

**I. VENDOR and FARMER MANAGEMENT****TABLE OF CONTENTS**

<b>I. VENDOR MANAGEMENT .....</b>	<b>3</b>
Description of Vendor Management Section.....	3
Retail Food Delivery System .....	3
Staff.....	4
Coordination .....	5
Functional Areas .....	5
Vendor Population .....	5
<b>A. VENDOR SELECTION AND AUTHORIZATION .....</b>	<b>6</b>
1. Number and Distribution of Authorized Vendors .....	6
2. Vendor Application Period .....	7
3. Vendor Selection and Authorization.....	8
4. Vendor Peer Groups.....	12
5. Vendor Agreements .....	13
<b>B. TRAINING OF VENDORS .....</b>	<b>14</b>
1. Vendor Training - General.....	14
2. Delegation of Vendor Training.....	15
3. Documents for and Documentation of Vendor Training .....	15
<b>C. HIGH RISK IDENTIFICATION SYSTEM .....</b>	<b>16</b>
1. Vendor Complaints .....	16
2. Identifying High-Risk Vendors.....	16
<b>D. ROUTINE MONITORING .....</b>	<b>16</b>
1. Routing Monitoring Visits .....	16
<b>E. COMPLIANCE INVESTIGATIONS.....</b>	<b>18</b>
1. Investigative Practices .....	18
2. Compliance Buys .....	18
3. Estimate cost for conducting compliance buys.....	21
4. Inventory Audits .....	21
5. Compliance Buys/Inventory Audit Tracking System(s).....	21
<b>F. VENDOR SANCTION SYSTEM.....</b>	<b>21</b>
<b>G. ADMINISTRATIVE REVIEWS OF STATE AGENCY ACTIONS .....</b>	<b>22</b>

**I. VENDOR and FARMER MANAGEMENT**

1. Types of Reviews.....	22
2. Administrative Review Procedures.....	24
<b>H. COORDINATION WITH THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP) .....</b>	<b>28</b>
1. WIC/SNAP Cooperative Agreement .....	29
<b>I. STAFF TRAINING ON VENDOR MANAGEMENT .....</b>	<b>29</b>
<b>J. VENDOR OR PARTICIPANT INCIDENT REPORT .....</b>	<b>29</b>
<b>K. PARTICIPANT'S VENDOR EDUCATION .....</b>	<b>31</b>
<b>L. DEFINITIONS .....</b>	<b>31</b>
<b>M. FOOD PACKAGE RULE – CASH VALUE BENEFITS (CVs) .....</b>	<b>32</b>

**APPENDICES**

- Appendix A - Vendor Participation Agreements (FY-2019 to FY- 2021) (Samples of current, amended, retail stores and military commissaries)
- Appendix B - Guam WIC Program Approved Foods List (Revised 3/24/2022)
- Appendix C -- Routine Monitoring form 2 (Revised 6/14/2021)
- Appendix D – GUAM WIC Vendor Management Compliance Investigation: Inventory Audit Procedure Manual
- Appendix E – Infant Formula Authorized Sources (Revised 6/18/2020)
- Appendix F – Semi-Annual WIC Vendor’s Food Price List (Revised 4/26/2021)
- Appendix G – Guam WIC Minimum Variety and Quantity Requirements (and Exclusions) of WIC Authorized Foods (Revised 4/26/2021)



## I. VENDOR and FARMER MANAGEMENT

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### I. VENDOR MANAGEMENT

The Vendor Management Section of the Guam WIC Program is responsible for overseeing all functions associated with vendor selection and authorization, routine monitoring, training, compliance investigations, vendor sanctions, appeals and administrative hearings of approved vendors in the retail food delivery system. This section provides guidelines and procedures to be followed to carry-out all Vendor Management functions.

WIC vendors are critical partners in the delivery of WIC benefits. Much of WIC's success is directly credited to the vendor's and participant's compliance. The integrity of the transaction between a WIC vendor and a WIC participant is essential. It is only when the WIC food benefits are exchanged for the specific foods that the desired dietary supplementation can be achieved. WIC approved vendors act as the participant's final step in the WIC food delivery process.

#### **DESCRIPTION OF VENDOR MANAGEMENT SECTION**

- **Retail Food Delivery System:** The Guam WIC Program operates a uniform retail food delivery system.

Since March 27, 2018 has now implemented Electronic Benefit Transfer or EBT. WIC food benefits (including cash value benefits or cvbs) are no longer printed on negotiable food instruments (including cash value vouchers) but are now loaded into an EBT account or eWIC card issued to WIC participants along with a PIN number. At WIC clinics, clients are issued eWIC cards and given a printed Family Balance Summary receipt which identifies the cardholder's name and ID number; one month's benefits, certification period and expiration date; Quantity; Unit of Measure; and amount for cash value benefits.

WIC clients can also access their benefits through the downloadable EZ WIC app (24/7 assistance); Web portal at <http://www.ebtedge.com>; Interactive Voice Response (IVR) at 1-877-3082 (toll free) or contact any Guam WIC clinic. The EZ WIC app also allows WIC clients scan food items at authorized WIC stores to see if they are WIC authorized. WIC clients can also request a copy of their benefits balance at any of the WIC authorized stores (at no cost).

Lost or stolen eWIC cards. If found, cards can be sent to the address on the back of the card (Guam WIC clinic); If stolen, the WIC client must call any one of the WIC clinics or 1-877-216-3082 to report them. WIC clients can also call the 1-877-216-3082 number should their PIN be locked or need to reset.

Redeemed food benefits are deposited into the WIC vendor's account the following day or the next working day before and after a weekend.



## I. VENDOR and FARMER MANAGEMENT

- **Staff:** The Vendor Management Section is composed of one Program Coordinator III, who performs vendor activities on a full-time basis and one Program Coordinator II who assists with vendor activities when not coordinating the activities of the WIC Farmers' Market Nutrition Program.
- The Program Coordinator III serves as the Vendor Management Coordinator. The responsibilities for this position include:
  - a. Selection and Authorization of Vendors.
  - b. Compliance Investigations.
  - c. Monitoring and training of authorized vendors.
  - d. Analysis of vendor price lists and redemption data.
  - e. Policy development concerning the vendor community.
  - f. Overcharge billings.
  - g. Vendor Appeals and Hearings.
  - h. Complaints on Vendors.
  - i. Development of vendor education materials.
- The Program Coordinator II assists the Vendor Management Coordinator. The responsibilities for this position include:
  - Preparation and coordination of open enrollment applications forms, correspondence, print media announcements or other materials needed in conducting the vendor open enrollment and application for selection and authorization of food vendors, every three years. This includes announced and unannounced pre-authorization visits to store locations of vendor applicants.
  - Coordination with the Division of Environmental Health and SNAP (local and off-island) and the USDA Food and Nutrition Service office, and other resources (i.e. STARS II federal database) to obtain or provide documents/reports regarding vendors' sanitary health inspections, Food Stamp Program data of current or potential WIC vendors, warning letters, sanctions, etc.
  - Preparation of training packets, correspondence or materials needed to conduct training sessions of WIC vendors/cashiers.
  - Gathering and price verification of WIC food items, checks on the inventory stock and expired WIC food items of authorized WIC vendors as part of the routine vendor monitoring and the open enrollment retail visit review under the Vendor Management section, and submit gathered data to the Vendor Management Coordinator.
  - Preparation, update and provision of semi-annual vendor food price list form to all WIC authorized vendors.
  - Receipt and recordation of vendors' prices for WIC food package costs data for each WIC authorized vendor in the computer system and/or spreadsheet program (i.e. Excel).



## I. VENDOR and FARMER MANAGEMENT

- Preparation, computation and maintenance of food benefits and food package costs of authorized WIC vendors and retail applicants individually and in peer groups.
- Preparation and updates of the approved food listing, forms, and other print materials as well as the distribution and use by program participants, authorized vendors and the vendor management staff.
- Review of computer vendor data reports, bank redemption reports, and food package cost data to assist in identifying food benefits overcharged by WIC vendors, and submit listings of overcharged food drafts to the Vendor Management Coordinator.
- Reporting such discrepancies to the Vendor Management Coordinator.
- Preparation and transmission of food benefits reported as either lost and found, returned and unpaid, questionable or invalid, plus participant identification cards and other documents to the WIC administrative office or clinic staff for appropriate action and disposition. Includes receiving calls and retrieving lost and found WIC identification.
- Maintenance of files and records of the Vendor Management section.
- Composition of correspondence (to local/federal entities/individuals) for the Program Coordinator IV's, Administrator's, Director's, and/or Governor's signature regarding FMNP activities;

The Guam WIC Program Coordinator IV (serves as the Vendor Manager) supervises the activities of the Program Coordinator III and Program Coordinator II and provides guidance and assistance to ensure all aspects of the Vendor Management Section are run effectively and efficiently.

