

Letter of Engagement

December 1, 2021

Successful Bidder:

On behalf of the Department of Community Affairs, the State of New Jersey, Department of the Treasury hereby issues this Letter of Engagement to Cohn Reznick pursuant to the Engagement Query issued on October 21, 2021 and Cohn Reznick's proposal dated November 19, 2021.

All terms and conditions of the Engagement Query, including but not limited to the Scope of Work, milestones, timelines, standards, deliverables and liquidated damages are incorporated into this Letter of Engagement and made a part hereof by reference.

The total cost of this Engagement shall not exceed \$293,695.

The Integrity Monitor is instructed not to proceed until a purchase order is issued.

Thank you for your participation in the Integrity Monitor program.

Sincerely,

Mona Cartwright
IM State Contract Manager

INTEGRITY MONITOR ENGAGEMENT QUERY

Contract G4018 – Integrity Oversight Monitoring: Program and Performance Monitoring, Financial Monitoring and Grant Management and Anti-Fraud Monitoring for COVID-19 Recovery Funds and Programs

NJ Department of Community Affairs
[Category 3 services per Section 3.1.1 of the IOM RFQ]

I. GENERAL INFORMATION:

On March 9, 2020, Governor Murphy issued Executive Order 103 declaring both a Public Health Emergency and State of Emergency in light of the dangers of the Coronavirus disease 2019 (“COVID-19”). On March 13, 2020, the President of the United States declared a national emergency and determined that the COVID-19 pandemic was of sufficient severity and magnitude to warrant a nation-wide emergency declaration under Section 501 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. § 5121-5207, (“Stafford Act”) and that declaration was extended to the State of New Jersey on March 25, 2020 pursuant to Section 401 of the Stafford Act. Since then, Congress has enacted legislation to stimulate economic recovery and assist State, Local and Tribal governments navigate the impact of the COVID-19 outbreak and cover necessary expenditures related to the public health emergency.

On July 17, 2020, Governor Murphy signed Executive Order 166 (“E.O. 166”), which established the COVID-19 Compliance and Oversight Task Force (the “Taskforce”) and the Governor’s Disaster Recovery Office (GDRO).

Pursuant to E.O. 166, the Taskforce has issued guidelines, which have been updated as of June 2021 and are attached hereto, regarding the appointment and responsibilities of COVID-19 Oversight Integrity Monitors (“Integrity Monitors”)(Attachment 1). Integrity Monitors are intended to serve as an important part of the State’s accountability infrastructure while working with Using Agencies in developing measures to prevent, detect, and remediate inefficiency and malfeasance in the expenditure of COVID-19 Recovery Funds and provide expertise in Program and Process Management Monitoring; Financial Auditing and Grant Management; and Integrity Monitoring/Anti-fraud services.

The New Jersey Department of the Treasury (Treasury) has established a pool of qualified Integrity Monitors for oversight of COVID-19 Recovery Funds and Programs pursuant to the Request for Quotation for Integrity Oversight Monitoring: Program and Performance Monitoring, Financial Monitoring and Grant Management and Anti-Fraud Monitoring for COVID-19 Recovery Funds and Programs (IOM RFQ) that Using Agencies may now use to discharge their responsibilities under E.O. 166. The Integrity Monitor’s executed State of NJ Standard Terms and Conditions (SSTC) will apply to all Integrity Monitoring Engagements executed via this Engagement Query.

This Engagement Query is issued by the Department of the Treasury on behalf of **the NJ Department of Community Affairs (“NJDCA”)**.

The purpose of this Engagement Query is to **procure Category 3 services per Section 3.1.1 of the IOM RFQ, Integrity Monitoring/Anti-Fraud, for NJDCA’s Coronavirus Emergency Rental Assistance Program, phase II (“CVERAP Phase II”) funds.**

The capitalized terms in this Engagement Query shall have the same meanings as set forth in the IOM RFQ.

