PERFORMANCE COMPLIANCE

Pursuant to federal regulations, Georgia WIC is required to monitor all vendors for possible violations of the Georgia WIC Program's rules, regulations, policies or procedures. Program integrity is further maintained by WIC program representatives that monitor the use and handling of WIC benefits. The Georgia WIC Program utilizes multiple methods to monitor vendors and determine possible violations, including covert compliance investigations and routine monitoring visits to the store location. Any violations that are found will result in the imposition of sanctions (See "Sanction System").

Compliance with Georgia WIC policies and procedures is determined using the following methods:

1. Covert (undercover) compliance investigations
2. Overt announced and unannounced monitoring visits
3. Inventory / Record audits
4. Research and analysis of programmatic data, files, and reports.

Covert Compliance Investigation

Vendors will not receive prior notice when a covert investigation has been scheduled. A vendor will not be advised of any violation that is discovered while the investigation is ongoing unless the violation requires proof of a pattern. In such cases, the vendor will receive written notice of the violation prior to documenting a second violation, unless Georgia WIC determines that notifying the vendor would compromise the investigation.

Vendors will receive notification of all results including violations **after** the investigation is considered closed by the WIC Program representatives.

Vendors may be identified for covert compliance investigations via:

- research of programmatic reports and vendor databases, such as high risk reports and redemption activity;
- vendors who have been reported for potentially violating program policies; or
- random selection if less than five (5) % of vendors are high risk;
- if the total number of vendors that are identified as high risk is greater than five (5) %, the investigations of those high risk vendors will be prioritized based on which indicators are flagged.

Overt Monitoring

Representatives of the federal or state agencies may conduct announced and unannounced overt monitoring visits any time that the store is open for business. All records must be available for review by the representative of the agency upon request.

Audits

Georgia WIC may conduct record or inventory audits on any vendor at any time. Vendors are required to maintain inventory records for the three (3) prior years plus the current year, and make these records available to authorized WIC representatives. Inventory audits will include the examination of food invoices or other proofs of purchase to determine whether a vendor has purchased sufficient quantities of supplemental foods to provide WIC customers the quantities specified on food instruments redeemed by the vendor during a given period of time.

Acceptable Records of Inventory

An acceptable record of inventory is a purchase invoice from a wholesaler or supplier. Purchase invoices should reflect the name and address of the wholesaler or supplier, date of the purchase, list of the items purchased, size, stock number, quantity, unit price and total dollar amount for the quantity purchased. Itemized cash receipts must include the name and address of the store or a code number by which the store can be identified, the date of purchase, description of the items purchased, unit price and total purchase price. Itemized cash receipts that do not completely describe the item should have a computer code that can be verified by calling the store manager. Affidavits or oral statements are not acceptable as proof of inventory. During an audit, the vendor must supply Georgia WIC or its representative with documentation of pertinent records upon request.

An authorized WIC vendor must certify that it purchases infant formula only from sources identified on the Georgia WIC Program list of approved suppliers. The certification includes producing retained invoices, copies of purchase orders, receipts or any other proofs of purchase that clearly outline all purchases were made from an approved suppliers on the list at the time of purchase. Proofs of purchase should detail, at a minimum:

1) preparation entirely by the supplier from whom the WIC vendor makes the purchase
2) the name of the seller
3) the name of purchaser (WIC vendor)
4) date of purchase
5) date vendor received merchandise at the store (if different from the date of purchase)
6) a description of each formula purchased, to include brand name, unit size, unit price, type or form and quantity.

A vendor must retain all records of purchases, gross sales receipts, and invoices for all authorized supplemental foods stored at any of its locations or that are otherwise under the vendor's control for a period of three (3) previous years plus the current year. Upon request, the vendor shall make available the records to Georgia WIC. If any litigation, claim, negotiation, audit, or other action involving the

records has begun during the three-year period, the vendor shall keep the records until all issues have been resolved.

A Georgia WIC program representative may request proof of purchases via a compliance visit, a written or verbal request.