- **Coordination:** All issues, concerns and problems, regarding the vendor population of the Guam WIC Program will be coordinated through the WIC Program Vendor Management Coordinator.
- **Functional Areas:** A) Vendor Selection and Authorization; B) Vendor Training; C) High-Risk Identification Systems; D) Routine Monitoring; E) Compliance Investigations; F) Vendor Sanction System; G) Administrative Review of State Agency Actions; H) Coordination with the SNAP (Food Stamp) Program; I) Staff Training on Vendor Management.
- **Vendor Population:** The Guam WIC Program will determine the number of authorized Retail Vendors.

Data - The Guam WIC Program utilizes the caseload from each WIC clinic to set the optimum number of vendors for a given area. The WIC clinics are found in the following regional areas:



## I. VENDOR and FARMER MANAGEMENT

Dededo Clinic - Northern Region  
Tiyan Clinic - Central Region  
~~Mangilao Clinic - Central Eastern Region~~ (closed due to fire incident in 2019)  
Inarajan Clinic - Southeastern Region  
Santa Rita Clinic - Southwestern Region

The various WIC clinics collect residence data from participants upon enrollment into the WIC Program.

### A. VENDOR SELECTION AND AUTHORIZATION

The Guam WIC Program, under the authority of the Child Nutrition Act of 1966 and 7 CFR Part 246, §246.12 (g) of the USDA Food and Nutrition Services regulations, limits the number of stores it authorizes. The program authorizes an appropriate number and distribution of vendors in order to ensure adequate access to supplemental foods and to ensure Program staff can effectively manage, oversee, and review its authorized vendors.

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

- a. The Guam WIC Program utilizes vendor limiting criteria to determine the maximum number and distribution of vendors it authorizes, pursuant to §246.12(g)(2). This criteria is applied State-wide. The number of vendors in a given service area is limited, based on the number of WIC participants in a region. An anticipated caseload per service area will determine the maximum number of retail stores to be authorized in the Program.
- b. The system includes the following:

Participant to Vendor Ratio: The Guam WIC Program utilizes the average number of participants from the previous fiscal year, times the anticipated growth rate of 3% for the next three fiscal years, add the amount of growth to the average number of participants and divide by 500 participants per vendor to arrive at an adequate number of vendors to service the Guam WIC Program. Exception to this is that upon authorization and selection through a vendor open (or special) enrollment where WIC vendors have scored exceptionally high and that a tie-breaker would result in additional administrative hardship.

Vendors to Geographic Area Ratio: The Guam WIC Program utilizes the participant caseload percentage per region (Northern, Central and Southern). Upon the event that there are two or more vendors in the same region located within 2 - 3 miles of each other, only one will be selected. Unless participant caseload deems otherwise necessary, or in the event there are no other applicants outside the 3-mile radius for selection in that region, or upon authorization and selection through a vendor open (or special) enrollment where WIC vendors have scored exceptionally high and that a tie-breaker would result in additional administrative hardship.



## I. VENDOR and FARMER MANAGEMENT

The regions for Guam have been defined as:

**Northern:** Consists of the villages of Dededo, Harmon, Tumon and Yigo.

**Central:** Consists of the villages of Hagåtña, Agana Heights, Anigua, Adelup, Asan, Barrigada, Chalan Pago, Maina, Mongmong, Toto, Maite, Mangilao, Ordot, Sinajana, and Tamuning.

**Southern:** Consists of the villages of Umatac, Merizo, Inarajan, Malojloj, Talofofa, Yona, Agat, Santa Rita and Piti.

Participant to Staff Ratio: The Guam WIC Program has only one staff totally responsible for performing all vendor activities. As regulations stipulate, vendors must be monitored to detect fraud and abuse, and ensure program integrity. To effectively and efficiently conduct all vendor activities with only one staff, the ratio of one staff per 21 vendors is reasonable to accomplish program requirements. The Guam WIC Program will be looking into additional personnel/resources to address the Vendor Management operations should the number of WIC vendors increase.

### 2. Vendor Application Periods

Open Enrollment Period. The Guam WIC Program considers applications every three (3) years for the selection and authorization of vendors during a specific open enrollment period. The Program utilizes standard application procedures which are contained in the vendor application packet. The print media is used to inform all retail food establishments of the open enrollment period for vendor application for selection and authorization as WIC vendors for the next 3-year agreement cycle. A notice will be published in the year when the current agreements with vendors end.

The WIC Vendor Management staff will prepare the public notice announcing the vendor open enrollment period and application requirements with a cover memorandum to the Director of Public Health and Social Services for approval. Any retail establishment interested in applying for authorization must request for a vendor application packet at the Guam WIC Program office in Tiyan, within the specified deadline.

Upon receiving the written request from the retail store, the application packet will be provided. The deadline for submission of all application documents will be published in the same notice when the open enrollment period was publicized.

- a. Application Outside Established Time-frame. Only if the WIC Vendor Management staff determines there will be inadequate participant access to the Program, in concurrence with Program Coordinator IV and/or WIC Director, the Guam WIC Program may accept and process store applications outside of the established 3-year period, including a case in which a previously authorized vendor sells a store under circumstances that do not permit timely notification to the Guam WIC Program of the change in writing.



## I. VENDOR and FARMER MANAGEMENT

The established participant access determination criteria must be used when making inadequate access determinations as defined in the Vendor Participation Agreement in Section III, B, 1I.

For conducting a special enrollment period, the established procedures for conducting a vendor open enrollment period every three years will be used, including the following:

- The vendor limiting criteria shall be used to determine the number and location of stores for selection and authorization.
- A limited number of stores for only the region that has been determined will have inadequate participant access to the Program will be selected and authorized in a special enrollment period.
- A notice will be published in the print media to inform retail stores about the special enrollment period and application requirements, including the geographic need and limited term of the vendor agreement.
- Vendor application packets will be provided only to retail stores located in the region that has been determined will have inadequate participant access to the Program.
- The special enrollment period will run for 30 calendar days and the application pick-up date and submission deadline will be publicized in the newspaper notice.
- The stores selected in a special enrollment period will engage into a Vendor Participation Agreement with the Guam WIC Program for only the period remaining in the current vendor agreement cycle with the stores authorized (less than three (3) fiscal years).

### 3. Vendor Selection and Authorization.

- a. The criteria includes the following categories and requirements for program authorization.

#### (1) Competitive Price

The state agency will use the established vendor peer group system and distinct competitive price criteria for each peer group to evaluate the shelf prices a vendor/vendor applicant charges for supplemental foods as compared to the shelf prices charged by other vendor applicants and authorized vendors. The WIC Program will authorize vendors/vendor applicants selected from among those that offer the program the most competitive prices.

#### (2) Minimum Variety and Quantity of Supplemental Foods

The state agency has established requirements for a minimum variety and



## I. VENDOR and FARMER MANAGEMENT

quantity of authorized supplemental foods except special infant formulas, that vendors/vendor applicants must stock on the shelves at all times in the shopping areas for authorization. The minimums specified for variety and quantity of supplemental foods are required for authorization. (See listing in the Vendor Participation Agreement.)

Also, the state agency has established a food list (Guam WIC Program Approved Foods) that specifically identifies the types, brands, and sizes of supplemental foods approved for WIC participants in Guam to obtain from authorized vendors. Only the specified supplemental foods are allowed. (See attachment for the listing of the Guam WIC approved foods.)

