Monitoring Online Infant Formula Sales

Presented by:
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Michigan WIC Program, Lansing, MI
Say No to WIC Fraud
Recent Changes in Michigan

- The 2012 Client Compliance policy updated and strengthened. Redefining how Michigan handles client compliance approved. It will be released to local agencies in November.
- Places emphasis on burden of proof for the client
- Worked with Legal Affairs to make sure policy will stand up at a fair hearing.
- Added additional language to the Client Agreement form
- Created a new Settlement Agreement Form
Use WIC benefits correctly:
I will keep all sales receipts for food/formula identical to those issued by WIC that was privately purchased, if I intend on selling these items. These receipts will be documentation that I must provide to the WIC Program, if requested, to prove/clarify I am not directly or indirectly trading, selling, transferring or exchanging, or offering to trade, sell, transfer or exchange any food(s) or formula provided by the WIC Program for cash, credit, non-food item(s), or unauthorized food(s), including food(s) in excess of that authorized. An offer includes any direct or indirect offer that is made verbally, in print, or online through a website such as Craigslist, Facebook, eBay, or other websites.
New Settlement Agreement Form

Michigan Department of Health and Human Services

Women Infants & Children (WIC) Settlement Agreement Form

Program Integrity & Vendor Unit
320 S. Walnut St.
Lewis Cass Bldg, 6th Floor
Lansing MI 48913

Summary

<table>
<thead>
<tr>
<th>Case #:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>WIC Coordinator's or Compliance Investigator's Name:</td>
<td></td>
</tr>
<tr>
<td>Local Agency Name:</td>
<td></td>
</tr>
<tr>
<td>Client's Name:</td>
<td></td>
</tr>
<tr>
<td>Hearing Date:</td>
<td>/ /</td>
</tr>
<tr>
<td>Original Restitution Amount:</td>
<td>$</td>
</tr>
</tbody>
</table>

Administrative Settlement

<table>
<thead>
<tr>
<th>Administrative Settlement reached?</th>
<th>YES</th>
<th>NO</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjustments to Restitution Amount?</td>
<td>YES</td>
<td>NO</td>
<td>N/A</td>
</tr>
<tr>
<td>Payment Plan Created?</td>
<td>YES</td>
<td>NO</td>
<td>N/A</td>
</tr>
</tbody>
</table>

COMMENTS/ADJUSTMENTS

| FINAL RESTITUTION AMOUNT | $ |

The undersigned Authorized Person accepts and agrees to fully abide by the terms and conditions for settlement referenced herein:

(Signature of Authorized Person) (Printed Name of Authorized Person) (Date)

The undersigned members of the department accept the terms and conditions of the settlement of the enforcement actions referenced herein:

WIC Representative
(Local Agency Coordinator or State Agency Program Integrity Supervisor) (Date)

REMITTANCE
Remittance of administrative fines, if any, is due within 15 business days of acceptance. Remittance should be made out to the “State of Michigan” and returned to:

MDHHS – Accounting Division
Attn: WIC Program
P.O. Box 30437
Lansing MI 48909

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## Who does what?

<table>
<thead>
<tr>
<th>Local Agency Staff</th>
<th>State Agency Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social media searches</td>
<td>Social media searches</td>
</tr>
<tr>
<td>Log complaints</td>
<td>Log complaints (for local agency follow up)</td>
</tr>
<tr>
<td>Send warning and sanction letters to clients</td>
<td>Send warning and sanction letters to clients</td>
</tr>
<tr>
<td>Counsel and educate clients</td>
<td>Develop fliers and posters.</td>
</tr>
<tr>
<td></td>
<td>Created and maintain the email address which receives complaints from general public, including hospitals, other states, and vendor complaints. <a href="mailto:WICFraudinvestigations@Michigan.gov">WICFraudinvestigations@Michigan.gov</a></td>
</tr>
</tbody>
</table>
Michigan WIC Website Updated

Help WIC Work

Your WIC (Women, Infants and Children) program provides nutritious foods, nutrition education and referrals for eligible women, infants and children.

In order for your WIC program to continue, it must operate in a fair and honest way. In some instances stores and clients are cheating or abusing your program. They overcharge for WIC foods or exchange WIC benefits for cash and non-WIC foods.

