

**AGREEMENT BETWEEN THE
STATE OF WISCONSIN**

Department of Health Services
Special Supplemental Nutrition Program for Women, Infants and Children (WIC)
P.O. Box 2659, Madison, Wisconsin 53701-2659

and

This agreement is entered into between the Wisconsin Special Supplemental Nutrition Program for Women, Infants and Children (WIC Program) of the Department of Health Services, Division of Public Health, hereinafter referred to as the "department," and the vendor applicant, hereinafter referred to as the "vendor." This agreement will be for a period beginning November 1, 2016, or the initial authorization date, and will expire on October 31, 2019. The department will terminate the agreement if it determines that the vendor has provided false information in connection with its application for authorization. Either party may choose to terminate the agreement for cause after providing not less than 15 days advance written notice, subject to any applicable appeal rights under Wis. Admin. Code ch. DHS 149.

The Vendor Agreement does not constitute a license or a property interest. If the vendor wishes to continue to be authorized beyond the period of its current agreement, the vendor must reapply for authorization. If a vendor is disqualified, the WIC Program will terminate the vendor's agreement and the vendor will have to reapply in order to be authorized after the period of disqualification is over. In all cases, the vendor's new application will be subject to the vendor selection criteria and any vendor-limiting criteria in effect at the time of reapplication.

A. The VENDOR Agrees To:

General terms. The vendor shall:

1. Comply with the terms of this agreement and applicable WIC Program rules and regulations, including but not limited to Wis. Admin. Code ch. DHS 149, Wis. Stat. § 253.06, 7 CFR 246 and other applicable statutes, rules, and regulations; policies and procedures as stated in the completed application form, the stock price surveys, the *WIC Vendor Manual*; and further agrees to comply with amendments or updates made during the contract period, the list of approved foods, memos or other formal instructions, and terms of participation issued by the State WIC Office to vendors;
2. Comply with the vendor selection criteria throughout the contract period, including any changes to the criteria.

Nondiscrimination.

3. Vendor shall comply with the requirements of title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., Executive Order 13166 and guidance found at 65 Fed. Reg. 50123 (Aug. 16, 2000)), title IX of the Education Amendments of 1972 (20 U.S.C. § 1681 et seq.), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 701 et seq.), title II of the Americans with Disabilities Act of 1990 (42 U.S.C. § 12131 et seq. and implementing regulations found at 28 C.F.R. part 35, title II, subtitle A), the Age Discrimination Act of 1975 (42 U.S.C. § 6101 et seq. and implementing regulations found at 45 C.F.R. part 91), and Department of Agriculture regulations on nondiscrimination (7 C.F.R. parts 15, 15a and 15b), and Food and Nutrition Service (FNS) instructions (FNS Instruction Number 113-1 (Nov. 8, 2005)) to ensure that no person shall, on the grounds of race, color, national origin, age, sex, or disability, be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the WIC Program;

The department shall review and monitor the Vendor's activity to ensure compliance with these nondiscrimination provisions and Vendor shall to cooperate with the department in any complaint investigations, monitoring or enforcement related to civil rights compliance of Vendor under this Agreement.

Eligibility and Limitations.

4. Vendors must demonstrate that their cash register system or payment device is WIC Electronic Benefit Transfer (EBT) capable, meaning the vendor equipment and software is able to accurately scan or enter WIC food item Universal Product Code/Price Lookup (UPC/PLU) codes, match them to the Approved Product List (APL), determine if the WIC food balance in the participant's account is sufficient to purchase the item, and calculate the amount of the transaction. The electronic cash register system, if multi-functional/integrated, must do this while managing WIC and non-WIC items, the sales tax for non-WIC items, and a variety of promotions or discounts, as appropriate;
5. Vendors using a stand-beside point of sale device are responsible for any damages to the equipment or loss of equipment while it is in their possession. Refer to EBT Contractor Merchant Agreement for terms and conditions;
6. Upon termination of the Vendor Agreement, the vendor using single-function, stand-beside equipment becomes responsible for any monthly payments incurred until the equipment is returned to the eWIC contractor. This includes vendors sanctioned for program violations effective on the date of termination;
7. All self-checkout lanes must be separately certified by the EBT contractor and approved by Wisconsin WIC;
8. Vendors must be SNAP (Supplemental Nutrition Assistance Program) authorized by FNS prior to WIC authorization and must maintain SNAP authorization to remain WIC authorized;
9. Multi-function EBT capable equipment, either stand-beside or integrated, is required for vendor authorization, unless vendor is determined necessary for participant access;
10. Vendors currently using multi-function, stand-beside devices for eWIC transaction processing may not convert to single-function devices after authorization;
11. Vendors using multi-function, stand-beside devices that are subsequently sanctioned by SNAP will continue to pay ongoing maintenance and operational costs of that equipment pending the outcome of any appeal or judicial review. The WIC Program will not view that equipment as single-function;
12. Vendors using single-function, stand-beside devices who reapply for authorization at the expiration of the 2016 – 2019 Vendor Agreement will be evaluated to determine if they are necessary for participant access. If vendors are determined not necessary for participant access they may convert to multi-function, stand-beside equipment, at their own expense, or will voluntarily withdraw from the WIC Program;
13. Third party processing costs, interchange fees, or operating costs for multi-function point of sale devices or systems may not be paid by the WIC Program; and
14. The WIC Program may share in the cost of multi-function equipment if the WIC Program determines the vendor is necessary for participant access. If the WIC Program chooses to enter into a cost sharing agreement, the WIC Program may recover a prorated share of the cost of implementation if the vendor was terminated.