(3) Business Integrity

The state agency will consider the business integrity of vendors/vendor applicants. The state agency will not authorize a vendor/vendor applicant if during the last six (6) years the vendor/vendor applicant or any of the vendor's/vendor applicant's current owners, officers, or managers have been convicted of or had a civil judgment entered against them for any activity indicating a lack of business integrity. Activities indicating a lack of business integrity include fraud, antitrust violations, embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, making false claims, and obstruction of justice.

The state agency will also consider other types of non-compliance actions against vendors/vendor applications as follows:

- A lack of previous WIC program and Food Stamp Program sanctions (warning letter/charge letter/determination letter, monetary fines or civil money penalties, suspensions, disqualifications, etc.)
- A positive compliance history on sanitary health requirements with Division of Environmental Health of the Department of Public Health and Social Services (such as: any low scores on sanitary health permit ratings, previously unmet or current work orders for corrective action, history of temporary closing due to unsanitary conditions, etc.).

(4) Current Food Stamp Program Disqualification or Civil Money Penalty for Hardship

The state agency will not authorize a vendor/vendor applicant that is currently disqualified from the Food Stamp Program or that has been assessed a Food Stamp Program civil money penalty for hardship and the disqualification period that would otherwise have been imposed has not expired.

(5) Certification by the Division of Environmental Health of the Department of Public Health and Social Services (DPHSS)



## I. VENDOR and FARMER MANAGEMENT

The most recent inspection report and current sanitary permit rating issued by the Division of Environmental Health of the Department of Public Health and Social Services for the vendor/vendor applicant must be a grade "A".

(6) Adequate Participant Access and Americans with Disabilities (ADA) Standard

The state agency will ensure adequate participant access to supplemental foods in selecting and authorizing vendors. Vendors/vendor applicants allowing the most convenient access for persons with disabilities will be given priority for selection and authorization. The following ADA standards will be considered: reserved parking space(s) properly designated, access ramp, and sufficient aisle space throughout the store for persons with disabilities.

(7) Hours of Operation

Vendors/vendor applications must have hours of operation that ensures adequate participant access to supplemental foods. Vendors must be open for business at least six (6) days per week, at least nine (9) hours per day including the hours of 9:00 a.m. to 6:00 p.m.

(8) Electronic Benefit Transfer (EBT) or eWIC System

WIC vendors must have equipment that is capable of performing Electronic Benefits Transfer (EBT) or eWIC transactions such as an Integrated Register Systems or Stand- Beside terminals. The equipment must be certified by the Guam WIC Program as well as the current eWIC processor contracted with the Guam WIC Program prior to accepting eWIC transactions. Any hardware or software changes made after being certified must be reported immediately to the Guam WIC Program prior to changes being made and may require a re-certification of the system in order to continue to perform eWIC transactions.

The equipment must support the following types of eWIC transactions:

- a) Balance Inquiry – to provide the WIC card holder with a shopping list to retrieve the balance of the benefit prior to beginning a purchase.
- b) Purchase – to authorize and complete a sale.
- c) Reversal – to partially or completely nullify the effects of a previous purchase transaction and add benefits back to the WIC participant's benefits because the purchase transaction cannot be processed as instructed.
- d) Void – to cancel a previously authorized and completed transaction, resulting in a reversal.
  - All eWIC transactions shall be settled in U.S. Dollar currency only.
  - The equipment must perform split tender processing to allow the card holder to pay the difference when a fruit or vegetable purchase exceeds



## I. VENDOR and FARMER MANAGEMENT

the value of the Cash Value Benefit with an alternate method of payment (i.e. SNAP, cash, debit, credit card.).

- The equipment must be able to generate a receipt at the end of the eWIC transaction, which at a minimum includes, last four digits of the card number of the Primary Account Number (no other digits should be displayed), store name, store address, city, state and zip code, date and time of purchase, store lane, if available, WIC food item identifier (if separate WIC purchase receipt is not provided), benefit expiration date and time, purchased food items including the food item quantity, description and unit of measure, unit cost, total purchase amount, benefits remaining, including the benefit description, quantity and unit of measure, unique transaction identifier or systems trace audit number.
- The Guam WIC Program will not authorize a retail vendor if it cannot successfully demonstrate EBT capability in accordance with program requirements unless the Program determines that the vendor is necessary for participant access.

### NOTE:

This particular criterion will be assessed post pre-authorization visit. The vendor has within three (3) months from the date of selection to ensure that they have equipment in place that is certified by the Guam WIC Program as well as the current eWIC processor contracted with the Guam WIC Program prior to accepting eWIC transactions. The Guam WIC Program will not authorize a vendor applicant who does not meet this requirement unless the Program determines that the vendor is necessary for participant access.

- (9) Supplemental Nutrition Assistance Program (SNAP) Authorization  
Vendor/vendor applicant must be authorized in the SNAP and must provide the state agency with their SNAP authorization number.
- (10) Licensed Supplier for Infant Formula  
Vendors/vendor applicants must obtain infant formula only from the sources on the state agency restricted list of infant formula distributors licensed under Guam law/regulation and manufacturers registered with the U.S. Food and Drug Administration. This applies to primary contract brand and non-contract brand infant formula approved by the state agency.
- (11) Above-50-Percent Vendors  
The state agency will not authorize any “above-50-percent” vendors/vendor applicants unless the Program determines that an above-50-percent vendor/vendor applicant is needed for adequate participant access to supplemental foods. Vendors that derive more than 50 percent of their annual food sales revenue from WIC food benefits, and new vendor applicants expected to meet this criterion under guidelines approved by FNS, are defined as above -50-percent vendors.



## I. VENDOR and FARMER MANAGEMENT

### (12) Prohibition of Incentive Items

The state agency wholly disallows any vendor (regular or above-50-percent) from offering incentive items solely to WIC participants in an effort to encourage participants to redeem their WIC food benefits at those stores. Federal WIC regulations require vendors to offer Program participants the same courtesies that are offered to non-WIC customers. WIC authorized vendors may not treat WIC customers differently by offering incentive items that are not offered to non-WIC customers. Incentive items include, but are not limited to, cash prizes, lottery tickets, transportation, sales/specials (e.g., buy-one-get-one free, free additional ounces, etc.), and other free food or merchandise. Minimal customary courtesies of the retail food trade, such as bagging supplemental food for the participant and assisting the participant with loading the supplemental food into his/her automobile are exceptions.

### Reassessment of Authorized Vendors

The state agency may reassess any authorized vendor at any time during the vendor's agreement period using the vendor selection criteria in effect at the time of the reassessment and will terminate the agreements with those vendors that fail to meet the criteria.

- b. The state agency will not authorize vendors/vendor applicants deriving more than 50 percent of food sales from WIC transactions (above 50-percent vendors).
- c. Onsite Preauthorization Visit  
The state agency will conduct an on-site preauthorization visit of all vendors/vendor applicants to verify information received during the application process, including shelf prices, quality of foods, and the minimum variety and quantity of WIC supplemental foods.
- d. Verification of Supplemental Nutrition Assistance Program Retailer Authorization  
The state agency verifies with the Food and Nutrition Service field office information provided by vendors/vendor applicants regarding the status of their SNAP retailer authorization. Once every 3 yrs. with SNAP Honolulu during WIC Vendor Open Enrollment process and on an as-needed basis with local Guam SNAP office. Also, SNAP status (among others) are also: 1) reviewed during routine monitoring of WIC stores; and 2) received from FNS via email.

### 4. Vendor Peer Groups

- a. Authorized vendors for the Guam WIC Program are assigned to peer groups for selection/authorization as well as reimbursement purposes. Their peer group assignment is currently based on Type of Store using shelf price / redemption data.
- b. Based on the Guam WIC Program's criteria on Peer Grouping, they will be placed



## I. VENDOR and FARMER MANAGEMENT

in groups. The choices provided are: Peer Group “A” – Retail Store and Peer Group “B” – Military Commissary. In the HANDS, the Vendor Type and Peer Group data are entered in the Vendor Mgmt. / Vendor Lookup Data / Demographics screens. For Guam’s retail stores under the HANDS’s Vendor Type is coded “I – Other” and for military commissaries it is coded “G – Commissary”. The Guam HANDS system’s Peer Group code designation for Guam’s Peer Group “A” is “1 – Retail Store Non-Military and for Peer Group “B” it is “9 – Commissary”. The Guam WIC Program currently has **twenty-six (26)** authorized vendors under Peer Group “A” and two (2) under Peer Group B.

