

**Department of Legislative Services**

Maryland General Assembly

2001 Session

**FISCAL NOTE**

Senate Bill 426            (Senator Conway)

Economic and Environmental Affairs

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**WIC Food Vendor Sanctions - Mitigating Provisions**

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This bill grants the Department of Health and Mental Hygiene (DHMH) the authority to revoke vendor suspensions for “trafficking” and restore vendors to full participation in the Special Supplemental Food Program for Women, Infants, and Children (program) under certain conditions.

The bill takes effect June 1, 2001.

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**Fiscal Summary**

**State Effect:** The bill’s requirements could be handled with existing resources.

**Local Effect:** None.

**Small Business Effect:** Minimal.

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**Analysis**

**Bill Summary:** “Trafficking” means the buying or selling of a food instrument for cash. “Food instrument” means a voucher, check, coupon, electronic benefits transfer card, or other document that is used to obtain supplemental foods.

By July 1, 2001, DHMH must review any three-year suspension of a vendor from the program that was imposed for a “trafficking” violation between July 1, 1999 and December 31, 1999. In reviewing these suspensions, DHMH is required to determine whether one or more of the following conditions were factors in the trafficking

investigation: (1) the trafficking occurred due to the actions of one employee; (2) the monetary value gained from one violation was less than \$20; or in the case of multiple trafficking violations, the cumulative monetary value was less than \$50; or (3) the vendor reported the trafficking to DHMH in good faith and cooperated with a departmental investigation. If DHMH determines that one or more of these conditions were factors, by September 1, 2001 DHMH may retroactively revoke its three-year suspension and restore the vendor to full participation in the program. A vendor who has been restored to participation in the program is required to develop policies to prevent future employee trafficking violations and must submit written documentation of the policies to DHMH within 90 days of being restored to participation.

**Current Law:** A vendor who violates DHMH regulations is subject to sanctions.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Health and Mental Hygiene (Community Public Health Administration); Prince George's, Montgomery, Washington, Kent, and Worcester counties; Department of Legislative Services

**Fiscal Note History:** First Reader – February 21, 2001  
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