General Business operations. The vendor shall

15. Provide only currently authorized WIC foods in exchange for valid benefits issued by the WIC program as follows:
 - (a) Sell only approved foods to eWIC cardholders as identified in their electronic benefit account and on their shopping list/benefit prescription;
 - (b) Sell only foods that are approved on the Wisconsin APL to eWIC cardholders; and
 - (c) Sell only approved canned, fresh, or frozen fruits and vegetables. In processing fruit and vegetable benefit transactions, use the Cash Value Benefit (CVB) Button on the stand-beside device (see user manual);
16. Provide the capability for eWIC cardholders to complete a balance inquiry while in the store, without requiring a purchase to be made;
17. Complete eWIC transactions properly using the processes described in the *WIC Vendor Manual*;

18. Process all transaction types that are required by the WIC program. At a minimum this includes balance inquiry, purchase, void, and reversal;
19. Complete *eWIC* transactions with no minimum purchase amounts or quantities required;
20. Ensure that all cashiers are trained in the proper acceptance and processing of *eWIC* transactions;
21. Scan (or manually enter) the actual Universal Product Code (UPC) that is affixed to the approved food presented by the *eWIC* cardholder, unless the item being purchased is a CVB benefit. If using a stand-beside device, do not use the multiply function when scanning or manually entering WIC items. Each item must be scanned or entered individually;
22. Sell each WIC approved item at the same price charged to other customers, and charge the WIC program for only those items actually purchased and received by the *eWIC* cardholder;
23. Allow the purchase of all authorized foods as presented by the WIC customer up to the *eWIC* benefit balance;
24. Accept only one *eWIC* card per transaction;
25. Allow another form of payment, e.g., cash, Food Share/SNAP (Supplemental Nutrition Assistance Program, formerly the Food Stamp Program), credit or debit card, etc., to pay the difference if the purchase price exceeds the dollar value of the Fruit and Vegetable benefit. Vendors must allow the participant to choose from the tender types used by other customers;
26. Accept any manufacturer's coupons and other store promotions for WIC approved items in processing *eWIC* transactions, in compliance with Food and Nutrition Services' (FNS) EBT Operating Rules;
27. Accept as payment in full for each WIC authorized product redeemed the lesser of the shelf price requested for the product or the WIC program calculated Not-To-Exceed (NTE) price for that product within the store's assigned peer group. Coupon discounts, coupon reductions, price matching, or free items are applied to the purchase transaction prior to accepting payment from the WIC cardholder;
28. Ensure *eWIC* cardholders are never given cash in exchange for redeeming their food benefits;
29. Ensure the *eWIC* redemption process requires the *eWIC* cardholder to use a Personal Identification Number (PIN) in a manner that protects the security of the PIN and in which no one other than the *eWIC* cardholder will have knowledge of the PIN. The PIN, along with a valid *eWIC* benefit card, is the sole source of identification needed in processing an *eWIC* transaction;
30. Keep all *eWIC* cardholder information confidential;
31. Provide the *eWIC* cardholder with a receipt, which at a minimum, shows the last four digits of the card number, store name and address, the date and time of the transaction, purchased food items including quantity, description and unit of measure, unit cost, total purchase price, benefit expiration date, and the remaining balance of available benefits;
32. Operate a certified EBT capable system or device prior to accepting *eWIC* cards for purchase that performs online *eWIC* transactions in accordance with published rules, policies, and specifications, including:
 - (a) WIC EBT Operating Rules as amended from time to time;
 - (b) Technical Implementation Guidelines (TIG);
 - (c) Update a certified system to EBT Operating Rules 2014 and Technical Implementation Guide 2012 by March 1, 2018;
33. Maintain the certified Electronic Cash Register (ECR) integrated system or stand-beside device in a manner necessary to ensure system availability for *eWIC* processing during all hours the store is open for business;
34. Request state re-certification of the vendor's integrated ECR system if the vendor alters/revises the system in any manner that impacts its *eWIC* transaction processing capabilities;
35. Authorized vendors using a Point-of-Sale (POS) stand-beside device with 1–4 cash registers MUST have one device for every \$8,000 in monthly WIC redemption up to the total number of registers in the store. Authorized stores using a POS stand-beside device with five or more cash registers MUST have one device for every \$11,000