A vendor list report of all WIC-authorized (& unauthorized) can be generated through the HANDS Reports / Vendor / Vendor List screens.

- c. Peer groups are not subdivided based on location nor is geography a criterion. The Guam WIC Program has received an exemption from using geography as a peer group.
- d. The Guam WIC Program will assess the effectiveness of its peer group system every three (3) years by using “Vendor Size” as a factor and in particular “Store Type” as its criteria. By using “Store Type” as the criteria we can monitor and examine distinctions between stores such as annual sales data, target populations, food price variations/competitive pricing, line of foods, etc. which should allow us to properly categorize vendor applicants/authorized vendors and ensure pricing of WIC food products are competitive among vendor applicants, and authorized vendors within and between peer groups.

### 5. Vendor Agreements

#### a. Vendor Contracting Practices

The Guam WIC Program utilized a standard Vendor Participation Agreement with all retail stores selected and authorized to participate as WIC vendors. The Agreement is reviewed and approved through the Guam Attorney General’s Office and the USDA Western Region Office.

There is a non-standard vendor agreement used for military commissaries. Military commissaries are authorized WIC vendors based on the Memorandum of Understanding between the United States Department of Agriculture and the Department of Defense, dated March 7, 1983.

The agreement between the authorized vendor and the Guam WIC Program is for three (3) fiscal years or any portion thereof. The Agreement commences on October 1<sup>st</sup> and expires on September 30<sup>th</sup> of the 3-year period. All authorized vendors must enter into a formal written agreement with the Guam WIC Program.



## I. VENDOR and FARMER MANAGEMENT

All currently authorized vendors will be provided advance written notice of the expiration of the vendor Participation Agreement no later than September 15<sup>th</sup>.

- b. The Vendor Participation Agreement contains the following:
  - All clauses required in 7 CFR 246.12(h)(3)(i)-(xxv).
  - Delineation of state agency and Vendor responsibilities, obligations and rights.
  - The periodic submission of semi-annual price lists, or as requested by the state agency.
  - Vendor must be open for business at least six (6) days per week, at least nine (9) hours per day including the hours for 9:00 am to 6:00 pm.
  - The minimum variety and quantity of supplemental foods.
- c. The only authorized individual to bind the government of Guam in any agreement is the Governor. Vendor Participation Agreements are only valid and effective on the day the signature of the Governor of Guam is affixed. The Guam WIC Program does not delegate the signing of vendor agreements to its local agencies/clinic staff.
- d. All of the vendor data from the vendor applications are inputted into the Vendor / Demographics screen of the HANDS. In the Authorization Screen, vendor data of the status of vendors, application date, authorizing person, and start & end date of authorization and the reason for denial/disqualification is entered.

### B. TRAINING OF VENDORS

A WIC Vendor plays a vital role in the Program by promoting the healthiest possible birth, growth and development of children, because it is the responsibility of the WIC Vendor to assure that WIC Participants receive only the prescribed foods stated on the Balance Summary.

Training shall be designed to prevent WIC Program errors or abuse and to improve WIC Program service.

1. Vendor Training - General
  - a. Annual vendor training is provided to all authorized vendors. The following topics are covered in annual vendor training.
    - Purpose of the Guam WIC Program
    - Supplemental foods authorized by the Guam WIC Program
    - Minimum varieties and quantities of supplemental food that must be stocked
    - Obtaining infant formula only from the sources in the Guam WIC Program's restricted list of infant formula distributors licensed in Guam



## I. VENDOR and FARMER MANAGEMENT

to do business in the sale of food.

- Procedures for transacting and redeeming food benefits
- Vendor sanction system
- Vendor complaint process
- Claims procedures
- Changes in program requirements since the last training
- Provide vendor with name of contact person for questions regarding the Guam WIC Program

b. Vendors or vendor representatives will receive training through written materials, e.g., newsletters, or classroom style train-the-trainer/manager training (interactive training).

c. Vendors or vendor representatives receive *interactive* training at or before initial authorization or at least once every three years.

d. The Guam WIC Program determines the effectiveness of vendor training by analyzing statistical indicators, such as a reduction in food benefits.

2. Delegation of Vendor Training.

- a. The Guam WIC Program does not delegate its vendor training (not applicable).
- b. Since vendor training is not delegated to local agencies/clinic staff, no training materials, instructions, or monitoring of vendor training performance are necessary. (not applicable).

3. Documents for and Documentation of Vendor Training.

- a. The Guam WIC Program documents all training sessions with a List of Topics to be covered and an attendance sheet.
- b. Vendors or vendor representative are required to sign an attendance sheet to acknowledge attendance of scheduled interactive and annual training sessions. The training attendance sheets are filed in the Vendor Training Folder maintained by the personnel responsible for the WIC Program's central files.
- c. The Guam WIC Program provides a handout, which specifies the process for transacting and redeeming food benefits. This handout is covered during the annual training session and should be used as a reference at the vendor site.
- d. In the HANDS Vendor module under Education, the required fields to be populated are Course, Trainer, Location and Actual Date (of training). Reports under Education can be generated through HANDS Reports / Vendor / Quarterly Profiles screens and include such reports as History of Vendor Training, Missed Vendor Training and Potential Training Sessions.



## I. VENDOR and FARMER MANAGEMENT

### C. HIGH RISK IDENTIFICATION SYSTEM

#### 1. Vendor Complaints

Complaints about vendors made by participants, parents or care takers of infant or child participants, other vendors, or other persons are received through a standard complaint form which the complainant sends to the state agency/clinic.

In the HANDS vendor complaints are recorded under Program Integrity / Vendor PI Lookup / Activities. The required fields to be populated include Vendor / Applicant ID, Complaint Date, Subject (reason for complaint), Status (i.e. If action is resolved, follow-up required, etc.) and Source (from client, store, etc.). A Complaint Log can be generated to list complaints by vendor or all vendors through HANDS Vendor / Reports / Vendor Monitoring and Sanctions History Log screens.

#### 2. Identifying High-Risk Vendors

The Guam WIC Program uses the HANDS to identify high risk vendors as well as vendor complaints received and new vendors.

The HANDS Peer Group code designation for Guam's Peer Group "A" is "1 – Retail Store Non-Military and for Peer Group "B" it is "9 – Commissary". The Guam WIC Program currently has **twenty-nine (29)** authorized vendors under Peer Group "A" and two (2) under Peer Group B.

High-risk Vendor analysis reports can be generated from the HANDS. These reports will be run to identify high risk Vendors, who will be monitored through routine monitoring, compliance buys and/or inventory audits. Some of the reports that the system generates include, High Mean FI Value, Low FI Variation Index, Increasing Trend in WIC Volume and Price, etc. and are generated through the Vendor / Reports screens.

### D. ROUTINE MONITORING

#### 1. Routine Monitoring Visits

a. Routine monitoring visits are overt on-site visits in which program representatives identify themselves to vendor personnel. They are conducted by the state agency staff and are randomly selected.

b. Activities performed during a routine monitoring visit:

- Verify whether the vendor meets the stocking requirements for minimum variety and quantity of supplemental foods.



## I. VENDOR and FARMER MANAGEMENT

- Check the vendor's receipts of infant formula to ensure that the infant formula is obtained only from the Guam WIC Program's list of infant formula manufacturers registered with the Food and Drug Administration and restricted list of infant formula distributors licensed in Guam to do business in the sale of food.
- Observe food benefits transactions, when possible.
- Examine sanitary conditions of the store.
- Verify shelf prices against price list submitted by vendor.
- Check for expired foods.
- Check to ensure the prices of authorized foods are displayed on the items, or on the shelves in proximity to the foods, or in the immediate area where the foods are kept.
- Discuss findings or problems discovered during monitoring visit and obtain written acknowledgment from store manager/representative.
- Check to ensure that authorized WIC foods on the Guam WIC Approved Foods list are identified through the use of "WIC Approved" channel strips/shelf-talkers. This include display of eWIC signs and signs for register lanes that accept eWIC;
- Check to ensure that vendors are maintaining the minimum stocking requirements for items listed on the Guam WIC Approved Foods list.