What can the State do if we substantiate improper activities

- Seek restitution for any WIC benefits or monies received as a result of WIC program fraud/abuse
- Impose a punishment that may result in disqualification from the WIC program
- Make referrals to other public programs for investigation and/or possible criminal prosecution under state and federal law

How to contact WIC

If you think someone is committing fraud or abusing the Michigan WIC Program, you can let us know by:

- Calling our toll-free hotline: 1-800-CALL-WIC
- Mail:
  MDHHS/WIC Division
  Program Integrity & Vendor Unit
  320 S. Walnut St.
  Lewis Cass Bldg., 6th Floor
  Lansing, MI 48913
- Email: wicfraudinvestigations@michigan.gov
- Fax: 517-335-9206

Keep your WIC program working!

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What we see from the website changes

- Michigan WIC Website added the email address for reporting fraud in April, 2015.
- The site has been viewed over 832 times.
- Since that time, over 64 people have used the link to email the state office to report suspected fraud.
- The poster has been downloaded 16 times.
Getting the word out

WICFraudInvestigations@Michigan.gov

- Our email address is available for anyone to report suspected fraud.
  - On flyers
  - On website
  - In Facebook groups
  - Adding to the next printing of the Food Guide
  - A conversation piece on Facebook
  - Using to email persons potentially committing WIC fraud.

Receiving about 10 emails a week with screenshots of formula being sold.
Social Media Sites Monitored

- **Craigslist**
  - Have to client identify by phone number
  - Contact with the legal department
  - Barriers include the ways client lists the items. (child last name with s/o phone number, etc.)

- **EBay**
  - Hardest to get to
  - EBay user policy has statement “illegal to sell government assistance formula “

- **Facebook**
  - Successful group actions-posting policies of now formula sales, include WIC flyer
  - Barriers-complaints by group members, blocks placed by FB
  - In many garage/yard sale and groups
  - Not much time spent on EBay site
How we search Craigslist

- Do a general search on Craigslist for infant formula. Can be done by region.
- If we find a Michigan WIC approved formula, we click on the link to see if there is a phone number listed.
- Conduct a search of the MI-WIC database.
- An email is then sent to the seller with a copy to the local agency coordinator for follow up and issuance of a warning letter (for first offenses).
How we search Facebook

• Analyst has set up a Facebook account with his name, but not his personal Facebook.
• Joined various garage sale and yard sale groups across the state where postings of people selling formula are monitored.
• We also receive screenshots for the public to find other groups to join.
• Some groups have added our poster to their rules.
Hello,

It is against federal and state law to attempt to sell WIC Program benefits online. If you are attempting to sell WIC benefits, please remove your post and return the formula to your local WIC clinic, and speak with the WIC Coordinator. Failure to do so may result in prosecution by the Federal Government or the State of Michigan.

http://grandrapids.craigslist.org/bab1239871234.html

Thank you,

Michigan Department of Health and Human Services
WIC Division
Facebook Groups

Baby and Toddler Online Garage Sale
Grand Rapids MI Area
Baby Items Sell and Swap Genesee County
Battle Creek Sell and Trade All Things
Belding and Greenville Area Online Sales
Belding Area Online Yard Sale
Clare County Yard Sale
Davison, Goodrich, Ortonville Mom 2 Mom
Davison/Lapeer Yard Sale Page
Genesee County Yard/Garage sale site
Grand Haven/Holland/Muskegon/Grand Rapids Online Garage Sales
Grand Rapids Online Garage Sale.
Grand Rapids Online Garage Sales
Harrison/Clare County Virtual Yard Sale
Howard City area yard sale.
Kent City/Sparta Buy Sell Swap
Lansing and Surrounding Areas Virtual Buy and Sell
Livingston County Area BUY AND SELL
Make Offer Site
Mecosta County Mom to Mom sale
Mecosta County Moms Swap, Buy, Sell and Trade.
Mecosta, Isabella, Clare, and Midland Counties Yard Sale (MI)
Mom2Mom Northville/Plymouth
Montcalm County Area Mom Swap
Morley (Michigan) Yard Sale
Newaygo County Bargain and Trade
Newaygo Yard Sale Site
Osceola, Mecosta, Clare, Isabella, Lake, Wexford, Gladwin, Newago Buy & Sell
Remus Buy Sell Trade
Sell It Fast on Facebook
Share the Stockpile Wealth: Genesee County
Sparta, Cedar Springs & Kent City Area Online Yard Sale Group
St Johns Community Trader
Twice Is Nice Resale & Consignment Shop
VERY CHEAP YARD SALE PRICES Kent County
Wyoming, Kentwood, Grandville, Byron Center, Grand Rapids Online Garage Sale
Yard-Sale Place (Clare, Isabella, & Midland counties)
Zeeland and Surrounding Areas Online Yard Sale
Where cases are reported

- Craigslist
- Facebook
On a sale site for Birch Run/Frankenmuth area there is a lady selling formula for much cheaper than retail store sells for the attachment has what I saw on it.

