records. If so, specify types of records: Verification that all WIC Approved infant formula is purchased from an approved source on the list provided by the WIC Program.
- ☒ Submission of food instruments within a shorter timeframe than required by program regulations. If so, specify timeframe: 60
- ☐ Redemption of a minimum number/volume of food instruments
- ☐ Minimum hours of operation
- ☐ Other (specify):

**c. The State agency delegates the signing of vendor agreements to its local agencies:**

- ☐ Yes      ☒ No

**If yes, provide a description of the supervision and instruction provided to local agencies to ensure the uniformity and quality of this activity.**

**Please attach a copy of the Vendor Agreement or provide the appropriate Procedure Manual reference below.**

**ADDITIONAL DETAIL: Vendor Management Appendix A, A-1 - A-9 and/or Procedure Manual (cite):**

## **I. VENDOR MANAGEMENT**

### **B. Training of Vendors**

#### **1. Vendor Training - General**

**a. Annual vendor training covers the following content (check all that apply):**

- ☒ Purpose of the WIC Program
- ☒ Supplemental foods authorized by the State agency
- ☒ Minimum varieties and quantities of supplemental foods that must be stocked
- ☒ Obtaining infant formula only from sources included in the State agency's list of State licensed infant formula wholesalers, distributors, and retailers, and manufacturers registered with the U.S. Food and Drug Administration
- ☒ Procedures for obtaining prior State agency approval to provide incentive items to WIC participants
- ☒ Procedures for transacting and redeeming food instruments
- ☒ Vendor sanction system
- ☒ Vendor complaint process
- ☐ Claims procedures
- ☒ Changes in program requirements since the last training
- ☒ Recordkeeping requirements
- ☒ Replacement food instruments
- ☒ Participant complaints
- ☒ Vendor requests for technical assistance
- ☒ Reauthorization
- ☒ Reporting changes of ownership, location, or cessation of operations
- ☒ Procedures for appeal/administrative review
- ☒ Training employees
- ☒ WIC/FSP sanction reciprocity and information sharing
- ☐ Other (specify): All of these topics are covered during interactive training. Other training opportunities occur at various times during the year, via newsletters, monitoring, or technical assistance.

**b. Vendors or vendor representatives receive training on the following occasions and/or through the following materials (check all that apply):**

- ☐ On-site (in-store) meetings/conferences
- ☒ Off-site meetings/conferences
- ☒ During routine monitoring visits (e.g., educational buys)
- ☒ When specialized technical assistance is requested
- ☒ Written materials (e.g., newsletters)
- ☒ Audiotapes or videotapes
- ☐ Teleconference or videoconference
- ☐ Vendor hotline
- ☒ State or local agency website

## **I. VENDOR MANAGEMENT**

### **B. Training of Vendors**

☐ Other (specify):

**c. Vendors or vendor representatives receive *interactive* training as follows (check all applicable responses):**

☒ At or before initial authorization

☐ At least once every three years

☒ Annually or more frequently than once every three years

**d. The following method(s) are used to evaluate the effectiveness of vendor training (check all that apply):**

☒ Evaluation forms provided with training materials

☒ Pre-tests and/or post-tests regarding vendor policies, procedures, and practices

☐ Statistical indicators, such as a reduction in food instrument errors

☒ Educational buys

☐ Record reviews

☒ Informal feedback from vendors and/or participants

☐ Not applicable

☐ Vendor advisory councils

☐ Other (specify):

### **ADDITIONAL DETAIL: Vendor Management Appendix and/or Procedure Manual (cite):**

## **2. Delegation of Vendor Training**

**a. The State agency delegates its vendor training to:**

☐ Its local agencies

☐ A contractor

☐ A vendor association/representative; specify:

☐ Another State agency; specify:

☒ Not applicable

**b. Indicate the frequency at which the State agency performed the following activities during the past fiscal year:**

**Times/FY**

**Activity**

Provided comprehensive training materials to delegated trainers

Provided instruction on vendor training techniques to delegated trainers

Monitored performance of delegated trainers to ensure the uniformity and quality of vendor training



**I. VENDOR MANAGEMENT**

**B. Training of Vendors**

☒  
☐

Not applicable

Other (specify):

**ADDITIONAL DETAIL: Vendor Management Appendix  
and/or Procedure Manual (cite):**

**3. Documents for and Documentation of Vendor Training**

- a. The State agency or the entity to which it delegates vendor training documents the content of and vendor participation in annual vendor training:**

☒ Yes      ☐ No

- b. Vendors or vendor representatives are required to sign an acknowledgement of training when they have received the following types of training (check all that apply):**

<input checked="" type="checkbox"/> Interactive training	<input checked="" type="checkbox"/> Annual training
<input checked="" type="checkbox"/> Educational buys	<input checked="" type="checkbox"/> Monitoring visits
<input checked="" type="checkbox"/> Remedial training	<input type="checkbox"/> Other (specify):

- c. The State agency produces a Vendor Handbook:**

☒ Yes      ☐ No

**If yes, provide in Vendor Management Appendix or cite Procedure Manual Reference.**

**ADDITIONAL DETAIL: Vendor Management Appendix A (Handbook)  
and/or Procedure Manual (cite):**

## **I. VENDOR MANAGEMENT**

### **C. High-Risk Identification Systems**

#### **1. Vendor Complaints**

##### **a. The State Agency has a formal system for receiving complaints about vendors:**

- ☐ No
- ☒ Yes, complaints are received through the following:
- ☐ A toll-free number handled by State agency staff
  - ☒ A standard complaint form which the complainant sends to:
    - ☒ State agency
    - ☐ Local agency or clinic
  - ☒ Other (specify): All complaints are accepted regardless of submission method.

**ADDITIONAL DETAIL: Vendor Management Appendix A, and/or Procedure Manual (cite):**

#### **2. Identifying High-Risk Vendors**

##### **a. What criteria does the State agency use to identify high-risk vendors:**

- ☒ Low-variance
- ☒ High-mean value
- ☐ New vendor
- ☒ Complaints against vendors
- ☐ Other (specify):

##### **b. Which high-risk indicators has the State agency found to be most effective?**

- ☒ Low-variance
- ☒ High-mean value
- ☐ New vendor
- ☒ Complaints against vendors
- ☐ Other (specify):

##### **c. Identify the frequency for generating high-risk vendor reports:**

- |   |   |
|---|---|
| <input type="checkbox"/> Monthly              | <input type="checkbox"/> Annually         |
| <input checked="" type="checkbox"/> Quarterly | <input type="checkbox"/> No set schedule  |
| <input type="checkbox"/> Semiannually         | <input type="checkbox"/> Other (specify): |

##### **d. Check below the type of food instruments used in the high-risk vendor analysis:**

- ☐ A full monthly food package for a:
- |                                |                                 |                                |
|--------------------------------|---------------------------------|--------------------------------|
| <input type="checkbox"/> Woman | <input type="checkbox"/> Infant | <input type="checkbox"/> Child |
|--------------------------------|---------------------------------|--------------------------------|

## **I. VENDOR MANAGEMENT**

### **C. High-Risk Identification Systems**

- ☐ Other (specify):
- ☐ Standard food instrument type with multiple food items (e.g., milk, cheese, and cereal)
- ☐ Standard food instrument type with a single food item
- ☐ Constructed food instrument (State agencies with nonstandard food instruments)
- ☒ Other (specify): The most widely issued draft type that includes a wide variety of WIC-approved categories
- e. To perform the high-risk vendor analysis, the State agency's system aggregates a vendor's redemptions over the following time period:**
- ☐ 1 month   ☐ 2 months   ☐ 3 months   ☐ 4 months   ☐ 5 months   ☒ 6 months
- ☐ Other (specify):
- f. Vendor redemption patterns are generally compared to:**
- ☒ Applicable peer group patterns
- ☒ All vendors' patterns Statewide
- ☐ Other (specify):