A. Background

Beginning on March 22, 2021, utilizing funding authorized under the American Rescue Plan Act (ARPA), the **CVERAP Phase II** has been providing rental arrears and temporary rental assistance to low and moderate income households that have had a substantial reduction in income, have qualified for unemployment benefits, incurred significant costs, or experienced a financial hardship due, directly, or indirectly, to the COVID-19 pandemic. To date, just over 140,000 pre-applications have been received by NJDCA. Information about the program can be found at <https://www.nj.gov/dca/cverap2.shtml>

Nan McKay & Associates has been retained by the New Jersey Department of Community Affairs to assist in the administration of CVERAP Phase II via accepting and processing applications through an on-line portal and call center; communicating with applicants and landlords regarding the status of applications, incomplete applications, eligibility and payments; ensuring applicant information is entered accurately in the NJDCA housing database; coordinating with NJDCA staff regarding weekly subsidy payments; reviewing payments; and reporting inconsistencies or potential instances of fraud or misconduct weekly to the NJDCA.

DCA anticipates receipt of up to \$350M under **CVERAP Phase II, \$150M having already been received**, and, under EO 166, is subject to oversight by an independent Integrity Monitor under the IOM Guidelines (updated as of June 2021). Grant funds must be obligated by March 31, 2022.

II. SCOPE OF WORK (SOW) REQUIREMENTS

A. Project Description

The following Scope of Work (SOW) describes the Tasks to be completed by the Integrity Monitor to schedule, conduct, and complete Integrity Monitoring evaluations as set forth below:

Process: Emergency Rental Assistance Program, Phase II (“CVERAP Phase II”)

- A. The Integrity Monitor must be available to conduct both onsite (if necessary) and desk monitoring of the DCA as it relates to ARPA funds.
- B. The Integrity Monitor must be available to review and monitor applicant files for accuracy and completeness as it relates to ARPA funds.
- C. The Integrity Monitor shall review and monitor voluminous applicant files in a short period of time.
- D. The Integrity Monitor shall cross reference the applicants to other similar programs to review and monitor for duplication of benefits.

COMPONENTS

The Integrity Monitor shall coordinate its activities with the Accountability Officer, but shall be independent as the Integrity Monitor performs its Tasks.

The DCA will provide a list of ARPA allocations and a list of applicants for CVERAP Phase II. The IM will be provided access to DocuPhase, Nan McKay’s enterprise content management system, which is the central database for all program and eligibility files.

When performing its duties, the Integrity Monitor shall consult with DCA staff, staff in other state agencies, law enforcement officers, other Integrity Monitors, private entities, and/or the staff of monitored entities as necessary.

The Integrity Monitor’s role is to ensure that DCA is adhering to applicable federal and state guidelines and regulations consistent with the ARPA grant and the CVERAP- Phase II through the following Tasks:

1. Review written documents, such as financial and performance reports, recent audit results, prior IM reports, and other documents or reports, as appropriate;
2. Following review of DCA’s Risk Assessment (See Attachment 2), conduct an initial risk assessment to evaluate, at minimum, DCA’s organizational structure, internal controls, program guidelines, policies and procedures. See Attachment 3;
3. Test a sample of applications reasonably expected to be representative of the applicant population as a whole to determine compliance with program guidelines eligibility and documentation requirements and applicable federal guidance;
4. Review applications and applications data to identify potential fraud, using data analytics or other methods to identify anomalies, patterns and discrepancies. Report instances of potential fraud for follow-up or further action;
5. Conduct interviews or engage in other follow up with DCA and Nan McKay staff, as necessary.
6. Review program or applicant data to cross-check or validate against other data sources;
7. Review Nan McKay’s compliance with the terms of the agreement between NJDCA and Nan McKay and Associates, including reports issued by Nan McKay to DCA regarding the CVERAP Phase II program status;
8. Review disbursement of grant funds for proper documentation, authorization, approvals and accurate payments. Determine whether actual disbursements are consistent with the program guidelines.

9. Follow up with questions regarding specific eligibility determinations and application approvals as it relates to the CVERAP Phase II, and review decisions related to disbursements.
10. Train DCA and Nan McKay on fraud-detection methods and assist in developing an anti-fraud monitoring, prevention and detection program.
11. Facilitate the exchange of ideas to promote operational efficiency for future relief funding situations and document best practices.
12. Promote cooperation and communication among Integrity Monitors engaged by other Recovery Program Participants (e.g. to guard against duplication of benefits, etc.);
13. Conduct on-site monitoring as needed (see below); and
14. Promptly respond to any inquiries from the Office of the State Comptroller (OSC) regarding the Tasks under this Engagement Query.