**The vendor will be 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.**

The Guam WIC Program will analyze vendors' sales data and vendor inventory annually to determine whether or not they are an above 50% vendor. Vendor must submit to the WIC Program at a specified time each year the following: (a) Official copies of tax documents reporting monthly gross revenues for the most recent calendar year, specifically, the Form GRT (filed with the Guam Department of Revenue and Taxation), and (b) Documentation of annual food sales revenue for the most recent calendar year. The term "food sales" refers to sales of all foods that are eligible items under the Food Stamp Program.

- c. The Guam WIC Program performs annual routine or as needed on-site monitoring on a minimum of five percent of the number of vendors authorized, excluding the commissaries.
- d. Vendors are randomly selected for routine monitoring.
- e. Routine monitoring reviews will be conducted each fiscal year up to 20 percent but no less than 5 percent of the vendors authorized.
- f. In the HANDS, Routine Monitoring falls under Program Integrity / Vendor PI



## I. VENDOR and FARMER MANAGEMENT

Lookup / Activities screens. The required fields to be populated in the Activities screen are Vendor /Application ID, Activity (i.e. Routine Monitoring), Date Completed, Time Completed, and Reviewer. Reports can be generated through the Reports / Vendor / Vendor Monitoring and Sanctions History screens and include such reports as Vendor Not Visited for Routine Monitoring, Monitoring and Sanctioning History, Vendor In/Out of Compliance, Visit by Type, Appeals, etc.

### E. COMPLIANCE INVESTIGATIONS

1. Investigative Practices
  - a. The state agency conducts compliance buys on a minimum of five percent of the number of vendors authorized, excluding the commissaries.
  - b. High-risk vendor identification criteria established by FNS or any new authorized vendors will be used to determine which vendors are selected for a compliance investigation.
  - c. The state agency uses standard procedures for conducting and documenting compliance buys. (See Section III, Vendor Management, E.2. of State Plan)
  - d. The results of compliance investigations are used to assess the effectiveness of the state agency's high-risk vendor identification criteria. The state agency discards a non-mandatory high-risk vendor identification criterion if compliance investigations of high-risk vendors identified by the criterion result in no vendor violation after 24 months.
  - e. Compliance investigations will be conducted each fiscal year of up to 10 percent but no less than 5 percent of vendors authorized.
2. Compliance Buys
  - a. The state agency conducts two types of compliance buys. They are as follows:
    - 1) Safe buys (transacting food benefits for all food items listed to see if the vendor will overcharge).
    - 2) Short and unauthorized food buys (transacting food benefits for fewer food items than those listed to see if vendor will charge for food items not received, and obtaining an unauthorized food item to see if vendor will allow the purchase).
  - b. Compliance buys are usually performed by other Department of Public Health and Social Services employees or any other persons willing to perform the buy.



## I. VENDOR and FARMER MANAGEMENT

In order to ensure uniformity and quality of compliance buys, the WIC Vendor Coordinator will provide training to the volunteers that will include the following:

- \* A brief background of the WIC Program
- \* Explanation of participant enrollment
- \* The need for personal data collection for food benefits and WIC ID card
- \* The vendor selected and the physical location where the compliance buy will be performed
- \* The type of compliance buy to be performed
- \* The procedures for making the buy (food draft transaction procedures)

Training should not exceed one (1) hour.

- c. The state agency Vendor Coordinator is responsible for ensuring the proper execution of and follow-up on compliance buys.
- d. The state agency conducts two (2) compliance buys and if no vendor violations are detected, the compliance investigation is closed.
- e. The state agency policy above defines the prescribed number of compliance buys per compliance investigation.

### **COMPLIANCE BUY PROCEDURE**

- 1) Select the Vendor(s) for Compliance Investigation

The Vendor Coordinator will review the quarterly high risk vendor reports from the HANDS. The data in these reports determine which vendor(s) are to be selected for a compliance investigation. Such investigations can also apply to new vendors.

- 2) Select type of compliance buy to conduct.

The first compliance buy conducted will be a safe buy. Should the outcome of the safe buy detect vendor violations, the second compliance buy will be another safe buy. Should the outcome of the first safe buy detect no vendor violations, the second compliance buy conducted will be a short buy.

- 3) Select the food benefits to be used in the compliance buy.

Standard food benefits types with multiple food items are selected from any of the participant status categories (i.e. women - breast-feeding, pregnant, postpartum, infants breast-fed 0 - 12 months, infants formula feed 0-12 months, infants partially breast-fed 0-12 months, children - ages 1, 2, 3, or 4).

- 4) Identify person(s) to perform compliance buy.

Contact two Department of Public Health and Social Services employees or any person willing to perform the buy. Person(s) selected for the compliance



## I. VENDOR and FARMER MANAGEMENT

investigation must not know or be recognized by the vendor. Two persons are required to perform the compliance buy. One person is to actually make the purchase, while the other person observes the transaction.

### 5) Schedule compliance buy

The compliance buy will take place on any day of the week during the WIC vendor's hours of operations .

### 6) Conduct a briefing with person(s) on the compliance buy process.

The compliance buy process will be explained by the Vendor Coordinator to the person(s) who will be performing the compliance buy. The briefing will cover the following:

- \* A brief background of the WIC Program
- \* Explanation of participant enrollment
- \* The need for personal data collection for food benefits and WIC ID card
- \* The vendor selected and the physical location where the compliance buy will be performed
- \* The type of compliance buy to be performed
- \* The procedures for making the buy (food draft transaction procedures)

### 7) Issue compliance buy food benefits and WIC identification card to person(s) selected to perform the compliance buy.

Vendor Coordinator will get blank WIC identification cards from one of the clinic sites. They will be logged out to the person(s) selected to perform the compliance buy.

Vendor Coordinator will coordinate with a Clinic Supervisor to get a WIC ID number(s) that has not been used to identify the person(s) selected to perform the compliance buy. Once a WIC ID number is established, the Vendor Coordinator will print food benefits for the compliance buy from the HANDS .

Once the food benefits are printed, the Vendor Coordinator will issue the WIC ID card to the person(s) selected to perform the compliance buy.

### 8) Conduct the compliance buy.

The person(s) will go to the vendor location and perform the buy. One person will perform the actual buy and the other person will observe from a distance, (i.e. stand in line behind other person performing the buy).

### 9) Complete compliance buy report form(s).



## I. VENDOR and FARMER MANAGEMENT

The person(s) will complete the compliance buy report form(s), by providing as much detail as possible. (*See Attachment "A"*)

- 10) Review of completed compliance buy report(s) to detect any vendor violations.

The Vendor Coordinator will review the completed compliance buy report(s) to ensure that both persons who were present during the buy have comparable versions of what actually took place. The review of the report should also reveal if any vendor violations took place during the compliance buy.

- 11) Make arrangements and fill out form to donate food items purchased during the compliance buy. (*See Attachment "B"*)
- 12) Make arrangements for second compliance buy.
- 13) Repeat steps 1 - 10.
- 14) Prepare adverse action, if warranted, or close compliance investigation.

3. The estimate cost for conducting compliance buys is not applicable.
4. Inventory Audits - The Guam WIC Program may perform inventory audits in addition to Compliance Buys. See Appendix D of Guam WIC inventory audit procedures.
5. Compliance Buys/Inventory Audit Tracking System(s)
  - a. The state agency does have a means of recording and tracking staff person hours devoted to investigation activities (i.e. Compliance Buy form, payroll timesheet, Overtime Time request form).
  - b. The state agency does have an automated system for tracking investigations that monitors the progress and status of each compliance investigation (HANDS Vendor module).

## F. VENDOR SANCTION SYSTEM

Federal regulations governing the WIC Program, 7 CFR Part 246, §246.12, mandate that uniform mandatory WIC vendor sanctions be applied and imposed across state agencies for the most serious WIC Program violations. Regulations also provide that state-agency established vendor sanctions be imposed for other program violations in addition to mandatory sanctions. A vendor violation is an action of a vendor's current owners, officers, managers, agents, or employees that violate the Vendor Agreement or Federal or State/local statutes, regulations, policies, or procedures governing the Program.