in monthly WIC redemption up to the total number of registers in the store. Vendors shall not restrict eWIC cardholders to a single lane when multiple lanes are eWIC capable;

36. Authorized vendors using a POS stand-beside device may elect to provide eWIC processing capabilities to more lanes than the number required by the WIC program. If this option is elected, any additional cost incurred must be directly paid by the vendor. The vendor must contract with the eWIC contractor for any additional equipment and support services;
37. Comply with terms of the FIS Merchant Agreement. (This provision applies to vendors using a stand-beside device(s) only);
38. Ensure that the most current Wisconsin Approved Product List (APL) is downloaded to the vendor's ECR system or stand-beside device;
39. The vendor must never scan codes from UPC codebooks or reference sheets. The vendor is prohibited from scanning any UPC as a substitute, replacement, or scanning a UPC that is otherwise not actually affixed to the item being purchased by the eWIC cardholder;
40. Follow state procedure to submit new UPC codes for consideration to the APL;
41. Identify checkout lanes that accept eWIC transactions if not all lanes are equipped with a stand-beside device or utilize an integrated system. Ensure signs are posted in a manner consistent with lane identifiers for other payment types; authorized vendors may use the State WIC EBT Card design or logo if needed;
42. Manually enter the eWIC card number by reading it off the eWIC card if the card fails when swiped. The eWIC card must be presented at the time of purchase;
43. Provide timely transaction documentation as requested by the state or local WIC office and fully cooperate in the resolution of any dispute arising in relation to eWIC transactions and redemptions;
44. Maintain required records for the greater of three (3) years after final payment is received or after all pending matters have been resolved. This includes the vendor's purchase and inventory records for approved WIC food items which the vendor has claimed reimbursement from the WIC program;
45. Return any eWIC cards found in the store or on the store property to the State WIC office, if left unclaimed for 24 hours, by mailing the cards to WIC, PO Box 2659, Madison, WI. 53701-2659;
46. Accept liability for any redemption of eWIC benefits:
 - (a) For which an approval has not been received from the WIC program; and
 - (b) For the incorrect redemption of benefits (e.g., providing an item not authorized by the WIC program or not available in the cardholder's account);
47. Derive less than 50 percent of annual food sales from eWIC transactions;
48. Purchase infant formula provided to WIC participants only from a supplier listed on the authorized infant formula supplier list;
49. When authorized as a pharmacy, order infant formulas or liquid nutritional/medical products at the request of WIC participants or the local WIC project. Pharmacies agree to have an established procedure with a distributor or manufacturer that would enable the pharmacy to supply infant formula within a reasonable time when requested by a WIC participant or the local WIC project;
50. Maintain regular, established hours of operation. This includes a minimum of two 4-hour blocks of time on each of five days per week. Daily operating hours must be consistent from week to week;
51. Maintain the required minimum stock of WIC approved foods at all times in the customer area of the store for purchase by WIC Program participants. "Minimum stock" as used in this agreement shall mean the amount and types of food items specified on the *Stock Price Survey* and in the *WIC Vendor Manual*. (Stores with infant formula theft problems may keep infant formula in a secure area. A notice of the location and prices must be posted in the area where the participant would expect to find the formula. Minimum stock must be maintained);
52. Provide approved WIC foods that are fresh and have not exceeded their "sell by," "best if used by," or other date limiting the sale or use of the food item;

53. Display the prices of WIC approved foods on the foods, on the shelves in proximity to the foods, or in the immediate area where the foods are kept in the customer area of the store;
54. Submit an accurately completed *Stock Price Survey* to the State WIC Office or local WIC Project upon request indicating the non-sale prices of the WIC approved foods;
55. Maintain the establishment in a clean, orderly, and safe condition;
56. Demonstrate business integrity.

