



Vendor Penalty and Sanctions Tables

Administrative, Procedural, or Fraud and Abuse Violations

Vendors are subject to penalty points and/or termination and disqualification, and any combination of sanctions for violations of the Vendor Agreement. A total of points exceeding 25 will result in a 1-year disqualification. A violation under Category I will remain on the Vendor’s record for sanction purposes for the remainder of the Vendor Agreement period.

A written notice of noncompliance will be provided after an initial incidence of a violation for which a pattern of incidences is necessary to impose a sanction. Further incidences will prompt written and/or verbal communication to the vendor, unless the State agency determines, in its discretion, on a case-by-case basis, that notifying the vendor would compromise an investigation.

If the Program determines that disqualification of a Vendor would result in inadequate participant access, a determination will be made whether to instead impose civil money penalties and allow the vendor to continue to be authorized as a WIC Vendor. For the purposes of this Agreement, adequate participant access means:

- In the Municipality of Anchorage, access is considered adequate if there is an authorized WIC vendor within 3 miles from the sanctioned vendor.
- In communities with a population greater than 5,000, access is considered adequate if there is an authorized WIC vendor within 15 miles of the sanctioned vendor.
- In communities with fewer than 5,000 in population, access is considered adequate if there is at least one authorized vendor or if participants can be served by the Alaska WIC Program’s home delivery program.

The following terminology is used interchangeably within the WIC Vendor Agreement and Penalty and Sanction Table: supplemental foods, food items, food products, cash value vouchers (CVV), cash value benefit (CVB), fruit and vegetable vouchers (FVV), and program and eWIC benefits.

Category I – State Sanctions

Below is a list of violations and their penalties for State of Alaska sanctions. Please remember that any combination of 25 penalty points will result in a 1-year disqualification.

Vendor Violation	1 st Violation	2 nd Violation	3 rd Violation	4 th Violation
Refusal to allow purchase of approved WIC food items.	Notice of Noncompliance	10	15	1-year disqualification
Refusal to honor manufacturer’s coupons or store specials for WIC items.	Notice of Noncompliance	10	15	1-year disqualification

Failure to have at least one lane open at all times for eWIC purchases.	Notice of Noncompliance	10	15	1-year disqualification
Requiring other cash purchases as a condition to use WIC benefits.	Notice of Noncompliance	10	15	1-year disqualification
Failure to submit payment for monetary claims within 30 days of notification	Notice of Noncompliance	10	15	1-year disqualification
Failure to provide WIC shopper with a cash register receipt.	Notice of Noncompliance	10	15	1-year disqualification
Failure to maintain the required minimum stock of WIC foods	Notice of Noncompliance	10	15	1-year disqualification
Failure to offer WIC Program participants the same courtesies offered to other customers.	Notice of Noncompliance	10	15	1-year disqualification
Improper storage of foods requiring refrigeration.	Notice of Noncompliance	10	15	1-year disqualification
Offering expired WIC foods for sale.	Notice of Noncompliance	10	15	1-year disqualification
Offering food with significantly damaged containers for sale.	Notice of Noncompliance	10	15	1-year disqualification
Failure to maintain inventory records for a period of 3 years.	Notice of Noncompliance	15	15	1-year disqualification
Offering incentive items solely to WIC participants.	Notice of Noncompliance	10	15	1-year disqualification
Allowing the return of food purchased with a eWIC card in exchange for cash, credit, or non-food item(s).	Notice of Noncompliance	15	15	1-year disqualification
Failure to provide required information including annual food sales, food stamp sales, tax documents, invoices, or other records of purchase upon request from the Program by requested deadline.	Notice of Noncompliance	15	15	1-year disqualification
Refusal to allow WIC staff to examine documents that are required to be presented upon request in accordance with the Vendor Agreement or state or federal regulations.	Notice of Noncompliance	15	15	1-year disqualification
Allowing the purchase or substitution of unauthorized food or non-food items with a eWIC card.	Notice of Noncompliance	15	15	1-year disqualification
Seeking restitution from a WIC participant for WIC foods.	Notice of Noncompliance	15	15	1-year disqualification
Requiring WIC participants to pay extra money in addition to the eWIC benefit value to purchase WIC foods.	Notice of Noncompliance	15	15	1-year disqualification