A vendor shall be given a specific timeline (generally 14 to 21 days) to submit purchase invoices to the Program. The vendor's failure to retain and provide purchase invoices to the Program upon request or within the period specified, is subject to a sanction and can lead to an authorized WIC vendor's disqualification from the Georgia WIC Program.

If acceptable purchase invoices do not support amounts paid to the authorized vendor for WIC food instruments submitted to the Program, the Program shall recover monies overpaid to the retail vendor.

Programmatic Reports and Database

The WIC Program will review data from specific programmatic reports or databases to identify vendors who may be out of compliance. For example, if a vendor is out of compliance due to overpricing, notification will be given to the vendor to provide an opportunity to reimburse Georgia WIC for the excess amount charged. Failure to repay will result in a program sanction (see "Sanction System").

Programmatic reports will also be generated to determine if a vendor is accepting food instruments outside of what is permissible for their peer group. As an example, a pharmacy vendor's redemptions will be assessed to determine if the location is accepting food instruments other than those for exempt or special infant formulas, including medical foods. Failure to comply shall result in termination of the vendor agreement for cause.

Overall, Georgia WIC monitors all authorized vendors based on established high risk criteria to ensure that vendors remain in compliance with regulations, policies and procedures throughout their agreement period.

High Risk Identification

Georgia WIC must identify high-risk vendors at least once a year using criteria developed by the USDA and the Georgia WIC program. Georgia WIC will utilize a point ranking system to identify and rank vendors at high risk for WIC Program abuse.

Vendor monitoring takes place through the review of food transaction procedures, redemption patterns, and representative on-site visits. Compliance investigations will be conducted on vendors identified as high-risk.

Conflict of Interest

Conflict of interest is prohibited between the Program and the vendor or retailer, as well as the local agency and the vendor. A conflict of interest exists when there is a pecuniary relationship between the vendor and the Program or the local agency. Additionally, a conflict of interest also exists when relatives serve WIC participants. Georgia WIC shall terminate the vendor agreement if the Program identifies a conflict of interest between the vendor and the Program or its local agency representatives.

To ensure the integrity of the WIC Program, both of the Vendor Management oversight functions shall ensure that no undeclared conflict of interest or the appearance of a conflict of interest exists for any employees of the Office of Vendor Management (OVM) and the Department of Public Health (DPH) Office of the Inspector General (OIG). Both offices shall ensure that no conflict of interest exists between their personnel and authorized retailers. A conflict of interest will be deemed to exist when an employee of a vendor oversight function is also a worker, owner or has relatives who work at or own a WIC approved retailer/vendor.

WIC OVM and OIG employees shall not engage in any activities which creates a conflict of interest between the employees' assigned functions and any other interests or obligations or those of immediate family members or business associates.

WIC OVM and OIG employees shall not engage in activities which violate federal or state laws, WIC Policies, or which, in any way, diminish the integrity, efficiency, or quality of the WIC Program.

WIC OVM and OIG employees shall not perform their official duties in a manner that would result in preferential or discriminatory treatment to any applicant or authorized vendor.

WIC OVM and OIG employees shall not, directly or indirectly, ask for, give, receive, or agree to receive any compensation, gift, reward, or gratuity for performing, omitting, or deferring the performance of any job related duties.

WIC OVM and OIG employees shall not abuse, misuse, or disclose confidential information in a manner that can result in a direct benefit to employee or immediate family member or business associate.

WIC OVM and OIG employees must refrain from directing or recommending that a WIC participant choose or stay away from a specific vendor/retailer to redeem benefits.

WIC OVM and OIG employees must refrain from knowingly making a decision intended to benefit or to disadvantage a specific authorized WIC vendor/retailer.

An owner or spouse of an owner of a WIC authorized vendor is prohibited from being concurrently employed by WIC.

All conflicts of interest issues or complaints shall be reported directly to the DPH Office of Human Resources.

Complaints

Georgia WIC must have procedures in place to capture, document and resolve all complaints from applicants, participants, parents or caretakers of infants and children, proxies, retailer/vendors, staff and general public. Complaints of civil rights discrimination must be handled in accordance with 7 C.F.R. § 246.8(b).