Prohibited practices. The vendor shall

57. NOT confiscate the eWIC benefit card(s), or ask for, or enter the cardholder's PIN;
58. NOT allow any eWIC transactions through an online ordering service, with options including but not limited to pick-up in store and home delivery. All eWIC transactions must occur face-to-face with the cardholder at the vendor's fixed location;
59. NOT increase prices of approved foods to levels that would make the vendor ineligible for authorization;
60. NOT charge WIC participants more than the current shelf price for an approved food;
61. NOT charge participants (or their cardholders) prices that are higher than prices charged to other customers;
62. NOT charge more than the maximum price for foods as compared to the prices charged by other WIC vendors in the same vendor peer group;
63. NOT charge for approved food not received by a WIC participant;
64. NOT charge or collect sales tax on WIC food purchases;
65. NOT charge the eWIC cardholder any fee, either directly or indirectly, arising out of or associated with operating, maintaining, or processing eWIC transactions;
66. NOT redeem eWIC benefits in whole or in part for cash, rain checks, or other items of value or as a credit on accounts;
67. NOT sell in exchange for an eWIC benefit, alcohol, an alcoholic beverage, a tobacco product, or a non-WIC item;
68. NOT provide refunds or permit exchanges for authorized supplemental foods obtained with eWIC benefits, except for exchanges of an identical authorized supplemental food item when the original item is defective, spoiled, or has exceeded its "sell by," "best if used by," or other date limiting the sale or use of the food item. Identical authorized supplemental food item means the exact brand and size as the original item obtained and returned by the participant;
69. NOT provide cash for returned WIC approved food;
70. NOT provide coupons or certificates redeemable for cash, alcoholic beverages, tobacco products, or non-WIC items, that are contingent upon the redemption of a eWIC benefit;
71. NOT charge the WIC program any fee arising out of, or associated with, operating, maintaining or processing eWIC transactions;
72. NOT claim reimbursement for the sale of a specific approved food in an amount that exceeds the vendor store's documented inventory of that food for the same period of time;
73. NOT provide any incentive items to participants if the store has been determined to be an above-50-percent vendor;
74. NOT redeem WIC benefits that are issued to yourself or any relative. A vendor is exempt from this rule if there is no other WIC authorized grocery within a 10-mile radius;

75. NOT receive or redeem eWIC benefits for a vendor that is not a WIC-authorized vendor;
76. NOT redeem eWIC benefits for food purchased or received at an address other than the store address that appears on the authorized vendor's application;
77. NOT contact, question, or seek restitution from participants, parents, caretakers, or cardholders for eWIC benefits not paid or partially paid by the WIC Program.

Files, signs, and recordkeeping. The vendor shall

78. Display a sign, sticker, or other evidence of authorization as a WIC vendor, furnished by the WIC Program, in an area visible to WIC participants;
79. Keep on file in the above store, a copy of the *WIC Vendor Manual*, this agreement, the approved application, stock price surveys, updates, and amendments received from the State WIC Office;
80. Have the current list of approved WIC foods readily accessible to all cashiers;
81. Allow authorized personnel to monitor the store for compliance with WIC rules at the time of the visit and without prior notification;
82. Allow authorized personnel to audit the vendor's inventory and records as a monitoring procedure to determine whether the vendor has claimed reimbursement for the sale of WIC foods in an amount that exceeds the vendor's documented inventory for that food for the same time period;
83. Provide in a timely fashion all information requested during the contract period by the State WIC Office or its designee;
84. Maintain for a period of three years and provide access to paper or electronic records used for state or federal tax reporting purposes and other WIC Program records including: inventory records showing all purchases, wholesale and retail, in the form of invoices, books of account, shelf price records, and other pertinent records. All purchase records or invoices shall reflect the following:
 - name and address of the supplier or wholesaler;
 - name and address of the purchaser (if receipt is from wholesaler);
 - date of purchase, including month, day, and year;
 - list of the items purchased including, size, stock number (if available), UPC code, quantity, and unit price;
 - method of payment; and
 - sales receipts for WIC foods purchased at retail grocer (for resale by the vendor) must include the name and address of the store, the date of purchase, description of the exact items purchased (e.g., 12 oz Total cereal), the unit price of the items, and the total quantity purchased;
85. Make available upon the request of representatives of the State WIC Office, or the USDA, or the Comptroller General of the United States, all eWIC cards in the vendor's possession and all required inventory and accounting records for inspection and audit.