Vendor sanctions include warnings, disqualification/suspension, and civil money penalties or administrative fines in lieu of disqualification/suspension. All the sanctions



## I. VENDOR and FARMER MANAGEMENT

are listed in the Vendor Agreement. (*See Attachment, Vendor Agreement*)

In the HANDS a series of screens tracks the steps that involve violations and sanctions. There are as follows:

<u>Screen</u>	<u>Mandated Fields (for data input)</u>
Program Integrity/ Vendor PI Lookup / Activities - Records investigative activities	Vendor Application ID; Activity; Completion Data; Completion Time; Reviewer;
Program Integrity/ Vendor PI Lookup / Cases - Records if vendor is in compliance	ID (Vendor/Applicant; Case Status (Closed No Action, In Process); Case Designation (High Risk or Non-Risk); Code (Activity) and Code (Findings); Violation Category; Violation Type;
Program Integrity/ Vendor PI Lookup / Findings /Sanctions - Records the findings of an investigative review; - Records activities and type and category of Violations;	Code (Activity) and Code (Findings); Violation Category; Violation Type;

## G. ADMINISTRATIVE REVIEWS OF STATE AGENCY ACTIONS

### 1. Types of Reviews

- a. Adverse actions subject to full administrative reviews. The vendor will be provided full administrative review for appeal for the following adverse actions taken against the vendor: (a) Denial of authorization based on the vendor selection criteria for competitive price or for minimum variety and quantity of authorized supplemental foods, or on a determination that the vendor is attempting to circumvent a sanction; (b) Termination of an agreement for cause; (c) Disqualification/Suspension; (d) Imposition of a fine or civil money penalty in lieu of disqualification and (e) Denial or termination of authorization due to State determination that vendor is likely to be an above-50% vendor.
  
- b. Adverse actions subject to abbreviated administrative reviews. The vendor will be provided abbreviated administrative review for appeal for the following adverse actions taken against the vendor: (a) Denial of authorization based on the vendor selection criteria for business integrity or for a current SNAP disqualification or civil money penalty for hardship; (b) Denial of authorization based on the application of the vendor selection criteria for competitive price; (c) The application of the State agency's vendor peer group criteria and the criteria used to identify vendors that are above-50-percent vendors or comparable to above-50-percent vendors; (d) Denial of authorization based on a State agency-established vendor selection criterion if the basis of the denial is a WIC vendor sanction or a SNAP withdrawal of authorization or disqualification; (e) Denial of authorization based on the State agency's vendor limiting criteria; (f) Denial of authorization because a vendor submitted its application outside the timeframes during which



## I. VENDOR and FARMER MANAGEMENT

applications are being accepted and processed as established by the State agency; (g) Termination of an agreement because of a change in ownership or location or cessation of operations; (h) Disqualification based on a trafficking conviction; (i) Disqualification based on the imposition of a SNAP civil money penalty for hardship; and (j) Disqualification or a civil money penalty imposed in lieu of disqualification based on a mandatory sanction imposed by another WIC State agency. (k) A civil money penalty imposed in lieu of disqualification based on a SNAP disqualification and, (l) Denial of an application based on a determination of whether an applicant vendor is currently authorized by SNAP.

- c. Adverse actions not subject to administrative review. The vendor will not be provided administrative review for appeal for the following adverse actions taken against the vendor: (a) The validity or appropriateness of the State agency's vendor limiting criteria or vendor selection criteria for minimum variety and quantity of supplemental foods, business integrity, and current Supplemental Nutrition Assistance Program disqualification or civil money penalty for hardship; (b) The validity or appropriateness of the State agency's selection criteria for competitive price, including, but not limited to, vendor peer group criteria and the criteria used to identify vendors that are above-50-percent vendors or comparable to above-50-percent vendors; (c) The validity or appropriateness of the State agency's participant access criteria and the State agency's participant access determinations; (d) The State agency's determination to include or exclude an infant formula manufacturer, wholesaler, distributor, or retailer from the list required; (e) The validity or appropriateness of the State agency's prohibition of incentive items and the State agency's denial of an above-50-percent vendor's request to provide an incentive item to customers; (f) The State agency's determination whether to notify a vendor in writing when an investigation reveals an initial violation for which a pattern of violations must be established in order to impose a sanction; (g) The State agency's determination whether a vendor had an effective policy and program in effect to prevent trafficking and that the ownership of the vendor was not aware of, did not approve of, and was not involved in the conduct of the violation; (h) Denial of authorization if the State agency's vendor authorization is subject to the procurement procedures applicable to the State agency; (i) The expiration of a vendor's agreement; (j) Disputes regarding food benefits payments and vendor claims (other than the opportunity to justify or correct a vendor overcharge or other error; and (k) Disqualification of a vendor as a result of disqualification from SNAP.
- d. Effective Date of Adverse Actions. The WIC Program will make denials of authorization and permanent disqualification action based on a vendor's conviction for trafficking in food benefits or selling firearms, ammunition, explosives, or controlled substances in exchange for food benefits effective on the date of receipt of the notice of adverse action. All other adverse actions will be made effective no earlier than fifteen (15) days from the date of receipt of the notice of the adverse action. In the case of an adverse action that is subject to administrative review, the effective date will be no later than the date the vendor receives the review decision.



## I. VENDOR and FARMER MANAGEMENT

### 2. Administrative Review Procedures

- a. The state agency utilizes the CFR 246.18 to govern all WIC administrative reviews.
- b. Administrative reviews of WIC vendor appeals take place at the state agency level.
- c. Administrative Reviews are conducted by a The Department of Public Health & Social Services, fair hearings officer who is assigned by The Department of Public Health & Social Services Director.
- d. Procedures for Administrative Reviews.

Vendor Administrative Review Procedures (Hearing Processes). The WIC Program provides a formal hearing process (full administrative review) and process (abbreviated administrative review) for a vendor that may appeal any of the adverse actions applicable for administrative review.

Full administrative reviews are conducted by a hearing officer – an impartial decision-maker (State-level Hearing Officer) who is designated and assigned by The Department of Public Health & Social Services Director.

Abbreviated administrative reviews are conducted by a hearing officer – decision maker who is someone other than the person who rendered the initial decision on the action. The hearing officer is designated and assigned by The Department of Public Health & Social Services Director.

The state agency does not have a local law or regulation governing WIC vendor appeals.

#### (1) Full Administrative Review Procedures.

- (a) Written Notification. The vendor will be given written notification when adverse actions is taken against the vendor that requires a full administrative review. The notification will be provided not less than thirty (30) days in advance of the effective date of the action.

The written notification will include the following: (a) Procedures to follow to obtain a full administrative review, (b) Cause(s) for the action, (c) Effective date of the action, and (e) Time period to submit a request for a full administrative review to appeal the adverse action.

When the vendor is disqualified due in whole or in part to violations stipulated under the mandatory sanctions for vendors of the WIC Program, the notification will include the following statement: "This disqualification from WIC may result in disqualification as a retailer in the Supplemental Nutrition Assistance Program. Such disqualification



## I. VENDOR and FARMER MANAGEMENT

is not subject to administrative or judicial review under the Supplemental Nutrition Assistance Program.”

- (b) Time period to request for a full administrative review. The appeal and request for a full administrative review must be made in writing by the vendor within thirty (30) calendar days after receipt of the written notification of the adverse action.
- (c) The full administrative review process. Vendors may appeal any of the adverse actions applicable for administrative review by submitting in writing a request for a full administrative review for appeal on the matter. The appeal and request for a full administrative review must be addressed and submitted to: Fair Hearings Officer, The Department of Public Health & Social Services, 123 Chalan Kareta, Route 10, Mangilao, Guam 96913-6304.

Upon receipt of the written appeal and request for full administrative review, the assigned hearing officer – impartial decision maker (or his/her representative(s), in coordination with the Vendor Management Coordinator of the WIC Program will:

- Schedule the date, time and place of the full administrative review. The review will be held no more than forty-five (45) calendar days from the date of receipt of the written appeal and request for full administrative review. This will provide all parties involved with sufficient time to prepare for the formal hearing.
- Provide the director of Department of Public Health and Social Services via the Vendor Management Coordinator, WIC Program, in writing with a summary of the issue and circumstance(s) of the appeal within fifteen (15) days of receipt of the request for administrative review from the vendor. Notify the vendor and all parties involved of the date, time, and place of the formal hearing (full administrative review), within fifteen (15) calendar days of receipt of the appeal and request for full administrative review.
- Notify the vendor and all parties involved of the date, time, and place of the (full administrative review), within fifteen (15) calendar days of receipt of the appeal and request for full administrative review.

