

GAO Highlights

Highlights of [GAO-15-605T](#), a testimony before the Subcommittee on Early Childhood, Elementary, and Secondary Education, House of Representatives

Why GAO Did This Study

WIC provides supplemental foods—including infant formula—and assistance to low-income pregnant and postpartum women, infants, and young children. WIC regulations prohibit participants from selling the foods they receive from the program. However, the Internet has substantially increased as a marketplace in recent years, and news reports suggest that some participants have attempted to sell WIC formula online.

This testimony addresses: (1) what is known about the extent to which participants sell WIC formula online, and (2) USDA actions to prevent and address online sales of WIC formula. It is based on a December 2014 report, and includes April 2015 updates on actions USDA has taken to address the report's recommendations, which GAO obtained by analyzing USDA documents. For the 2014 report, GAO reviewed relevant federal laws, regulations, and USDA guidance; monitored online advertisements to sell formula in four metropolitan areas; reviewed a non-generalizable sample of policy manuals from 25 states, selected for their varied WIC caseloads and geography; and interviewed USDA and state and local officials.

What GAO Recommends

GAO recommended, in December 2014, that USDA better ensure WIC participants are aware of the prohibition against selling formula, require states to describe how they identify attempted sales, and assess online sales, including techniques for monitoring. USDA agreed, has taken some action, and plans to do more.

View [GAO-15-605T](#). For more information, contact Kay Brown at (202) 512-7215 or brownke@gao.gov

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NUTRITION ASSISTANCE

Actions Needed to Address Potential Online Sales of Infant Formula

What GAO Found

The U.S. Department of Agriculture (USDA) does not have data to determine the national extent of online sales of infant formula provided by the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). Nevertheless, state WIC officials and GAO's own limited monitoring suggest that some WIC participants have offered formula for sale online. Of the officials we spoke with in 12 states, those from 5 states said that they have found WIC formula offered for sale online by participants. GAO monitored one online classified advertisements website in four large metropolitan areas for 30 days and found 2 posts in which individuals attempted to sell formula specifically identified as WIC—from among 2,726 that advertised infant formula generally. A larger number, 481 posts, advertised formula generally consistent with the formula brand, type, container volume, and amount provided to WIC participants, but these posts did not indicate the source of the formula. Because WIC participants purchase the same formula brands and types from stores as non-WIC customers, monitoring attempted online sales of WIC formula can present a challenge. State officials GAO spoke with cited other challenges to monitoring online sales, such as the fact that individuals posting formula for sale online are able to remain relatively anonymous, and their posts may contain insufficient information to allow staff to identify them as WIC participants.

USDA has taken some steps toward helping states prevent and address online sales of WIC formula but has not collected information that could assist states in determining cost-effective approaches for monitoring such sales. In December 2014, GAO found that USDA had not specifically directed states to tell participants that selling WIC formula was a participant violation, which could have led to participants making these sales without realizing doing so was against program rules. GAO also found that states were not required to report their procedures for controlling participant violations—including sales of WIC benefits—to USDA, leaving the department without information on state efforts to ensure program integrity in this area. Through interviews with state and local WIC agency officials from 12 states, GAO found that states varied in the method and level of effort devoted to monitoring these sales and lacked information to determine cost-effective approaches for monitoring. Without information on the national extent of online sales of WIC benefits or effective monitoring techniques, both USDA and the states are unable to target their resources effectively to address related risks. As a result, GAO recommended that USDA require state agencies to inform participants of the prohibition against selling WIC formula and describe to USDA how they identify attempted sales. GAO also recommended that USDA collect information about the national extent of attempted online sales of WIC formula benefits and determine cost-effective techniques states can use to monitor them. In response, USDA issued revised guidance in April 2015 stating that it expects states to (1) inform participants that selling WIC benefits violates program rules and (2) report their procedures for monitoring attempted WIC benefit sales to USDA. Also in April 2015, USDA officials reported that although they had not yet taken action to assess the national extent of online sales and determine cost-effective techniques to monitor them, they planned to explore ways to do so.