The Georgia WIC Office is very concerned about all forms of program abuse and takes all complaints seriously. WIC customers are not allowed to verbally abuse retail store employees or violate the proper procedures for processing food instruments or cash value vouchers. Equally, WIC authorized vendors are held accountable for observing the program's policies, procedures and honoring the terms of the vendor agreement. The Georgia WIC Program provides a toll-free (in Georgia) customer service hotline (1-866-814-5468) that WIC vendors and participants may call to report complaints/incidents or to make inquiries. The participant may also contact their local WIC clinic to voice any complaint/incident.

The local agency must complete a complaint/incident form and begin the resolution process on all complaints from a WIC participant concerning a vendor. Once a complaint/incident is initiated at the local level, correspondence or contact is made with the State WIC office for additional processing. Resolution, at the State agency, will be initiated within twenty-four (24) hours of receipt. The local agency will receive notification regarding how and when the complaint/incident was resolved.

Participant Complaints

Authorized WIC vendors are encouraged to report all participant complaints to the Georgia WIC State Office. Examples of participant complaints include, but are not limited to:

- adverse treatment of a vendor's owner, manager or employees;
- use of altered WIC food instruments (i.e., changing dates, names, or food amounts);
- purchase or attempted purchase of unauthorized foods with WIC food instruments;
- persistent attempts to purchase larger quantities of an authorized supplemental food item than listed on a WIC food instrument;
- transaction of WIC food instruments outside of the valid period;
- transaction of WIC food instruments at an unauthorized vendor;
- sale of WIC food instruments or other Food and Nutrition Service (FNS) authorized coupons;
- transaction of WIC food instruments by a person not listed on the Georgia WIC Program ID Card (WIC ID).

Vendor Complaints

Vendor complaints are those complaints filed by WIC participants or others concerning an authorized WIC vendor. Examples of vendor complaints include, but are not limited to:

- adverse treatment of a WIC participant by a vendor's owner, manager or employee;
- charging more to WIC participants than other customers;

- providing outdated or spoiled food items;
- refusal to accept manufacturers' coupons, or other store discounts; and
- Inadequate variety and/or quantity of WIC-authorized supplemental food items.

The Georgia WIC Program will take the appropriate follow up action on all complaints received.

Responding to/Resolving Participant Complaints:

Vendors may file a complaint against a WIC participant/proxy by calling the Customer Service Hotline or by contacting the Office of Vendor Management by mail. The Office of Vendor Management will refer the participant complaint to the Office of Program Integrity and Strategy for follow up and resolution.

Responding to/Resolving Vendor Complaints:

The Office of Vendor Management will accept, investigate, take the appropriate follow up action and resolve all reported vendor related complaints.

Resolution Process for complaints against Vendors:
The WIC Vendor location identified in a complaint will be contacted by a representative of the Georgia WIC Program within one (1) business day of receipt of a complaint. The following steps will be taken:

- Discuss the specific details of the complaint;
- Provide technical assistance (if applicable);
- Request that vendor research the complaint and develop a corrective action plan for resolution, i.e.
  - Train employees
  - Contact complainant (if permitted)
  - Proactively correct non-compliance complaint.
- Where a complaint cannot be investigated and resolved within the same business day, the Georgia WIC Program representative will request a response from the vendor in two (2) business days or less confirming a final disposition where the corrective action plan has been completed as agreed upon.
- After complete resolution has taken place, all parties involved are contacted to ensure satisfactory resolution has taken place.
- The details of the complaint and its final disposition will be formally documented and can result in additional program follow-up, depending on the nature of the complaint.

A vendor may be investigated when a complaint/incident appears to be a sanction-able offense. Follow-up efforts and a final disposition may result in compliance visits, warning letters and notice of sanction-able offenses.

