

The Integrity Profile (TIP)

Executive Summary

The Integrity Profile (TIP) report is an analysis of the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) State agency vendor monitoring activities. The selection, authorization, and monitoring of vendors are State agency responsibilities. Annually, State agencies report to the Food and Nutrition Service (FNS) information on vendors monitored and investigated and the actions taken against vendors that violated program requirements. This TIP report covers activities conducted between October 2000 and September 2001. The report discusses the safeguards that exist to prevent vendor fraud and abuse from occurring. These safeguards are an integral part of the WIC food delivery system and play a major role in ensuring program integrity. The TIP report serves an important program purpose in that it provides FNS and other interested parties with specific State-by-State data on WIC vendor characteristics, training, compliance activities and sanctions and promotes good stewardship of federal funds by assisting State agencies in identifying areas for improvement.

In addition to preventative efforts, State agencies have systems in place to detect vendor violations that may occur. Problems are generally detected through routine monitoring visits, compliance buys, or inventory audits. In fiscal year (FY) 2001, out of a universe of 49,125 vendors, 34% (16,873 vendors) received routine monitoring visits, 9% (4,606 vendors) received one or more compliance buys, and less than 1% (115 vendors) received inventory audits. Fifty-two State agencies conducted routine monitoring visits of 40% or more of their authorized vendors. (See Table 10 in the appendix for a State-by-State breakdown.)

Executive Summary Continued

Approximately 21,600 vendors received one or more routine monitoring visits, compliance buys, and/or inventory audits. Of these vendors, 31 percent (6,631 vendors) committed vendor violations.

- Fifty-three percent (3,514 vendors) committed a single violation and 47 percent (3,116 vendors) committed multiple violations.
- Sixty-four percent (4,274) of the vendors who committed violations were high-risk vendors and 36 percent (2,357) were non-high-risk vendors.
- Six State agencies found trafficking among 6 vendors during compliance investigations for suspected overcharging. State agencies also conducted compliance buys of 34 unauthorized stores and found that two of these stores accepted food instruments during the buy.
- Thirty-four State agencies reported substitution of unauthorized foods among 979 vendors. Ten State agencies reported substitution of non-food items among 36 vendors. (See Table 12 in the appendix.)

A total of 3,330 vendors received sanctions or warning letters during FY 2001 as a result of violations found during routine monitoring visits, compliance buys, and inventory audits. Since investigations are not always completed during one fiscal year, this number includes cases that had not been resolved in FY 2000. Sanctions generally range from fines to disqualification. Of the vendors sanctioned in FY 2001, 524 (16%) were disqualified. One hundred and nine (109) of these 524 disqualifications were based on Food Stamp Program (FSP) referrals. (See Table 14 in the appendix for a State-by-State breakdown.)