If the vendor is unable to attend the scheduled (full administrative review), the vendor may request in writing to reschedule the full administrative review date. A minimum of two administrative review dates is allowed. However, the hearing must be held no later than sixty (60) calendar days from the date of receipt of the request for a full administrative review.



## I. VENDOR and FARMER MANAGEMENT

(aa) Conduct of the full administrative review (formal hearing). The hearing officer who is assigned by The Department of Public Health & Social Services Director has the responsibility of conducting and overseeing the full administrative review.

Both the vendor and the WIC Program will be allowed the opportunity to:

- \* Present its case.
- \* Present witnesses.
- \* Cross-examine adverse witnesses. When necessary to protect the identity of WIC Program investigators, such examination may be conducted behind a protective screen or other device (also referred to as an “in camera” examination).
- \* Be represented by counsel.
- \* Examine, prior to the review, the evidence upon which the WIC Program’s action is based.

The hearing officer will:

- \* Preside over the full administrative review and hear the case presented by both the vendor and the WIC Program.
- \* Issue a decision on the case based solely on whether the WIC Program has correctly applied Federal and State statutes, regulations, policies and procedures governing the Program, according to the evidence presented at the review.

(bb) Decision of the Full Administrative Review. The hearing officer (impartial decision-maker) will issue a written notification of the review decision. The written notification will include the basis for the decision and will be provided to all parties within 90 days from the date of receipt of a vendor’s request for a full administrative review. If a decision is not made within the specified timeframe, it does not provide a basis for overturning the WIC Program’s adverse action.

### (2) Abbreviated Administrative Review Procedures.

(a) Written Notification. The vendor will be given written notification when any adverse actions is taken against the vendor that requires an abbreviated administrative review. The notification will be provided not less than fifteen (15) days in advance of the effective date of the action.

The written notification will include the following: (a) Procedures to follow to obtain an abbreviated administrative review, (b) Cause(s) for the action, (c) Effective date of the action, and (e) Time period to submit



## I. VENDOR and FARMER MANAGEMENT

a written response and request for abbreviated administrative review.

- (b) Time period to request for abbreviated administrative review. The written response to the adverse action and request for abbreviated administrative review must be submitted by the vendor within fifteen (15) calendar days after receipt of the written notification of the adverse action.
- (c) The abbreviated administrative review process. Vendors may appeal any of the adverse actions subject to abbreviated administrative reviews by submitting a written response to the adverse action and request for abbreviated administrative review. It must be addressed and submitted to the following: Fair Hearings Officer, The Department of Public Health & Social Services, 123 Chalan Karefa, Route 10, Mangilao, Guam 96913-6304.

Upon receipt of the written response from the vendor, the assigned hearing officer (or his/her representative(s)) in coordination with the Vendor Management Coordinator of the WIC Program will:

- Schedule the date, time and place for an abbreviated administrative review. The review will be held no more than thirty (30) calendar days from the date of receipt of the request for abbreviated administrative review.
- Provide the Program Coordinator IV, Program Management Services, WIC Program, via the Vendor Management Coordinator, WIC Program, in writing with a summary of the issue and circumstance(s) of the appeal within fifteen (15) calendar days of receipt of the request for abbreviated administrative review from the vendor.
- Notify the vendor and all parties involved of the date, time, and place of the (abbreviated administrative review), within fifteen (15) calendar days of the receipt of the appeal and request for abbreviated administrative review.

(aa) Conduct of the abbreviated administrative review. The hearing officer who is assigned by The Department of Public Health & Social Services Director has the responsibility of conducting and overseeing the abbreviated administrative review.

(d) Both the vendor and the WIC Program will present its case at the abbreviated administrative review.



## I. VENDOR and FARMER MANAGEMENT

The hearing officer will:

Preside over the abbreviated administrative review and hear the case presented by both the vendor and the WIC Program.

Issue a decision on the case based solely on whether the WIC Program has correctly applied Federal and State statutes, regulations, policies and procedures governing the Program, according to the information provided to the vendor concerning the cause(s) for the adverse action and the vendor's response.

(bb) Decision of the Abbreviated Administrative Review. The hearing officer (decision-maker) will issue a written notification of the review decision. The written notification will include the basis for the decision and will be provided to all parties within 90 days from the date of receipt of the request for an administrative review. If a decision is not made within the specified timeframe, it does not provide a basis for overturning the WIC Program's adverse action.

(3) The vendor is permitted to continue program operations while its appeal is in process, except for denials of authorization, disqualification/suspension, and termination of agreement. However, the vendor is not relieved from the responsibility of continued compliance with the terms of this Agreement while its appeal is in process.

(4) Administrative review decisions rendered under both the full and abbreviated review procedures are the final WIC Program action. The effective date of an adverse action under review will be on the date of receipt of the review decision by the vendor.

(5) If the review decision upholds the adverse action against the vendor, the WIC Program will inform the vendor that it may be able to pursue judicial review of the decision.

e. The Attorney General of Guam, Office of the Attorney General, will present the state agency case during a full administrative review.

In the HANDS appeals activities are recorded in the Program Integrity / Vendor PI Lookup / Appeals screens. The mandated data fields include Vendor/Applicant ID, Appeal #, Requested Date, Requested Reason, Coordinated By, Compliance Case, Overall Results and Close Date;

An Appeals report can be generated through the HANDS Reports / Vendor / Appeals screens and list the appeals and their status.

## H. COORDINATION WITH THE SUPPLEMENTAL NUTRITION ASSISTANCE

**I. VENDOR and FARMER MANAGEMENT****PROGRAM****1. WIC/ SNAP Cooperative Agreement.**

- a. The Guam WIC Program does not have a cooperative agreement in effect between the Guam WIC Program and the SNAP Program. We understand that the "Sample Cooperative Agreement Between the WIC Program and the Food Stamp Program," as contained in FNS Instruction 906-1, is being updated by Regional office according to All States Memorandum 00-09, dated November 09, 1999.
- b. The Guam WIC Program's compliance investigator coordinates its activities with the Supplemental Nutrition Assistance Program (SNAP) representatives.
- c. Data Sharing between WIC and Supplemental Nutrition Assistance Program (SNAP). Currently, Guam has no existing legal or policy restrictions regarding the exchange of information between WIC and SNAP.

During the vendor open enrollment application period, Guam WIC Program will send a request to the USDA FNS Honolulu Field Office for Supplemental Nutrition Assistance Program compliance history of retail applicants and verification of Supplemental Nutrition Assistance Program authorizations.

Guam WIC Program shall provide written notification and information to the USDA FNS Honolulu Field Office regarding any WIC vendor that is issued a mandatory sanction or imposed a civil money penalty in-lieu of disqualification pursuant to 7 CFR Part 246, §246.12(l)(1). This information shall include the name of the vendor, address, identification number, the type of violation(s) and the length of disqualification or the length of disqualification corresponding to the violation for which the civil money penalty was assessed. The notification and information shall be provided within 15 days after the vendor's opportunity to file for a WIC administrative review has expired or all of the vendor's WIC administrative reviews have been completed.

Every 3 yrs. after WIC Vendor Open Enrollment/Authorization/Selection process and periodically as changes occur, Guam WIC sends an updated list of authorized WIC vendors to the USDA, FNS, Hololulu field office.

**I. STAFF TRAINING ON VENDOR MANAGEMENT**

Not applicable, there is no vendor advisory council on Guam.

**J. VENDOR OR PARTICIPANT INCIDENT REPORT**

WIC participants and the general public must have an opportunity to register complaints and/or suggestions concerning the WIC program vendors. WIC participants should also be knowledgeable about which vendors are approved. There are three forms used to



## I. VENDOR and FARMER MANAGEMENT

document these participant/vendor contacts.

- \* “Food Instrument and ID/VOC Incident Report” form for documentation of irregular events involving food benefits and vendors, which are reported to the clinic site. (See Appendix)
- \* “WIC Program Suggestion/Complaint/Incident Report” Form for documentation of irregular clinic or program activities and client suggestions for change. (See Appendix)

All completed forms should be reviewed by the clinic supervisor prior to submission to the state agency’s Quality Assurance Management Analyst III for action.