WIC logo. The vendor shall:

86. Use the acronym "WIC" or the WIC logo only to identify the vendor as an authorized vendor and to identify approved foods in the store. No vendor may include the acronym "WIC" in the name under which the vendor is registered in the WIC Program or in the name under which the vendor does business. No vendor may include the WIC logo, or close facsimiles of the WIC logo, in total or in part, in the name under which the vendor is registered in the WIC Program or in the name under which the vendor does business.

Duty to notify. The vendor shall:

87. Notify the State WIC Office at least 15 days prior to the change of location, name, address, management, corporate officers, and majority stockholders;
88. Using the vendor/participant complaint form, notify the state or local WIC project of any instance where a participant fails to comply with WIC requirements;

89. Notify the State WIC Office or local WIC project upon termination of this agreement due to voluntary termination, change of ownership, or when the store ceases operation and to return the EBT contractor's stand-beside device following termination or disqualification from the WIC Program.

Training. The vendor shall:

90. Participate or require designee to participate in annual training in WIC Program requirements and other training sessions when required to do so.

Responsibility. The vendor shall:

91. Comply with applicable federal, state, and local health protection laws and ordinances;
92. Implement a corrective action plan if imposed by the State WIC Office;
93. Be fully responsible for violations of this agreement committed by its owners, officers, managers, employees, agents, representatives or other individuals who directly or indirectly participate in the vendor's operations.

B. The WIC PROGRAM Agrees To:

1. Provide administrative oversight to ensure authorized stores meet compliance and integrity requirements in accepting and processing eWIC transactions;
2. Provide training to store representatives, as needed, on WIC policies and procedures;
3. Provide annual training for the vendor;
4. Provide networks and host processing for eWIC transactions that provide online and real-time approval, 24 hours a day, seven days a week;
5. Make available daily the most current APL containing a complete listing of products that are approved for redemption by the WIC program through its eWIC contractor;
6. Compile and maintain a list of certified EBT-capable systems for vendor applicants to consider;
7. Encourage commercial development of integrated eWIC systems and offer a leased, stand-beside device via a designated eWIC Contractor to authorized vendors electing to use this option;
8. Pay ongoing maintenance and operational costs of the minimum required quantity of single-function equipment for vendors currently using that type of device as of February 1, 2017, until the Vendor Agreement is terminated or expires on October 31, 2019, whichever comes first. The eWIC contractor will continue to provide the single-function equipment and customer support services.
9. Establish a calculated NTE price for each WIC approved food item and use this NTE in reimbursing vendors for items purchased by the eWIC cardholder;
10. Make payment to the vendor for actual retail costs for WIC benefits accepted and redeemed in compliance with the conditions contained in Section A above, Wis. Admin. Code ch. DHS 149, and the *WIC Vendor Manual*;
11. Reimburse (settle to) the vendor for all approved eWIC transactions that are made in accordance with applicable state and federal rules and requirements. Settlement will make use of commercial payment system settlement practices. Settlement amounts may differ from requested amounts because:
 - (a) The price of the food items within a transaction exceeds the NTE price designated by the WIC program for that food item and quantity or exceeds the vendor's shelf price for the food purchased;
 - (b) Not all of the food items within a transaction are approved; or
 - (c) Adjustments for previous transactions are applied;
12. Wisconsin WIC Program may deny payment for improperly transacted eWIC purchases or may initiate a claim for payments already made on improperly redeemed eWIC purchases or prices submitted above the calculated cost competitive pricing for appropriate peer group;
13. At the discretion of the Wisconsin WIC Program information may be shared with all authorized vendors and vendor applicants regarding vendor sanctions that have been imposed, identifying only the vendor's name, address, length

of the disqualification or amount of the civil money penalty, and a summary of the reason(s) for such sanction provided in the notice of adverse action. Such information may be disclosed only following the exhaustion of all administrative and judicial review, in which the state agency has prevailed, regarding the sanction imposed on the subject vendor, or the time period for requesting such review has expired;

14. In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, sex, disability, age, or reprisal or retaliation for prior civil rights activity in any program or activity conducted or funded by USDA. Persons with disabilities who require alternative means of communication for program information (e.g. Braille, large print, audiotape, American Sign Language, etc.), should contact the Agency (State or local) where they applied for benefits. Individuals who are deaf, hard of hearing or have speech disabilities may contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, (AD-3027) found online at: http://www.ascr.usda.gov/complaint_filing_cust.html, and at any USDA office, or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

- (1) mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410;
- (2) fax: (202) 690-7442; or
- (3) email: program.intake@usda.gov

USDA is an equal opportunity provider.