**ADDITIONAL DETAIL: Vendor Management Appendix  
and/or Procedure Manual (cite):**

## **I. VENDOR MANAGEMENT**

### **D. Routine Monitoring**

#### **1. Routine Monitoring Visits**

##### **a. Routine monitoring visits are conducted by:**

- ☒ State agency staff
- ☐ Local agency staff
- ☐ Other (specify):

##### **b. Identify the activities performed during a routine monitoring visit:**

- ☒ Check the vendor's inventory of supplemental foods and/or inventory records to determine if the vendor meets the State agency's requirements for the minimum variety and quantity of supplemental foods
- ☒ Check the vendor's inventory of non-supplemental foods and/or inventory records to provide information on whether the vendor is an above-50%-percent vendor
- ☒ Determine whether the vendor accepts forms of payment other than WIC food instruments, such as cash, personal checks, and credit cards, to provide information on whether the vendor is an above-50%-vendor
- ☒ Check the vendor's receipts of infant formula to ensure that the infant formula is obtained only from the State agency's list of infant formula manufacturers registered with the Food and Drug Administration, and infant formula wholesalers, distributors, and retailers licensed under State law
- ☒ If the vendor is an above-50%-percent vendor, check its stock of incentive items to ensure that such items have been approved by the State agency
- ☒ Obtain the vendor's shelf prices and/or validate the vendor's price list
- ☒ Review food instruments in the vendor's possession for vendor violations
- ☒ Compare food instruments in vendor's possession with shelf prices to test for vendor overcharges
- ☒ Observe food instrument transactions
- ☐ Conduct an educational buy
- ☒ Interview manager and/or employees
- ☒ Review employee training procedures
- ☐ Conduct annual vendor training or provide vendor with annual training materials
- ☒ Examine the sanitary conditions of the store
- ☐ Other (specify):

##### **c. Generally, routine monitoring visits are conducted:**

- ☒ Annually
- ☐ Twice a year
- ☒ As needed
- ☐ Other (specify):

**I. VENDOR MANAGEMENT**

**D. Routine Monitoring**

- d. **The following procedures are used in determining whether a vendor is selected for a routine monitoring visit (check all that apply):**

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Random selection | <input checked="" type="checkbox"/> Periodic/scheduled review |
| <input type="checkbox"/> Periodic/scheduled training | <input type="checkbox"/> Complaints                           |
| <input type="checkbox"/> Other (specify):            |   |

- e. **What percent of vendors received monitoring visits during the past fiscal year?**

- ☐ Less than 5 percent  
☐ 5 percent  
☒ More than 5 percent

**ADDITIONAL DETAIL: Vendor Management Appendix  
and/or Procedure Manual (cite):**

## **I. VENDOR MANAGEMENT**

### **E. Compliance Investigations**

#### **1. Investigative Practices**

##### **a. The State agency conducts:**

- ☒ Compliance buys (a covert, on-site investigation in which a representative of the Program poses as a participant, parent or caretaker of an infant or child participant, or proxy; transacts one or more food instruments; and does not reveal during the visit that he or she is a Program representative.)
- ☐ Inventory audits (the examination of food invoices or other proofs of purchase to determine whether a vendor has purchased sufficient quantities of supplemental foods to provide participants the quantities specified on food instruments redeemed by the vendor during a given period of time.)
- ☐ Not applicable (Proceed to the next section.)

