

Chapter Eight

Participant Disqualification and Dual Participation

Chapter Eight

Participant Disqualification and Dual Participation

Overview

In This Chapter This chapter is divided into six (6) sections. It also describes the mechanism for participant disqualification, dual participation, and who is responsible for the actions needed.

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Policy The Arizona WIC Program will implement policies and procedures for the detection of fraud and abuse within the Arizona WIC Program.

Written Agreement The Arizona WIC Program will have written agreements for the detection and prevention of dual participation.

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Definitions

Abuse

Abuse is defined as intentional infliction of physical harm and/or to attack with verbal words. This can include, but is not limited to, ridiculing or being demeaning, making derogatory remarks toward or verbally harassing another.

Abuse is also defined as misuse: to use something in an improper, illegal, or harmful way.

Fraud

Fraud is an intentional misrepresentation of the truth to deceive others for the purpose of acquiring something of value, such as a financial gain or WIC benefits. Anything calculated to deceive, whether it be by a single act or combination, by the suppression of truth, or by a suggestion of what is false, whether it is by a direct lie (deception), silence, omission, a look, or a gesture. An example of fraud could be the selling of an issued food instrument and/or state issued equipped (i.e. breast pump, accessories) for personal gain; an act which intentionally deceives the WIC program and abuses one's benefits.

Intent to Violate

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. For the purposes of the Arizona WIC Program, an intentional violation is defined as a participant making a verbal offer to sell to another individual or providing the posting of WIC foods, WIC items or any other issued WIC benefits for sale, given away or traded online, in any type of printed manner (newspapers, etc.), or allowing someone else to conduct this act for them (knowingly or unknowingly), would be evidence that the participant has intentional, whether direct or indirect, committed a participant violation.

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Section A

Participant Disqualification for Program Fraud

Policy

Arizona WIC Program participants shall receive written warning or be disqualified when an investigation and supporting evidence/documentation verifies that participant fraud has occurred.

The State Agency reserves the right to disqualify participants for other actions not listed herein if the participant violates any program policies and/or regulations.

Government Accounting Office (GAO) Definition

Participant Violation: Intentional activities or actions of WIC participants or their Authorized Representatives or proxies taken to obtain benefits to which they are not entitled and/or to misuse benefits they receive. Activities and actions include, **but are not limited to:**

- Misrepresenting facts used to determine eligibility (e.g. total household income, age of children, existence of children, custody of children, address, etc.)
 - Exchanging/substituting food instruments for non-approved items (e.g., cash, alcohol, or tobacco products, sundries, etc.)
 - Selling or giving away foods obtained with WIC issued food instruments/benefits
 - Selling or attempting to sell (either in person, online, or through any other means available), WIC foods or WIC items (i.e. Breast pump, breast milk storage bags, and/or other accessories) received through the WIC Program.
 - Participating at more than one WIC or CSFP agency simultaneously
 - Verbally/physically abusing WIC vendors and/or WIC staff
-

Disqualification Without Warning

Serious substantiated violations of program integrity, such as the sale of WIC food instruments or personal/hospital grade breast pumps will result in disqualification without any prior warning. Warnings before sanctions are at the sole discretion of the State and are conducted on a case by case basis.

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Section A

Participant Disqualification for Program Fraud, Abuse, and Misuse

VIOLATIONS	NUMBER OF OFFENSES	SANCTIONS
1. Using food benefit(s) before "Date of Issue" or after "Date Valid To"	1 2	Warning letter 30-day disqualification
2. Failing to sign food benefit(s) at time of purchase	1 2	Warning letter 30-day disqualification
3. Cashing food benefit(s) reported lost or stolen	1 2 3	Warning letter 30-day disqualification and repayment 1-year disqualification and repayment
4. Allowing an unauthorized person to use food benefit(s) or ID folder (including altering ID folder)	1 2	Warning letter 90-day disqualification and repayment
5. Using food benefit(s) to buy unauthorized food costing \$99 or less (for \$100 or more, see #6)	1 2	90-day disqualification and repayment 1-year disqualification and repayment
6. Using food benefit(s) to buy unauthorized food equaling \$100 or more	1	1-year disqualification and repayment
7. Threatening harm to Local Agency or Vendor staff	1	1-year disqualification and possible referral to the appropriate Law Enforcement Authorities
8. Creating a public nuisance, or disrupting normal activities through verbal misconduct at the Local Agency or at the Vendor location	1 2 3	Warning letter 30-day disqualification 1-year disqualification
9. Altering food benefits' date, quantity, or type of food in any manner	1 2 3	60-day disqualification and repayment 90-day disqualification and repayment 1-year disqualification and repayment

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Section A

Participant Disqualification for Program Fraud, Abuse, and Misuse (Continued)

