

# STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES  
DIVISION OF PUBLIC ASSISTANCE

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FAMILY NUTRITION PROGRAMS  
-- JUNEAU

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## Vendor Unit Memorandum No-010-02

**Date:** May 13, 2010  
**TO:** LA WIC Coordinators  
Satellites  
**FROM:** Elaine Rich  
State WIC Vendor Coordinator  
**SUBJECT:** FY 10 Compliance Investigation Requirements

**Information- X**  
Policy – X  
Action – X  
Routine (email and hard copy) – X

In our continued efforts to improve Alaska WIC Vendor Management services and to ensure compliance with federal regulations on vendor monitoring and cost containment, we have used your comments to create useful tracking tools and updated processes.

### FY 10 Vendor Compliance Reviews

Several FY 2009 compliance investigations are being rescheduled for FY 10. There are two major reasons for this:

- cashiers who failed to ask for identification;
- or once they asked for identification they did not hold onto the I.D. to do a side by side comparison of the signatures.

In most cases, the cashier returned the I.D. to the buyer before the transaction was complete and before the participant had the opportunity to sign the warrant.

### FY 10 Vendor Compliance Investigation Tracking Log:

Enclosed you will find a complete list of vendors identified for compliance investigations for 2010. High risk vendors are identified because of collections, excessive NTEs and/or other banking issues, or simply because they were a new vendor.

### Local Agency Responsibilities/Process

Vendor compliance buys must be completed during the current federal fiscal year ending September 30, 2010, so please schedule investigations as soon as possible. This is important should a noncompliant buy result in a return trip to the same vendor.

A vendor is determined compliant when they have passed two successful buys. An investigator should only attempt one buy per cashier at a time. If, after conducting two buys, you only have one successful buy, feel free to try one or two more additional buys in the hopes that you can obtain a second successful buy. For this reason, it is important to take additional warrants with you.

Local Agencies are responsible for sending their Compliance Investigation Report to the State WIC Office as soon as possible, but **no more than 30 days after the date of the investigation**. If the compliance investigation is unsuccessful, State WIC staff will write a letter to the vendor. The Local

Agency will need to arrange for one or two additional buys after the vendor has addressed the non-compliance issue, either through a letter or through additional training.

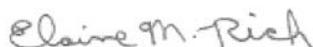
The compliance investigation form has been updated slightly and is attached. Questions 10 and 12 now have a N/A option. Question 14 has been added regarding transactions with Fruit and Vegetable Vouchers.

Training on FVV

We encourage local agencies to conduct optional training buys using Fruit & Vegetable Vouchers (FVV). FVV buys will not be used for reporting high risk vendors, but may be valuable to you as a training tool. These buys can be used to train stores on FVV policies and procedures, such as allowing clients to combine FVV warrants, not charging sales tax on the FVV portion, allowing clients to pay for the amount over the FVV value, etc. Do report flagrant program violations, so we can address issues with the vendor formally.

If you have any questions, feel free to call myself or Alice Albrecht at (907) 465-3100.

Sincerely,



Elaine Rich  
Vendor Coordinator

Attachments: Compliance Investigation Form and Instructions  
2010 Compliance Investigation List