##### **b. The following procedures are used to determine which vendors are selected for a compliance investigation (check all that apply):**

- ☒ Vendor is identified by the high-risk vendor identification criteria
- ☒ Random selection
- ☐ Geographical considerations
- ☐ Volume of WIC redemptions
- ☒ Participant complaints
- ☐ Other (specify):

##### **c. The State agency uses standard procedures for conducting and documenting compliance buys and inventory audits:**

- ☒ Yes. If yes, please provide the guidelines in the Vendor Management Appendix **or** cite the Procedure Manual reference: Vendor Handbook Pages 24-26
- ☐ No

##### **d. The results of compliance investigations are used to assess the effectiveness of the State agency's high-risk vendor identification criteria:**

- ☐ Yes
- ☒ No

## **I. VENDOR MANAGEMENT**

### **E. Compliance Investigations**

**If yes, check the items below that describe how the results of compliance investigations are used to assess the effectiveness of high-risk vendor identification criteria:**

- ☐ The State agency compares data on the prevalence of vendor violations detected among high-risk versus non-high-risk vendors.
- ☐ The State agency discards a high-risk vendor identification criterion if compliance investigations of high-risk vendors identified by the criterion result in no vendor violations after \_\_\_\_\_ months.
- ☐ Investigative procedures and training are reevaluated if compliance investigations of high-risk vendors result in the detection of no vendor violations.
- ☐ Other (specify):

**e. How many vendors were authorized as of October 1 of the past fiscal year?**

**447**

**How many vendors received compliance investigations during the past fiscal year?**

**26**

**How many vendors who received compliance investigations were high risk during the past fiscal year?**

**17**

**How many of all vendors were high risk during the past fiscal year?**

**17**

**(The State agency is required by § 246.12(i)(4)(i) to conduct compliance investigations of at least 5 percent of its vendors authorized as of October 1 of each fiscal year, including all high risk vendors up to the 5 percent maximum.)**

**ADDITIONAL DETAIL: Vendor Management Appendix  
and/or Procedure Manual (cite):**

## **2. Compliance Buys**

**a. The State agency conducts the following types of compliance buys:**

- ☐ Trafficking buys (exchanging food instruments for cash)
- ☒ Safe buys (transacting food instruments for all food items listed to see if the vendor will overcharge)
- ☒ Short buys (transacting food instruments for fewer food items than those listed to see if the vendor will charge for food items not received)
- ☒ Major substitution buys (exchanging food instruments for non-food items or unauthorized food items that are not similar to those listed)

## **I. VENDOR MANAGEMENT**

### **E. Compliance Investigations**

- ☒ Minor substitution buys (exchanging food instruments for unauthorized food items that are similar to those listed)  
☐ Other (specify):

**b. Compliance buys are usually conducted by:**

- ☒ WIC State agency staff  
☐ WIC local agency staff  
☐ State investigators  
☐ Investigators retained on a contract basis (e.g., Pinkerton, Wells Fargo)  
☐ Interns, neighborhood residents, or program participants employed by WIC  
☐ Another WIC State agency  
☐ Other (specify):

**c. Who is responsible for ensuring the proper execution of and follow-up on compliance buys:**

- ☒ WIC State agency vendor manager  
☐ WIC local agency manager  
☒ State investigators  
☐ Contractor  
☐ Another WIC State agency  
☐ Other (specify):

**d. If no vendor violations are detected, how many compliance buys does the State agency conduct before closing a compliance investigation:**

- ☒ Two ☒ Other (specify): Multiple buys may be made, depending upon the severity of the alleged violation, even if no violations are initially detected.

**e. If the State agency conducts a standard number of compliance buys per compliance investigation, what is the basis for the prescribed number of buys:**

- ☐ State law or regulation  
☐ State agency policy or procedure  
☒ Level of evidence necessary to impose vendor sanctions  
☐ Legal counsel's advice  
☐ Other (specify):

**f. The vendor is provided written notification of a violation requiring a pattern of violations in order to sanction the vendor, prior to documenting another violation of the same kind, unless the State agency determines that such notice would compromise the investigation:**



