

Section III: State Agency Procedure Manual

I. State Vendor and Farmer Management

H. State Program Violations

Purpose

Standardized state program violations and repercussions ensure program integrity.

Policy

State program violations include incidences of non-compliance of vendor selection criteria and/or vendor agreement provision. This policy defines those violations, and their corresponding corrective action schedules.

1. Retailer Noncompliance

- All selection criteria and vendor agreement provisions must be maintained throughout the term of the agreement and the Montana WIC Program reserves the right to terminate vendor agreements for cause. This is determined in a standardized manner applied to all vendors based on the violations outlined in this policy.
- The repercussions for the violations in this policy are defined by the occurrences of the violations.
 - An occurrence of a violation is an isolated incident that occurs at one point in time.

2. Class 1 State Program Violations

- The following violations are considered Class 1:
 - Failure to maintain minimum stock of WIC foods as identified outside of a routine monitoring visit.
 - Purchasing infant formula from a source not on the “Infant Formula Wholesalers/Distributors/Retailers/Manufacturers” list.
 - Participating in a conflict of interest between WIC staff, either state or local, and vendor staff.
 - Failure to extend the same courtesies to WIC customers as all other customers.
- Class 1 violations will result in the following corrective action schedule:
 - *First occurrence* – The retailer will receive a written or verbal notification of the violation and complete a Corrective Action Plan (CAP) to address the violation.
 - *Second occurrence of the same violation within one calendar year of the first* - The retailer must attend mandatory training with WIC staff.
 - *Third occurrence of the same violation within one calendar year of the first* - The retailer’s agreement may be terminated at the discretion of the MT WIC Program. If there is a participant access issue the vendor may be required to complete an additional CAP within (30) days of the notice of a fourth occurrence in lieu of

termination. If the vendor agreement is terminated the MT WIC program will specify the time-period for termination at its discretion, up to 12 months.

3. Class 2 Program Violations

- The following violations are considered Class 2:
 - Failure to give access to the WIC program requested documentation for auditing purposes.
 - Failure to allow in-store visits by WIC representatives.
 - Intentional failure to provide WIC customers with the same promotions as all other customers.
- Class 2 violations will result in the following corrective action schedule:
 - *First occurrence* – The retailer will receive a written and verbal notification of the violation must attend mandatory training with WIC staff.
 - *Second occurrence of the same violation within one calendar year of the first* – The retailer must complete a CAP within thirty (30) days of the notice.
 - *Third occurrence of the same violation within the same calendar year of the first* – The retailer's agreement may be terminated at the discretion of the MT WIC Program. If there is a participant access determination the vendor may be required to complete an additional CAP and attend training within (30) days of the notice in lieu of termination. If the vendor agreement is terminated the MT WIC program will specify the time-period for termination at its discretion, up to 12 months.