C. Sanctions for Fraud or Abuse:

1. As described in the Wis. Stat. § 253.06, Wis. Admin. Code ch. DHS 149, 7 CFR 246, 2013-2016 Vendor Agreement, and manual, all sanctions for WIC Program fraud and abuse and penalties apply to the new WIC tender, eWIC Card, and are interchangeable with all references to WIC checks and benefits;
2. The State WIC Office shall permanently disqualify a vendor from participation in the WIC Program if the vendor is convicted of providing cash in exchange for eWIC benefits or of selling a firearm, ammunition, explosive or controlled substance in exchange for eWIC benefits. Disqualification of a vendor shall be effective upon mailing the notice of administrative action by the WIC Program to the vendor's address of record in the program. The State WIC Office may not impose a civil money penalty in lieu of a permanent disqualification;
3. The State WIC Office shall disqualify a vendor from participation in WIC for six (6) years for:
 - (a) One incident of buying or selling eWIC benefits for cash; or
 - (b) One incident of selling in exchange for eWIC benefits a firearm, ammunition, an explosive, or a controlled substance as defined in 21 U.S.C. 802;
4. The State WIC Office shall disqualify a vendor from participation in WIC for three (3) years for:
 - (a) One incident of selling in exchange for eWIC benefits alcohol, an alcoholic beverage or a tobacco product;
 - (b) Three or more incidents of claiming reimbursement for the sale of a specific approved food in an amount that exceeds the vendor store's documented inventory of that food for the same period of time;
 - (c) Three or more incidents of any combination of:
 - i. Intentionally or unintentionally charging WIC participants more for approved food than nonparticipants; or
 - ii. Charging WIC participants more than the current shelf price for an approved food;
 - (d) Three or more incidents of receiving or redeeming eWIC benefits outside of authorized channels, including but not limited to receiving or redeeming eWIC benefits for a vendor that is not an authorized vendor; redeeming eWIC benefits for food purchased at an address other than the store address that appears on the authorized vendor's application;
 - (e) Three or more incidents of charging for approved food not received by a WIC participant; or
 - (f) Three or more incidents of providing in exchange for eWIC benefits credit or nonfood items other than alcohol, an alcoholic beverage, a tobacco product, cash, firearms, ammunition, explosives, or controlled substances as defined in 21 U.S.C. 802;
5. The State WIC Office shall disqualify a vendor from participation in WIC for one year for any one of the following:

- (a) Three or more incidents of providing unapproved foods in exchange for *eWIC* benefits; or
 - (b) Three or more incidents of charging for approved food provided in excess of food listed in the *eWIC* account;
6. When a vendor who previously has received a mandatory disqualification receives a second subsequent mandatory disqualification, the State WIC Office will impose double period of disqualification;
 7. When a vendor who previously has received two or more mandatory disqualifications receives another subsequent mandatory disqualification, the State WIC Office shall double the third period of disqualification and all subsequent periods of disqualification;
 8. For any of the following violations, the State WIC Office may send a warning letter to the vendor, require training for designated vendor personnel, require implementation of a corrective action plan, require payment of a forfeiture, require recoupment, disqualify the vendor for no more than one year, or impose any combination of these sanctions:
 - (a) Providing cash for returned approved food;
 - (b) Failing to implement a corrective action plan imposed by the State WIC Office;
 - (c) Failing to meet the minimum requirements for authorization listed in Wis. Admin. Code §§ DHS 149.05(3) to (15);
 - (d) Providing false information to the State WIC Office; or
 - (e) One or two incidents of violations stated in Wis. Admin. Code §§ DHS 149.10(3) and (4).
 9. For any of the following violations, the State WIC Office may send a warning letter to the vendor, require training for designated vendor personnel, require implementation of a corrective action plan, require payment of a forfeiture, require recoupment, disqualify the vendor for no more than six months, or impose any combination of these sanctions:
 - (a) Failing to comply with *eWIC* benefit processing and redemption procedures described in the vendor agreement;
 - (b) Failing to display prices for approved foods on the foods, on the shelves in proximity to the foods, or in the immediate area where the foods are kept in the customer area of the store;
 - (c) Stocking or selling approved foods that are expired or otherwise not fresh;
 - (d) Failing to complete training as required by the State WIC Office or a local project;
 - (e) Failing to maintain the grocery store or pharmacy in a clean, orderly, and safe condition;
 - (f) Failing to maintain or provide the State WIC Office with required information within a timely manner;
 - (g) Failing to notify the local project in the project service area in which the vendor is located of an instance in which a participant has failed to comply with WIC Program requirements;
 - (h) Failing to provide to WIC participants or cardholders the same courtesies as offered to other customers;
 - (i) Failing to maintain a current Food Dealers or Pharmacy License;
 - (j) Failing to notify the state WIC Vendor Unit of any civil or criminal convictions; or
 - (k) Failing to pay child support, taxes, and money judgments;
 10. Except where prohibited by federal regulation, if the State WIC Office determines in its sole discretion that disqualification of the authorized vendor would result in inadequate participant access, the State WIC Office shall impose a civil money penalty in lieu of disqualification. If a vendor does not pay, only partially pays, or fails to timely pay a civil money penalty assessed in lieu of disqualification, the State WIC office shall disqualify the vendor for the length of the disqualification corresponding to the violation for which the civil money penalty was assessed;
 11. The State WIC Office may recoup excess payments made to the authorized vendor resulting from the vendor's violation of this chapter. If a recoupment is imposed, the State WIC Office shall also impose an enforcement assessment of 50 percent of the amount of the recoupment imposed;
 12. The State WIC Office shall disqualify from the WIC Program a vendor who is disqualified from SNAP;
 13. The State WIC Office may disqualify a vendor who has had a civil money penalty for hardship by SNAP;
 14. Voluntary withdrawal of a vendor and non-renewal of the vendor agreement as alternatives to disqualifications will not be accepted, and will be entered on the record;
 15. Violations as outlined in Wis. Admin. Code ch. DHS 149 and summarized in the W/C Vendor Manual may result in termination or disqualification following provision to the vendor of reasonable notice and opportunity for a hearing;
 16. Violations of Wis. Stat. § 253.06 or conditions of eligibility in Wis. Admin. Code ch. DHS 149 may result in termination or disqualification following provision to the vendor of reasonable notice and opportunity for a hearing;

17. Violations of Wis. Stat. § 253.06 may result in a forfeiture of not less than \$10 nor more than \$1000, recoupment and an enforcement assessment of 50% of the amount imposed, following provision to the vendor of reasonable notice and opportunity for a hearing;
18. The State WIC Office will determine the action to be taken whenever vendor abuse, fraud, or administrative violations are discovered. If the State WIC Office determines that the vendor has violated applicable rules or regulations, the vendor will be disqualified from participation in the WIC Program for a period of no more than the maximum period allowed under 7 CFR 246. To obtain re-authorization, vendors who are disqualified must re-apply and meet all current requirements for authorization;
19. If an individual, partnership, corporation, or other business structure is convicted of a criminal offense involving WIC, SNAP, or any other program operated by the Food and Nutrition Service of the U.S. Department of Agriculture, all grocery stores and pharmacies wholly or partially owned or managed by the convicted individual, partnership, corporation, or other business structure, or by a partner of a convicted partnership or an officer, director, or majority stockholder of a convicted corporation, shall be terminated from WIC vendor authorization and shall be disqualified from future WIC vendor authorization for the maximum disqualification period allowed by federal law. This termination and disqualification shall occur whether or not the grocery store or pharmacy was the location at which the crime occurred, and regardless of any penalty imposed upon the convicted party by the court of conviction;
20. State WIC office sanctions for program abuse shall not be construed as excluding or replacing any criminal or civil sanctions or other remedies that may be applicable under any federal and state statute or local ordinance. A vendor who commits fraud or abuse of the program is liable to prosecution under applicable federal, state, or local laws;
21. The State WIC Program will, where appropriate, refer vendors who abuse the program to federal, state, and local authorities for prosecution;
22. When a store location is currently involved in the audit process or has been sanctioned by WIC or SNAP and is in the appeal process, authorization of a new owner may be denied at this location until completion of audit or appeal decision is rendered.