**I. VENDOR MANAGEMENT**

**E. Compliance Investigations**

☒ Yes ☐ No

**g. More than one compliance buy visit is needed to detect a pattern of violations:**

☒ Yes ☐ No

**ADDITIONAL DETAIL: Vendor Management Appendix  
and/or Procedure Manual (cite):**

**3. Estimate the cost for conducting compliance buys, excluding expenses related to the vendor appeals/administrative review process:**

\$ \_\_\_\_\_ Cost per compliance buy

☒ Unknown

☐ Not applicable

**ADDITIONAL DETAIL: Vendor Management Appendix  
and/or Procedure Manual (cite):**

**4. Inventory Audits** (If inventory audits are not performed, go to Question 5)

**a. The following factors are used to determine which vendors selected for compliance investigations will receive inventory audits rather than/or in addition to compliance buys:**

☐ Vendor has highest risk based on State agency's high-risk identification criteria

☐ Suspicion of vendor exchanging cash for food instruments (trafficking)

☐ Inconclusive compliance buy results

☐ Complaints

☐ Other (specify):

**b. The State agency conducts the following types of inventory audits:**

☐ On-site inventory audits

☐ State agency inventory audits (vendor sends records to State agency)

☐ Local agency inventory audits (vendor sends records to local agency)

☐ Other (specify):

**c. Inventory audits are conducted by (check all that apply):**

☐ WIC State agency staff

☐ WIC local agency staff

☐ State investigators

☐ Investigators retained on a contract basis (e.g., Pinkerton's, Wells Fargo)

**I. VENDOR MANAGEMENT**

**E. Compliance Investigations**

☐ Other (specify):

**ADDITIONAL DETAIL: Vendor Management Appendix  
and/or Procedure Manual (cite):**

**5. Compliance Buy/Inventory Audit Tracking System(s)**

**a. The State agency has a means of recording and tracking staff person hours devoted to investigation activities:**

☐ Yes      ☒ No      ☐ Not applicable

**b. The State agency has an automated system for tracking investigations that monitors the progress and status of each compliance investigation:**

☐ Yes      ☒ No      ☐ Not applicable

**ADDITIONAL DETAIL: Vendor Management Appendix  
and/or Procedure Manual (cite):**

**I. VENDOR MANAGEMENT**

**F. Vendor Sanction System**

**Please attach and/or reference the location of the State agency's vendor sanction schedule.**

**ADDITIONAL DETAIL: Vendor Management Appendix A,  
and/or Procedure Manual (cite):**

## I. VENDOR MANAGEMENT

### G. Administrative Review of State Agency Actions

#### 1. Types of Administrative Reviews

The State agency conducts the following types of administrative reviews of vendor appeals for the adverse actions listed below. (Check all that apply):

Informal Desk Reviews	Abbreviated Admin. Reviews	Full Admin. Reviews	
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Denial due to competitive price or minimum stocking selection criterion
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Denial due to business integrity or current FSP DQ or CMP
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Denial based on limiting criteria
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Denial due to State agency selection criteria
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Denial due to application outside timeframe
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Denial because the vendor is expected to be an above-50-percent vendor
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	DQ for WIC violations
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	DQ for Food Stamp Program DQ
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	DQ for Food Stamp Program CMP
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Other WIC Sanctions, e.g., fine or CMP
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Termination of vendor agreement for cause

**ADDITIONAL DETAIL: Vendor Management Appendix A-37 and/or Procedure Manual (cite):**

#### 2. Administrative Review Procedures

##### a. The State has a law or regulation governing WIC administrative reviews

☒ Yes ☐ No

**If the State does have such a law or regulation, this includes:**

- ☐ State Administrative Procedures Act
- ☐ State law pertaining to WIC only
- ☐ State health department law
- ☐ State health department regulation
- ☒ State WIC regulation
- ☐ Other (specify):

## **I. VENDOR MANAGEMENT**

### **G. Administrative Review of State Agency Actions**

**b. At which level do administrative reviews of WIC vendor appeals take place:**

- ☐ WIC local agency
- ☐ WIC State agency
- ☐ State health department
- ☒ Other (specify): DHHR Board of Review