VIOLATIONS	NUMBER OF OFFENSES	SANCTIONS
10. Intentional false statement(s) or misrepresentation of income, name, residence, family size (including receiving and using benefits for children no longer in the family), medical data, pregnancy, and/or date of birth to obtain WIC benefits	1	Immediate termination and 1-year disqualification and repayment
11. Exchanging food benefit(s) for credit or non-food items	1 2	90-day disqualification and repayment 1-year disqualification and repayment
12. Selling or giving away food benefit(s), and/or WIC issued items (i.e. personal or hospital grade breast pumps).	1	1-year disqualification and repayment and possible referral to the appropriate Law Enforcement Authorities and possible referral to SNAP authorities
13. Making a verbal offer to sell to another individual or posting of WIC foods, WIC items or any other issued WIC benefits for sale, given away or traded online, in any type of printed manner (newspapers, etc.), or allowing someone else to conduct this act for them (knowingly allowing someone else to conduct this act for them, with or without that person's knowledge of WIC participant fraud, abuse and misuse)	1 2	90-day disqualification and possible referral to SNAP authorities 1-year disqualification and possible referral to SNAP authorities
14. Selling, trading, or giving away supplemental food that was purchased with WIC food benefit(s) (to include infant formula)	1	1-year disqualification and repayment and possible referral to the appropriate Law Enforcement Authorities and possible referral to SNAP authorities
15. Using food benefit(s) at unauthorized stores and/or through any other unauthorized channels	1 2	90-day disqualification and repayment and possible referral to SNAP authorities 1-year disqualification and repayment

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		and possible referral to SNAP authorities
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Section A

Participant Disqualification for Program Fraud, Abuse, and Misuse (Continued)

VIOLATIONS	NUMBER OF OFFENSES	SANCTIONS
16. The direct or indirect theft of food benefits	1	1-year disqualification, repayment, and referral to the appropriate Law Enforcement Authorities and possible referral to SNAP authorities
17. Physically abusing WIC or Store Staff/Property	1	1-year disqualification and reported to law enforcement
18. Dual participation: using food benefits(s) from two programs/agencies in the same month, includes CSFP, ITCA Inc, and Navajo Nation	1	Immediate termination from all but one (1) program/agency received and full repayment of the dual benefits and possible referral to SNAP authorities
19. Dual Participation resulting from Intentional misrepresentation	1	1-year disqualification from all programs and repayment of all benefits and possible referral to SNAP authorities
20. Assessed claim for \$100 or more. A claim is the amount of a repayment.	1	1-year disqualification and repayment
21. Assessed second or subsequent claim for any amount	1	1-year disqualification and repayment
22. Trafficking WIC food benefits, WIC benefits or WIC items and/or collusion with an authorized vendor	1	1-year disqualification and repayment referral to the appropriate Law Enforcement Authorities and possible referral to SNAP authorities

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Section A

Participant Disqualification for Program Fraud (Continued)

**Participants
Rights and
Responsibilities
When
Disqualified**

Participants have the right to appeal any denial, claim or disqualification at a fair hearing or an informal dispute resolution conference. Participants shall be provided, within a minimum of 15 calendar days, written notice prior to a disqualification. For more information on hearing and informal dispute resolution procedures, see Chapter 16.

**Exception for
Disqualification**

The State Agency may decide not to impose a mandatory disqualification if, within thirty (30) days of receipt of the notice of repayment, full restitution is made or a repayment schedule is agreed upon. A participant will have the opportunity to provide a personal statement explaining the circumstances surrounding the loss of the pump. All decisions are at the discretion of the State Agency.

Reapplication

Participation may be permitted to reapply for the program before the end of a disqualification period if full repayment is made or a repayment schedule is agreed upon.

**Lost / Stolen
Hospital Grade
Breast Pumps**

Local Agencies will immediately report cases of lost/stolen hospital grade breast pumps to the State Agency upon receiving notification from the participant. The local agency shall assist the state agency in retrieving the appropriate statements and documentation from the participant. Based on the documents provided by the participant, an investigation will be conducted to determine the status for program participation.

In the event that a participant reports a hospital grade breast pump as lost, a signed statement must be provided to the WIC program explaining the circumstances surrounding the loss of equipment.

In the event that a participant reports a hospital grade breast pump as stolen, the participant shall file a police report and provide a signed statement, along with the police report to the WIC program explaining the circumstances surrounding the loss of equipment.

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Section B

Dual Participation Within the Arizona WIC Program

Dual Participation Reports

The State Agency will produce Dual Participation Reports. The purpose of Dual Participation Reports is to detect potential dual participation within the Arizona WIC Program and CSFP.

State Agency Responsibilities

The State Agency will coordinate efforts with the Local Agency(ies) when potential dual participation has occurred.

The State Agency will request supporting documentation from the Local Agency to include but not limited to signature receipts and signed Rights and Obligations forms.

The State Agency will conduct an exhaustive investigation to determine if dual participation occurred and will inform Local Agencies of the necessary course of action and/or sanction.

Local Agency Responsibility

The Local Agency will request information from applicants about previous participation in other WIC programs and CSFP.

The Local Agency will appropriately handle potential dual participants when prompted in the WIC computer system.

The Local Agency will notify the State Agency, in writing, of any identified possible dual participation within 15 working days of discovery.

When a Local Agency is contacted by the State Agency, the LA will provide the requested information.