D. Vendor Appeals:

1. Vendor appeals are governed by this section and 7 CFR 246.18, Wis. Stat. 227 Subch. III, and Wis. Admin. Code ch. HA 1. A vendor may file a written request for a chapter 227 administrative review of an adverse action taken by the State WIC Office;
2. As an alternative to a chapter 227 hearing, a vendor may request from the department an abbreviated review for any of the following actions taken by the State WIC Office:
 - (a) Denial of authorization based on a SNAP disqualification or civil money penalty in lieu of disqualification from SNAP;
 - (b) Denial of authorization based on vendor selection criteria if the basis of the denial is a WIC vendor sanction or a SNAP withdrawal of authorization or disqualification; or
 - (c) Termination of the agreement because of a change in ownership or location or cessation of operations;
3. The following actions are not subject to appeal:
 - (a) Expiration of a vendor's authorization;
 - (b) The validity or appropriateness of the State WIC Office's selection criteria;
 - (c) The validity or appropriateness of the State WIC Office'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) The validity or appropriateness of the State WIC Office's participant access criteria and the State WIC Office's determination regarding participant access;
 - (e) The State WIC Office's determination whether a vendor had an effective policy and program in effect to prevent trafficking and whether the vendor owner was involved in the conduct of the violation;
 - (f) The State WIC Office's determination of necessary for participant access;
 - (g) Denial of authorization if the State WIC Office vendor authorization is subject to procurement procedures applicable to the state agency;
 - (h) Disputes regarding eWIC payments and vendor claims (other than the opportunity as permitted by 7 CFR 246.12(k)(3) to justify or correct a vendor overcharge or other error); or
 - (i) Disqualification of an authorized vendor as a result of disqualification from SNAP;
4. The State WIC Office shall begin an adverse action, including disqualification or imposition of a civil money penalty, forfeiture, recoupment, or enforcement assessment by serving upon the vendor a written notice of the action by

certified mail or personal delivery at least 15 days in advance of the effective date of the action described in the notice;

- 5. Requests for a hearing shall be in writing and shall be filed within 15 days after service of notice and adverse action. A request shall be considered filed on the date of actual receipt by the agency, or the date of the postmark, whichever is earlier. A request filed by facsimile is complete upon transmission;
- 6. Requests for an administrative hearing shall be filed with the Department of Administration's Division of Hearings and Appeals. Requests for abbreviated review shall be filed with the State WIC Office;
- 7. The decision-makers review decision shall constitute the agency's final decision. Review decisions shall include notice of a vendor's right to appeal the determination to circuit court;
- 8. If the department finds that public health, safety, or welfare imperatively requires emergency action and incorporates a finding to that effect in its order, summary suspension of WIC authorization may be ordered, pending proceedings for revocation or other action. Such proceedings shall be promptly instituted and determined;

E. General Conditions:

- 1. The State WIC Office will terminate the agreement if it identifies a conflict of interest, as defined by applicable state laws, regulations, and policies, between the vendor and the State WIC Office or its local projects;
- 2. The State WIC Office reserves the right to amend this agreement upon thirty (30) days' notice;
- 3. Neither party has any obligation to renew this agreement.

This agreement, the rules and regulations referenced within, together with the *WIC Vendor Manual* contain all terms and conditions agreed upon by the parties. The vendor agrees that the vendor has read, understands, and will comply with the terms in this agreement. The vendor also agrees to comply with conditions stated in: 7 CFR 246, Wis. Admin. Code ch. DHS 149, the completed application form, stock price surveys, the *WIC Vendor Manual*, list of approved foods, memos, other formal instructions, and terms of participation issued to vendors by the State WIC Office.

The undersigned represents that he/she is an owner or has other legal authority to obligate the vendor.

For initial applicants, this Agreement is effective when training is completed and the *WIC Vendor Manual* and authorized WIC vendor number are provided. For vendors making reapplication, this Agreement is effective on November 1, 2016, or the date signed by the Department, whichever is later.

Print Name and Title of Vendor, or
Person with legal authority to obligate Vendor

SIGNATURE

Date Signed

The undersigned has authority to sign this Agreement on behalf of the Wisconsin WIC Program:

Chuck Warzecha, Deputy Administrator Division of Public Health
Name and Title of person with authority to sign

SIGNATURE

Date Signed