**c. Administrative reviews are conducted by:**

- ☒ Hearing officers
- ☐ Administrative law judges
- ☐ Other (specify):

**d. The following procedures are followed for administrative reviews:**

<b>Abbreviated Admin. Review</b>	<b>Full Admin. Review</b>
--	-----------------------------------

- |                          |                                     |   |
|--------------------------|-------------------------------------|---|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Opportunity for vendor to examine evidence prior to review  |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Opportunity for vendor to reschedule review date  |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Opportunity for vendor to present its case  |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Opportunity for vendor to be represented by counsel   |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Opportunity for vendor to present witnesses   |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Opportunity for vendor to cross-examine witnesses   |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Presence of a court reporter or stenographer  |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | An impartial decision-maker, whose decision is based solely on whether the State agency correctly applied Federal and State statutes, regulations, policies, procedures |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | A written decision within 90 days from request for review   |
| <input type="checkbox"/> | <input type="checkbox"/>            | Other (specify):  |

**e. Check the party(ies) below who may present the State agency case during a full administrative review:**

- ☒ WIC staff person assigned to case
- ☒ WIC State agency vendor manager
- ☒ WIC State agency director
- ☒ Legal counsel (State Attorney General or General Counsel's office)
- ☐ Legal counsel (paid by WIC Program funds)
- ☐ Other (specify):

**Please attach and/or reference the location the State agency's administrative review procedures. 8.06**

## **I. VENDOR MANAGEMENT**

### **G. Administrative Review of State Agency Actions**

**ADDITIONAL DETAIL: Vendor Management Appendix  
and/or Procedure Manual (cite): 8.06**

## **I. VENDOR MANAGEMENT**

### **H. Coordination with the Food Stamp Program**

#### **1. WIC/FSP Information Sharing**

- a. An information sharing agreement between the WIC State agency and the FSP is in effect, as per FNS Instruction 906-1 or other FNS guidance, and is maintained at the State agency:**

☒ Yes ☐ No

**If yes, an updated list of authorized vendors is sent to the FNS field office:**

- ☒ Once a year  
☒ Regularly, at intervals of less than one year (specify):  
☐ Periodically, as changes occur  
☒ Upon request  
☐ Other (specify):

- b. State agency compliance investigators coordinate their activities with their FSP counterparts:**

☐ Yes ☒ No

- c. State statute, regulations, or procedures restrict the disclosure WIC vendor and FSP retailer information to those permitted under 7 CFR 246.26(e) and (f):**

☒ Yes (specify):  
☐ No

**ADDITIONAL DETAIL: Vendor Management Appendix  
and/or Procedure Manual (cite): 8.07**

## **I. VENDOR MANAGEMENT**

### **I. Staff Training**

- 1. Check below the routine formal training available to State and local level staff in vendor management practices:**

<b>State</b>	<b>Local</b>	<b>Other (contractor)</b>	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Vendor selection and authorization
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Vendor training
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Routine monitoring
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Compliance investigations
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Inventory audits
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Corrective actions and sanctions
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Criminal investigations
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Vendor appeals/administrative reviews
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Federal and/or State WIC regulations
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Prevention of vendor fraud and abuse
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	WIC/Food Stamp information sharing
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	High-risk vendor identification
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Vendor management information system

☐ Not applicable

☒ Other (specify): There is no formal training for VMU Staff, as the above functions are all restricted to State Level. At the State Level, training is accomplished via meetings, review of regulations and on-the-job training. No formal training classes have been designed. At the local level, staff are rarely used, except for price and availability surveys.

- 2. State agency staff meet with vendor representatives as part of a vendor advisory council:**

☐ Monthly

☒ Quarterly

☐ Other frequency:

☐ No vendor advisory council

**ADDITIONAL DETAIL: Vendor Management Appendix and/or Procedure Manual (cite):**