

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 procedures will be applied as described in this policy.

1. Participant Violations

- Pursuant 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 (selling WIC benefits).
 - 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:
 - 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 (e.g. social media) to validate the information provided.
 - 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.
- Complaints 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 handled appropriately according to policy XI. Local Civil Rights/A. Civil Rights/Non-Discrimination and Complaints policy.
 - State Staff will review 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)
 - ❖ If a disqualification is necessary, the *Notice of Ineligibility* will be used; at least 15-days of benefits will be issued and then termination in the system will be effective.
 - All participants will be advised of their right to a Fair Hearing using this process.
- If collection of intentional mis-used benefits, or re-payment for lost property (such as pump) is necessary, the State Office will initiate the claim.
 - ❖ The State Office will document on the *Participant Compliance Form* and scan into the participant chart and document in the Complaint log.
 - All participants will be advised of their right to a Fair Hearing using this process.
 - ❖ Claims for restitution (re-payment) will be paid by participant or responsible caretaker within 30 days of claim receipt.
 - ❖ A payment schedule may be agreed upon by the Participant/caretaker and the State Office.
 - ❖ If re-payment is not received within 30 days, and a payment schedule is not agreed upon, the State will pursue collections for all claims \geq \$100
 - Cost of contract formula will be considered based on net cost to the program after manufacturer rebate.

Abuses	Offense	Sanctions
Verbal abuse or harassment of clinic, farmer, or vendor staff	1 st	Education and warning letter (change of retailer/authorized representative/proxy may also be appropriate)
	2 nd	Twelve-month disqualification