### Procedures:

#### 1. Complaints/Suggestions made at the clinic site.

- Complaints and/or suggestions about client services, clinic staff, or vendors may be addressed at the clinic level by phone or in person and documenting it on the appropriate form.
- Clinic staff should assist the public and/or clients in documenting complaints/suggestions.
- The completed forms are to be turned into the WIC Program Nutrition Coordinator (PHNS) on a daily basis.
- Urgent complaints should be communicated to the WIC Program Nutrition Coordinator as soon as possible via phone or in person in addition to completing the appropriate form.
- \* The WIC Program Nutrition Coordinator (PHNS) will decide on the appropriate action to be taken on a case by case basis.

#### 2. Complaints/Suggestions made at the vendor’s site.

The “Vendor Complaint Form” is used by WIC authorized vendors to document WIC participant abuse and other problems that occur at the vendor site. (See Appendix)

- \* Complaints/Suggestions made by WIC authorized vendors (about clients or the WIC Program), are to be documented on the appropriate form by the vendor or WIC Program Vendor Coordinator.
- \* Completed forms are submitted to the WIC Program Vendor Coordinator for review and maintained in a log / folder.
- \* Urgent complaints or problems should be communicated to the WIC Program

Vendor Coordinator as soon as possible via phone or in person in addition to completing the appropriate form. The WIC Program Coordinator IV should be contacted if the WIC Program Vendor Coordinator is not available.



## I. VENDOR and FARMER MANAGEMENT

The WIC Program Coordinator (Program Coordinator IV) or the Vendor Coordinator, whichever is appropriate, will decide on the appropriate action to be taken on a case by case basis.

As mentioned in the High Risk Identification Section, In the Guam HANDS system vendor complaints are recorded under Program Integrity / Vendor PI Lookup/ Activities. The required fields to be populated include Vendor / Applicant ID, Complaint Date, Subject (reason for complaint), Status (i.e. If action is resolved, follow-up required, etc.) and Source (from client, store, etc.). A Complaint Log can be generated to list complaints by vendor or all vendors through HANDS Reports / Vendor / Vendor Monitoring and Sanctions History Log screens.

## K. PARTICIPANT'S VENDOR EDUCATION

A listing of WIC authorized vendors is given to each WIC participant/authorized representative when their first set of food benefits are issued, or as updated, for the purpose of directing them to the WIC-approved vendors. (See Appendix)

## L. DEFINITIONS – 7CFR 246.2

**Compliance Buy** means 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 food benefits, and does not reveal during the visit that he or she is a program representative.

**Farmer** means an individual authorized by the state agency to sell eligible fruits and vegetables to participants at a farmers' market or roadside stands. Individuals who exclusively sell produce grown by someone else, such as wholesale distributors, cannot be authorized.

**Employee Fraud and Abuse** means the intentional conduct of a State, local agency or clinic employee which violates program regulations, policies, or procedures, including, but not limited to, misappropriating or altering FIs or CVVs, entering false or misleading information in case records, or creating case records for fictitious participants.

**Participants** means pregnant women, breastfeeding women, postpartum women, infants and children who are receiving food benefits under the program, and the breastfed infants of participant breastfeeding women.

**Participant Violation** means any intentional action of 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. Participant violations include intentionally making false or misleading statements or intentionally misrepresenting, concealing, or withholding facts to obtain benefits; exchanging food benefits for cash, credit, non-food items, or unauthorized food items, including supplemental foods in excess of those listed on the participant's FI; threatening to harm or physically harming clinic, **farmer** or vendor staff; and dual participation.

**Participant Access** means the reasonable accessibility of a participant to the available food delivery system utilized by the State Agency in order to receive their supplemental food benefits



## I. VENDOR and FARMER MANAGEMENT

provided to them under the program. When making participant access determinations, the WIC Program will consider the availability of other authorized vendors in the same area as the violative vendor and any geographic barriers to using such vendors. The following is the Guam WIC Program's participant access determination criteria: (1) Does any participant or authorized parent/caretaker of an infant or child participant have to travel an amount greater than or equal to 15 miles to the next authorized vendor; and (2) Is there any permanent damage to a bridge or main road which prohibits participants or authorized parents/caretakers of infant or child participants from accessing the next WIC authorized vendor in the same region, and if so, is there an alternative road of travel existing on the island for participants to access the next WIC vendor in the same region. Both criteria must be answered in determining inadequate participant access. Further, in the second criteria, if the answer should be that "yes" an alternative road of travel exists to access the next WIC vendor, then inadequate participant access is not met.

**Pattern** " is defined as 2 occurrences of the same violation within a 12-month period.

**Proxy** means any person designated by a woman participant, or by a parent or caretaker of an infant or child participant, to obtain and transact food benefits on behalf of a participant. The proxy must be designated consistent with the state agency's procedures established pursuant to § 246.12(r)(1). Parents or caretakers applying on behalf of child and infant participants are not proxies.

*"Food instruments and cash value vouchers"* is hereby replaced with *"WIC PAPER BENEFITS"* and with the following definition:

**WIC FOOD BENEFITS** - means a voucher, check, electronic benefits transfer card (EBT), coupon or other document which is used by a participant to obtain supplemental foods.

## **M. FOOD PACKAGE RULE – CASH VALUE BENEFITS (CV)**

**1. Cash Value Benefits (CV) - Definition:** A cash-value benefit is a fixed-dollar benefit which is used by a WIC participant to obtain authorized fruits and vegetables (fresh, canned and/or frozen). Fixed cash-value benefits are set at \$ 8 (5/5/14), \$11 and \$16.50 (effective 10/1/15) for Breast-Feeding women with multiple infants i.e. twins.

**2. WIC foods Requirements under the Food Package Rule**

**Minimum Inventory**

- At least two varieties of fruits, two varieties of vegetables;
- At least one whole grain cereal authorized by the Guam WIC Program;

These are minimum requirement per federal regulations but the Guam WIC Program has more specific requirement. See minimum varieties and quantities of supplemental foods in vendor agreement.



## I. VENDOR and FARMER MANAGEMENT

**- Additional food inventory requirements sufficient to redeem the standard food instruments for the rest of the new foods (especially the baby foods), will be implemented;**

**See listing provided in the Vendor Application packet or vendor agreement on WIC-Approved foods and their minimum variety and stocking requirements.**

### **3. Transaction and redemption requirements of Cash-Value Benefits for fruits and vegetables**

WIC Participants Will:

- Tell the cashier they are using their eWIC card
  - Swipe\* their eWIC card and enter their PIN to access benefits (depending on the POS system, this may occur at the start or end of transaction).
  - Verify the amount and agree to the purchase (verbally or by pressing the ‘Yes’ button on the card reader).
- The Cashier Will:
  - Scan the WIC food items
    - Scan the UPC barcode on the actual product.
    - If it doesn’t scan, it can be manually entered.
    - Review items on their POS system
      - Identify the items that will not be paid for by WIC
  - Tender eWIC transactions from the most restrictive payment to the least restrictive
    - First use eWIC card
    - Then, Guam Quest (SNAP) card (if applicable)
    - Finally, cash, debit or credit
    - Provide the WIC customer with a detailed receipt
- Receipts must show:
  - Store name and address
  - Transaction date
  - Transaction information that includes products purchased, prices, approved purchase total, balance due
  - Last date to use benefits
  - Remaining benefits
- The Vendor Shall:
  - Provide WIC customers with a balance inquiry when requested.
  - Manually enter the card number **ONLY** when the magnetic stripe cannot be read (the card and the WIC customer must be present).
  - Allow the WIC customer to pay for any item that is **NOT** allowed on their WIC benefits or if it is over the cash value amount using another method of payment (e.g., SNAP, cash, debit/credit card).

NOT...

**I. VENDOR and FARMER MANAGEMENT**

- Require the WIC customer to make a purchase in order to obtain a balance inquiry.
- Override or allow any substitutions by scanning a barcode from another authorized product (e.g. do not scan an authorized juice and provide the WIC customer with another product).
- Scan barcodes from code books, clipboards or from a pre-printed sheet.
- Restrict any lane to WIC customers only.