Complaints of Civil Rights Violations

Complaints of Civil Rights violations will be handled in accordance with Federal Law and the **Department of Agriculture (USDA) policy.** The policy states:

The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the bases of race, color, national origin, age, disability, sex, gender

identity, religion, reprisal and, where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or if all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Compliant Form, found online at http://www.ascr.usda.gov.complaint_filing_cust.html or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442, or email at program.intake@usda.gov.
Individuals who are deaf, hard of hearing, or have speech disabilities and wish to file either an EEO or program complaint pleased contact USDA through the Federal Relay Service at (800) 877-8339 or (800) 845-6136 (for Spanish).

The Office of Vendor Management will document all received complaints. If the referral is participant related, the complaint will be referred to the Office of Program Integrity and Strategy for follow up and resolution.

All vendor complaints will be handled as outlined in "Vendor Complaints" and a final report will be provided to the USDA.

Confidentiality of Retailer Information

The State of Georgia strongly supports public access to records in an effort to promote transparent and open government, and, thus, finds that public records should be made available for public inspection without delay, except when specifically required by federal statute or regulation to be kept confidential.

The federal statute and regulations governing the administration of the Georgia WIC Program requires that confidential vendor information not be disclosed. Confidential vendor information is any information about a vendor (whether it is obtained from the vendor or another source) that individually identifies the vendor, except for vendor's name, address, telephone number, Web site/email address, and vendor type and authorization status. The Georgia WIC Program will apply the same limitations to the use and release of information obtained from USDA-Supplemental Nutrition Assistance Program (SNAP) regarding SNAP retailers, whether or not the retailer is a WIC retailer. Except as otherwise permitted by this section, the Georgia Women, Infants and Children Program must restrict the use or disclosure of confidential vendor information to:

(1) Individuals directly connected with the administration or enforcement of the WIC Program or the Georgia Department of Human Services – Supplemental Nutrition Assistance Program (SNAP) or whom Georgia WIC Legal Unit determines have a need to know the information for purposes of these programs.

(2) Individuals directly connected with the administration or enforcement of any Federal or State law or local law or ordinance. Prior to releasing the information to one of these parties (other than a Federal agency), Georgia WIC must enter into a written agreement with the requesting party specifying that

such information may not be used or disclosed except for purposes directly connected to the administration or enforcement of a Federal, or State law; and
(3) a vendor that is subject to an adverse action, including a claim, to the extent that the confidential information concerns the vendor subject to the adverse action and is related to the adverse action.

WIC Vendor Agreement

The State of Georgia WIC Vendor Agreement defines the roles and responsibilities of authorized retailers. By reference this WIC Vendor Handbook is made part of the Vendor Agreement and the policies and procedures outlined in this handbook are an integral part of the Vendor Agreement. The Vendor Agreement, Vendor Handbook, federal regulations, and policy letters outline Georgia WIC Program policies and procedures that must be met by each authorized vendor location.

Georgia WIC may terminate the Vendor Agreement with an authorized vendor by providing fifteen (15) days advance written notice. The vendor may terminate the Vendor Agreement by providing twenty-one (21) days advance written notice. The parties shall not be released from the duty to perform their obligation up to the date of termination. Neither Georgia WIC nor the authorized vendor location has an obligation to renew the Vendor Agreement.

Vendor Agreement Renewal (Reauthorization) and Amendments

Prior to the end of an agreement period, as assigned by the Georgia WIC Program, the vendor must apply for renewal of the agreement. The reauthorization process requires the completion of re-authorization training (see "Vendor Training"), submission of a new application, submission of all required documentation as outlined in the vendor application as well as meeting &/or exceeding the selection criteria as outlined prior to the end of the current agreement period (see "Vendor Authorization and Participation"). Renewal of the agreement will be based upon both the vendor limiting criteria and vendor selection criteria.

Expiration of a contract or agreement with a grocer or pharmacy is not subject to appeal. Neither the State Agency, nor the vendor has an obligation to renew the contract or agreement.

The vendor agreement may be amended, at any time, at the sole discretion of the Georgia WIC Program. Vendors, who do not accept, sign and return amendments to the agreement, as outlined are subject to expiration of their current vendor agreement after fifteen (15) days' notice.