Samples of Facebook and Craigslist ads sent to us

4 cans of unopened gentlese formula $7 a piece. 84 jars of baby food $25.

I am selling all of these for $60. If interested just reply at
• do NOT contact me with unsolicited services or offers
DON'T FALF FOR THE TRAP

BUYING, SELLING, OR TRADING WIC FOODS IS ILLEGAL!
If you buy, sell, or trade WIC foods, it could result in prosecution and/or disqualification from participating in the WIC Program.
1-800-CALL-WIC
wicfraudinvestigations@michigan.gov
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Help WIC Work!

WIC FRAUD MAY INCLUDE:

- Offering to buy, sell, trade, transfer or exchange WIC Foods for other items or cash
- Purchasing non-WIC food with WIC benefits
- Sell or give away formula or foods purchased with WIC benefits (including selling formula and/or food through online sites such as Craigslist, Facebook, etc.)
- Withhold or falsify information regarding income or family size when applying for WIC

The Michigan WIC program takes all complaints of fraud seriously and encourages the immediate reporting of any alleged WIC program abuses, violations or fraud. If you suspect a WIC client or a WIC authorized store is committing fraud, please report it to your local WIC clinic or the WIC State Agency.

DON'T FALF FOR THE TRAP

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1-800-CALL-WIC
wicfraudinvestigations@michigan.gov
USDA is an equal opportunity provider and employer.
IT IS **ILLEGAL** TO BUY, SELL OR TRADE WIC FOODS OR INFANT FORMULA!

If you buy, sell, or trade WIC foods, it would result in prosecution and/or disqualification from participating in the WIC program.

1-800-CALL-WIC

wicfraudinvestigations@michigan.gov

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Additional brochure (trifold)

DID YOU KNOW?
Posting WIC Formula Foods or breast pumps that were provided by WIC for sale in newspapers OR on social media sites is FRAUD. This includes:
- Craigslist
- eBay
- Facebook
- Any other social media outlet

Buying, trading, exchanging or selling formula or items purchased with WIC benefits for other items or cash is FRAUD.

Clients who are no longer using their electric breast pumps or WIC formula foods for their infant should contact their local WIC clinic for more information.

WHAT CAN YOU DO IF YOU SUSPECT FRAUD?
If you think someone is committing FRAUD or abusing the Michigan WIC Program, you can let us know by:
- Calling our toll-free hotline: 1-800-CALL-WIC
- Mail: MDHHS/WIC Division Program Integrity & Vendor Unit 320 S. Walnut St. Lewis Cass Bldg. 9th Floor Lansing, MI 48913
- Email: wicfraudinvestigations@michigan.gov
  Fax: 517-335-9206

Don't Fall For The TRAP Help WIC Work!

WHAT IS FRAUD?
Enrollment in both WIC AND Focus: HOPE OR enrollment at more than ONE local agency is FRAUD.

Reporting false income, household size OR pregnancy to become eligible to participate in WIC is FRAUD.

Buying, selling, or trading WIC formula foods or breast pumps or allowing someone else to do so is FRAUD.

Buying, trading, exchanging, selling or offering to buy, trade, exchange, sell or allow any other person to buy, trade, exchange, sell or offer to buy, trade, exchange or sell, WIC foods and or WIC EBT card/benefits including unauthorized food items, non-food items, for cash or favors is FRAUD.

YOU MAY BE:
- DISQUALIFIED from the WIC Program.
- Required to REPAY the State agency the amount of those benefits.
- PROSECUTED under State and Federal laws.

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How we get information

- Facebook groups
- Develop relationships with Facebook group administrators
- Friends
- Family
- Co-workers
- General public – Email address to report fraud
- Phone calls
- Vendors
Barriers and Challenges

- Policy limitations
- User complaints on Facebook causing analyst to change profile
- Facebook Administrators
- Local Agency Coordinators/State Staff

All can be worked through with training and education
Successes

- Facebook conversations about WIC and Fraud
- Facebook groups changing what can be sold on their site.
- Email address is getting lot of hits from the general public
- Policy 9.01 enhanced, updated and approved by USDA.
- Clients are paying their restitution.
- 42 open cases
- 595 closed
- 14 paid in full
- 3 currently paying
- 6 paying other state agencies
Next Steps

- Keep joining Facebook garage sale groups
- Keep monitoring social media sites
- Continue to work with local agencies
- Evaluate the policy
- Continue to develop flyers and raise awareness
It takes a team to protect our program!

State office and local agencies working together = a stronger WIC Program.
Questions?
Thank you!

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