**Section 672.510 State Agency Vendor Sanctions**

a) State Major Violations

State major violations are violations that, in the determination of the Department, could result in harm to WIC Participants or the WIC Program. The following will be considered major violations:

1) Failure to maintain the minimum required quantity, size and type of foods of at least three WIC Foods identified in the minimum supply of WIC Foods and specified in the WIC Vendor Contract. (See definition of "Minimum Supply of WIC Foods" in Section 672.100.)

2) Accepting any remuneration for the difference between the Not-to-Exceed price of the Food Benefit and the shelf price of the WIC Foods.

3) Having expired WIC Foods on the shelf. (See Section 672.100, "Expired Food".)

4) Submission of a Federal Employers Identification Number (FEIN) for the business entity operating as a Vendor that differs from the FEIN filed for the same business entity with SNAP or with the Illinois Department of Revenue.

5) Submission of false, erroneous or inaccurate information in the business or financial information provided to the Department, on the Retail Vendor price survey, or during the course of inspections of the Vendor Site.

6) Refusing to allow the Department access to investigate the Vendor Site during normal business hours.

7) Violation of a term of the WIC Vendor Contract.

8) Use of WIC authorization by an unauthorized individual, corporation, partnership, limited partnership, unincorporated association, limited liability company or former Vendor (if an individual), or the voluntary or involuntary dissolution of a Vendor corporation, partnership, limited partnership, limited liability company or unincorporated association.

9) Failure to pay the Department the amount of any reimbursement or fine due.

10) Submitting false, erroneous, or inaccurate information on the application for a WIC Retail Vendor Contract.

11) Violation of the WIC Vendor Management Act or this Part, or of the federal statutes and regulations governing the WIC Vendor program.

12) Purchasing infant formula from a source that is not an approved source under this Part.

13) Failure to maintain prices for WIC Participants at levels competitive to prices for non-WIC Participants.

14) Charging for supplemental food not received by the Participant.

15) Altering or submitting for payment altered Food Benefits.

16) The possession, the display on the shelf in the Vendor Site, or the attempted sale or actual sale of food products that originated from WIC Food Centers or the Commodity Supplemental Food Program.

b) State Minor Violations

State minor violations are violations that are administrative in nature and may impose less harm to Participants or the program. The following will be considered minor violations:

1) Failure to maintain the minimum required quantity, size and type of WIC infant formula, as identified in the minimum supply of WIC Foods and specified in the WIC Vendor Contract. (See definition of "Minimum Supply of WIC Foods" in Section 672.100.)

2) Requiring a Participant to select a different type or brand of WIC Foods when not specified on the Food Benefits.

3) Failure to complete a WIC EBT sale according to specified requirements of the current WIC Vendor Contract.

4) Not posting the shelf price for WIC Foods.

c) Sanctions/Administrative Warnings

1) For each major violation, except those set forth in subsection (c)(2), a Vendor will receive:

A) A fine assessment of $1000 or 10% of the Vendor's monthly average redemptions for the 12 months preceding the advance notification regarding the sanction, whichever is more; and

B) Either:

i) Disqualification from the WIC Program for up to 1 year; or

ii) Probationary status within the WIC Program.

2) For each minor violation a Vendor will receive:

A) A fine assessment of $500 or 5% of the Vendor's monthly average redemptions for the 12 months preceding the advance notification regarding the sanction, whichever is more; and

B) Probationary status within the WIC Program.

3) For all violations, the Department will give the Vendor a written administrative warning. Once a pattern of these violations is established, a sanction will be imposed pursuant to Section 672.505.

4) Multiple violations in a single investigation will result in a cumulative fine assessment.

A) The cumulative sanction imposed will be determined based on the nature and seriousness of the combined violations, the extent of potential harm to WIC clients and the program, and the deterrent effect for the Vendor and other Vendors.

B) An investigation will be considered complete when, in the judgement of the Department, sufficient evidence exists to determine whether the Vendor is complying with program requirements.

C) The maximum fine and maximum disqualification term will be no more than the limits set forth in 7 CFR 246.12(l)(2)(i).

5) All fine assessments shall be paid within 30 calendar days from the date of the Secretary's advance notification of administrative action or order, by cashier's check or certified money order in United States currency. If the Vendor fails to pay any fine assessed within 30 calendar days after the date of the Secretary's advance notification or order, the Department will disqualify the Vendor from participation in the WIC Program until the fine is paid, and an additional fee of $1500 will be required to reinstate Vendor authorization.

d) A Vendor remaining in the program after a finding of violations shall provide certification that the situation giving rise to the violations has been corrected, with documentation regarding the correction as requested by the Department.

e) If the Department has reasonable grounds for believing that a participating Vendor has committed an abuse or violation of the WIC Program, the Department may send written notice to the Vendor citing the specific grounds and warning the Vendor that abuse or violations should not continue or recur. The Department, however, is not required to provide a vendor with administrative warning prior to imposing sanctions or repudiating a Vendor Contract.

(Source: Amended at 48 Ill. Reg. 2491, effective January 30, 2024)