<i>This does not include allowing the participant to pay the amount above their cash value benefit when purchasing fresh fruits and vegetables.</i>				
Requiring WIC participants to pay sales tax on WIC purchases.	Notice of Noncompliance	10	15	1-year disqualification
Transacting WIC benefits outside of authorized channels.	Notice of Noncompliance	3-year disqualification		
Unauthorized use or misuse of WIC acronym, logo, or facsimile.	Notice of Noncompliance	15	1-year disqualification	
Failure to attend mandatory vendor training.	Notice of Noncompliance	15	1-year disqualification	
Purchase infant formula from a source that is not listed on the Alaska WIC Program's List of Infant Formula Manufacturers, Wholesalers, and Distributors.	Notice of Noncompliance	1-year disqualification		
Discriminate on the basis of race, color, disability, age, national origin, gender, religion or other protected class under federal or state statutes or regulations.	Notice of Noncompliance	1-year disqualification		

The Code of Federal Regulations Chapter 7, Part 246.12 require that mandatory federal sanctions be imposed for violations listed in this section. Some may require that a pattern of instances of a violation be established before imposing a mandatory sanction. A pattern of instances for the violations is defined as three documented occurrences unless stated otherwise below. Where more than one instance constitutes a pattern, DOH, in its sole discretion, will determine whether a warning letter after the initial instance would compromise an investigation.

Category II - Mandatory Federal Sanctions

Below is a list of violations and their penalties for mandatory federal sanctions:

1-year Disqualification: A pattern of providing unauthorized food items in exchange for food instruments including charging for supplemental foods provided in excess of those listed on the food instrument.

3-year Disqualification: A pattern of claiming reimbursement for the sale of an amount of a specific WIC food item which exceeds the store's documented inventory of that WIC food item for a specific period of time.

3-year Disqualification: One incident of the sale of alcohol or alcoholic beverages or tobacco products in exchange for WIC checks, cash value vouchers, or eWIC benefits.

3-year Disqualification: A pattern of vendor overcharges.

3-year Disqualification: A pattern of receiving, transacting, and/or redeeming WIC checks, cash value vouchers, or eWIC benefits outside of authorized channels, including the use of an unauthorized vendor and/or an unauthorized person; or

3-year Disqualification: A pattern of charging for WIC food items not received by the participants.

3-year Disqualification: A pattern of providing credit or non-food items, other than alcohol, alcoholic beverages, tobacco products, cash, firearms, ammunition, explosives, or controlled substances as defined in [21 U.S.C. 802](#), in exchange for food instruments or cash-value vouchers.

6-year disqualification: One incident of buying or selling eWIC benefits for cash (trafficking); or one instance of selling firearms, ammunition, explosives, or controlled substances as defined in 21 U.S.C. 802 in exchange for eWIC benefits.

Permanent disqualification: A vendor is convicted of trafficking eWIC benefits or selling firearms, ammunition, explosives, or controlled substances as defined in 21 U.S.C. 802 in exchange for eWIC benefits.

Multiple Violations During a Single Investigation: During the course of a single investigation, when the Department determines that a vendor has committed multiple violations (whether the violations be subject to state sanctions or federally mandated sanctions) the Department will disqualify the vendor for the period corresponding to the most serious sanction.

Second Mandatory Sanction: When a vendor, who previously has been assessed a sanction for any of the violations listed above receives another mandatory sanction, the State agency must double the second sanction. Civil money penalties may only be doubled up to the limits allowed under 7 C.F.R. 246.12(I)(1)(x)(C).

Third or Subsequent Mandatory Sanction: When a vendor, who previously has been assessed two or more sanctions for any of the violations listed above, receives another sanction for any of these violations, the State agency must double the third sanction and all subsequent sanctions. The State agency may not impose civil money penalties in lieu of disqualification for third or subsequent sanctions for violations listed above.

Disqualification Based on a SNAP Disqualification: A vendor which has been disqualified from SNAP must also be disqualified from WIC. The disqualification must be for the same length of time as SNAP disqualification, may begin at a later date than SNAP disqualification, and is not subject to administrative or judicial review under the WIC Program.