

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 2001 and September 2002. 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) 2002, out of a universe of 49,641 vendors, 31% (15,204 vendors) received routine monitoring visits, 8% (3,941 vendors) received one or more compliance buys, and less than 1% (161 vendors) received inventory audits. Fifty-one 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

A total of 19,306 vendors received one or more routine monitoring visits, compliance buys, and/or inventory audits. Of these vendors, 32 percent (6,444 vendors) committed vendor violations.

- Fifty-seven percent (3,647) committed a single violation and 43 percent (2,797) committed multiple violations.
- Fifty-four percent (3,316) of the vendors who committed violations were high-risk vendors and 46% (2,822) were non-high-risk vendors.
- Nine State agencies found trafficking among 21 vendors. State agencies also conducted compliance buys of 33 unauthorized stores and found that two of these stores accepted food instruments during the buy.
- Thirty-three State agencies reported substitution of unauthorized foods among 915 vendors. Thirteen State agencies reported substitution of non-food items among 387 vendors. (See Table 12 in the appendix.)

A total of 2,751 vendors received sanctions or warning letters during FY 2002 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 2001. Sanctions generally range from fines to disqualification. Of the vendors sanctioned in FY 2002, 275 (10%) were disqualified. Seven of these 75 disqualifications were based on Food Stamp Program (FSP) referrals. (See Table 14 in the appendix for a State-by-State breakdown of reasons for disqualifications.)