When dual participation has been determined, the Local Agency will coordinate with the State Agency to impose the appropriate sanction.

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Section C

Dual Participation With Other WIC State Agencies

Inter Tribal Council of Arizona, Inc. (ITCA) WIC and Navajo Nation WIC

ITCA and Navajo Nation WIC Programs will produce, upon request, electronic records of all active clients within the Agreement designated time period.

A Dual Participation Report that lists all possible dual participants (Arizona WIC/ITCA WIC/Navajo Nation WIC/Arizona CSFP) will be produced and followed up by the State Agency.

The State Agency/ITCA/Navajo Nation will contact the local agencies involved to determine if dual participation has occurred. If no dual participation is found, the report will be logged and stored electronically by the reviewer. The reports will be retained by the State Agency according to the schedule established in Chapter Fourteen (14): Records and Reports.

If dual participation is discovered, the State Agency will coordinate appropriate action with ITCA and/or Navajo Nation.

State Agencies

When Local Agencies are faced with factors/situations that include participants traveling routinely between local services located across the State Agency Borders; dual participation must be evaluated and consequences discussed when a participant received benefits from more than one (1) State WIC Agency. Examples of these factors/situations may include the following: lack of geographic barriers and common vendors. If Dual Participation is determined, the sanctions in Section A, #18 and #19, are to be followed.

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Section D

Dual Participation With the Commodity Supplemental Food Program (CSFP)

Data Submission

Local agencies will enter information in the Arizona In Motion (AIM) system on all persons enrolled in CSFP.

State Agency Responsibility

The State Agency will investigate all persons who appear on the WIC/CSFP dual participation alert to determine whether or not dual participation is occurring.

Note

The follow-up procedures will be the same as found in Section B, Dual Participation within the Arizona WIC Program.

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Section E

Responsibilities

STATE AGENCY RESPONSIBILITIES	LOCAL AGENCY RESPONSIBILITIES
The State Agency will consult with the Attorney General's Office in cases of alleged fraud and abuse, and if appropriate, the USDA Office of the Inspector General and/or Local Law Enforcement.	The Local Agency will document all allegations of program abuse or fraud.
The State Agency is responsible for the fraud hotline and any/all information obtained from it.	In all cases where program abuse or fraud is alleged against a participant, the Local Agency shall immediately contact the Program Integrity team and provide supporting documentation to the State Agency.
The State Agency will verify information regarding alleged participant abuse and/or fraud and the State agency will retain the documentation.	The Local agencies must consult with the State Agency prior to taking any action regarding participant abuse or fraud.
Following a thorough investigation, the State Agency will determine the appropriate participant sanction (if applicable).	If there is a sanction action, the Local Agency will advise the participant of the program requirement(s) they violated. (What they did wrong and the correct procedure.)
The State Agency will determine the amount of funds improperly received by the participant.	The Local Agency will assist the participant in preparation and submission of their written request for an appeal of a claim and/or a program disqualification. (See Appendices B and C for appeal procedure forms). And, assist the participant with completing a repayment schedule for claims.
When an investigation has verified fraud or abuse, the State Agency will send a certified letter to the participant regarding the sanction and, if appropriate, the amount of repayment requested. A copy of the certified letter will be sent to the Local Agency.	The Local Agency will provide the participant with Program benefits (i.e. food package) as stated below.
The State Agency will inform the participant of their right to appeal a claim or a program disqualification.	The Local Agency will provide program benefits to participants, who appeal disqualification within fifteen (15) calendar days of the written notification of disqualification, until the appeal is decided, the participant becomes categorically ineligible or the certification periods expires, whichever occurs first.
The State Agency will provide an informal dispute resolution meeting and/or a fair hearing.	

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Section F Claims

Policy

If the State Agency determines that program benefits have been obtained or disposed of improperly as the result of a participant violation, the State Agency will establish a claim against the participant for the full value of the improperly received benefits, in addition to applying any appropriate sanctions per the sanction schedule.

Procedure

Following an investigation that has confirmed there was a participant violation, the State Agency will determine the amount of any improperly received benefits.

The State Agency will establish a claim against the participant for the full value of the improperly received benefits.

The State Agency will send the claim by certified mail to the participant and an electronic copy to the Local Agency.

If the participant chooses to appeal the claim, the Local Agency will assist in completing the appeal request.

If the participant chooses a repayment plan for claims, the State Agency will assist in developing a payment schedule.

If the participant has not paid the State Agency directly within 15 days of the notice, the participant's account will be flagged internally and benefits will be restricted until the claim is paid.

If full payment or a payment schedule has not been established after two (2) letters demanding repayment, the State Agency will not pursue further collection actions under \$500.00. (The cost of WIC staff time at approximately \$30.00 per hour and the cost of legal services by the State Attorney General at approximately \$87.00 per hour would not make it cost beneficial to pursue any claims under \$500.00).

The State Agency will notify the Inter-Tribal Council of Arizona, Inc. and the Navajo Nation WIC Programs of any participant who has an unpaid claim with the Arizona WIC Program.

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