

## Section II: Local Agency Procedure Manual

### VIII. Local Certification, Eligibility and Coordination

#### D. Participant Fraud, Abuse and Sanctions

##### **Purpose**

Maintaining program integrity ensures WIC Participants continue to receive program benefits.

##### **Policy**

The Montana WIC Program will implement appropriate sanctions when it is determined that a participant, caretaker, parent, authorized representative or proxy is found to have committed an identified fraud/abuse of the Program. Standard and uniform procedures will be applied as described in this policy.

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#### **1. Participant Violations**

- According to 7 CFR 246.2, the definition of a participant violation is ‘any intentional action by a participant, parent or caretaker of an infant or child participant, or proxy, that violates Federal or State statutes, regulations, policies, or procedures governing the Program’ which includes the following:
  - Intentionally making false or misleading statements or intentionally misrepresenting, concealing, or withholding facts to obtain program benefits;
  - Dual participation, which is participating in and redeeming food benefits from 2 or more WIC programs, or Commodities Supplemental Food Program (CSFP) and WIC during the same time period;
  - Exchanging cash-value vouchers, food instruments or supplemental foods for cash, credit, non-food items, or unauthorized food items, including supplemental foods in excess of those listed on the participant’s food instrument;
  - Threatening to harm or physically harming clinic, farmer or vendor staff;
  - Sale, donation or exchange of WIC issued and owned multi-user breast pumps;
  - Stealing WIC benefits from a local WIC program or WIC participant;
  - Intentionally violating any aspect of program Rights and Responsibilities or policies.

#### **2. Participant Sanctions**

- Mandatory disqualification for one year is required when:
  - The State agency assesses a claim of \$100 or more;
  - Assesses a claim for dual participation; or,
  - Assesses a second or subsequent claim for any amount
- Exceptions to mandatory disqualification include:
  - Full restitution or payment is made on a claim from the state by the participant or their caretaker within 30 days of receipt;
  - A schedule or payment or restitution is agreed upon within 30 days of receipt of claim;

- In the case of an infant, child or participant under age 18, the State or Local Agency approves of a change in Authorized Representative
- A participant may re-apply to the Program prior to the 1-year timeline of disqualification if any of the above exceptions are implemented
- Dependent on the severity of the incident, the State may authorize the use of a 'warning' to a participant prior to implementing a sanction outlined here
- Sanctions for all violations, as determined by federal regulation or by the State WIC Program, are outlined in section 5 of this policy
- The local agency will follow procedures for handling complaints of fraud and abuse in collaboration with the State Office prior to taking any actions with a participant

### **3. Procedures for handling complaints and/or detection of potential fraud and abuse by participants**

- Any WIC staff may accept complaints of potential fraud/abuse of any participant or their caretaker/representative or proxy
  - The *Program Complaint Form* will be completed to document all information available and submit to the WIC State Office for review
- The State Office, in collaboration with local staff, will perform standard and ad hoc review of charts, data reports, and online sites (such including marketplace and social media) to detect fraudulent activities
  - If a fraud/abuse activity is detected through these means, staff will document the circumstance on the *Program Compliance form* and send to Program Integrity staff at the State Office
- Complaint will be thoroughly reviewed at the State Office
  - All complaints will be logged for tracking purposes
    - If a complaint contains any potential civil rights compliance issues, this complaint will be routed appropriately according to policy XI. Local Civil Rights/A. Civil Rights/Non-Discrimination and Complaints policy
  - State Staff will review any and all available information to validate the complaint
    - State staff may request assistance from local agency staff if further information is needed from the participant
    - If certification data is in question, a review of the chart and all supporting documentation will be completed
    - Issuance and redemption data will be reviewed to determine if a claim for repayment is necessary
  - Conclusions of the review will be documented by State staff on the log of complaints and on the *Program Compliance Form*.
    - Local Agency staff will receive the *Program Compliance Form* which will include instruction on next steps (warning/counseling or disqualification)



Abuses	Offense	Sanctions
Dual Participation*	1 <sup>st</sup>	Twelve-month disqualification
Receipt of, or attempt to receive, cash or credit toward unauthorized food or other item of value in lieu of authorized supplemental foods from a retailer*	1 <sup>st</sup> 2 <sup>nd</sup>	Education & Warning Letter Twelve-month disqualification
Threatening to harm or physically harming clinic, farmer or vendor staff*	1 <sup>st</sup>	Twelve-month disqualification
Attempt to sell, sale or donation or exchange of WIC issued and owned multi-user breast pumps	Any	Warning/Educational Counseling will be conducted if the incident did not result in loss of property  Re-payment of value of pump to the WIC program within 30 days of claim  Local Agency report to law enforcement
Verbal abuse or harassment of clinic, farmer or vendor staff	1 <sup>st</sup>  2 <sup>nd</sup>	Education and warning letter (change of retailer/authorized representative/proxy may also be appropriate)  Twelve-month disqualification