Generally, the Integrity Monitor shall perform desk reviews to assess the need for potential on-site monitoring at the DCA Offices in New Jersey. Depending upon results from the desk reviews, in combination with the risk assessments conducted by the Department, the IM shall evaluate whether on-site monitoring is appropriate. All decisions and the steps that were taken regarding an on-site monitoring visit shall be documented by the IM as to how the conclusion was made. Specifics with respect to the form and substance of on-site monitoring shall take into account current health and safety protocols. The IM shall incorporate into their budget an allowance for expenditures related to the performance of on-site monitoring should it be deemed necessary. The Integrity Monitor may choose to conduct an on-site monitoring visit as a result of the following:

- Non-compliance with reporting requirements.
- Problems identified in reports.
- History of unsatisfactory performance.
- Unresponsiveness to requests for information.
- High-Risk designation.
- Follow-up on prior audits or monitoring findings; and
- Allegations of misuse of funds or receipt of complaints.

B. Specific Performance Milestones/Timelines/Standards/Deliverables

All deliverables must be completed by **March 31, 2022**.

C. Risk Assessment Summary

(Please see attached)

D. Reporting Requirements

1. Quarterly Integrity Monitor Reports

- a. Pursuant to E.O. 166, the Integrity Monitor shall submit a draft quarterly report to the Using Agency on the last day of every calendar quarter detailing the specific services rendered during the quarter and any findings of waste, fraud, or abuse using the Quarterly Report template attached hereto at Attachment 4. If the Integrity Monitor report contains findings of waste, fraud or abuse, the Using Agency has an opportunity to respond within 15 days after receipt.
- b. Fifteen business days after each quarter-end, the Integrity Monitor shall deliver its final quarterly report, including any comments from the Using Agency, to the State Treasurer, who shall share the reports with the GDRO, the Senate President, the Speaker of the General Assembly, the Attorney General, and the State Comptroller. The Integrity Monitor quarterly reports will be posted on the COVID-19 transparency website pursuant to E.O. 166.

2. Additional Reports

- a. E.O. 166 directs the Office of the State Comptroller, (OSC) to oversee the work of Integrity Monitors. Therefore, in accordance with E.O. 166 and the IOM Guidelines, OSC may request that the Integrity Monitor issue additional reports or prepare memoranda that will assist OSC in evaluating whether there is waste, fraud, or abuse in COVID-19 Recovery Programs administered by the Using Agencies. OSC may also request that the Integrity Monitor share any corrective action plan(s) prepared by the Using Agencies to evaluate whether those corrective plan(s) have been successfully implemented.

3. Reports of Waste, Fraud, Abuse, or Potential Criminal Conduct

- a. The Integrity Monitor shall report issues of waste, fraud, abuse and misuse of COVID-19 Recovery Funds immediately to the GDRO, OSC, the State Treasurer, the State Contract Manager, and the Accountability Officer. The Integrity Monitor shall report issues of potential criminal conduct immediately to the Office of the Attorney General.

III. Proposal Content:

At minimum, the Integrity Monitor's proposal shall include the following:

- 1) A detailed proposal describing how the Integrity Monitor intends to accomplish each component of the scope of work.
- 2) A detailed budget identifying staff classifications and hourly rates, which shall not exceed the rates in the Integrity Monitor's BAFO Price Schedule. Consideration shall be given as to whether the IM deems additional risk assessments beyond that provided by NJDCA to be necessary, or for on-site monitoring to take place.

- 3) A timeline for submission of the deliverables required by this Engagement Query.
- 4) Identification of any potential conflicts of interest regarding the delivery of services for the scope of work under this Engagement Query.

IV. Submission of Proposals:

Detailed proposals in response to this Engagement Query shall be submitted electronically by 3:00 p.m. on **November 19, 2021**. Proposals must be submitted via email as set forth below:

TO: State Contract Manager
 Mona Cartwright, Fiscal Manager, Department of the Treasury
 [REDACTED]

With a copy to the Agency Contract Manager: **Anthony Giordano**
 [REDACTED]

V. Duration of the Engagement:

The Engagement will commence upon the issuance of a Letter of Engagement and expire on **March 31, 2022**. At the option of the Using Agency, this Letter of Engagement may be extended. Any extension to this Letter of Engagement, however, may not exceed the Contract Term, and any extensions thereto, as set forth in Section 5.2 of the IOM RFQ.

VI. CONTRACT TERMINATION

The IOM's failure to comply with the requirements of the Engagement, including but not limited to E.O. 166, the IOM RFQ, the IOM Guidelines and this Engagement Query may constitute a breach of contract and may result in termination of the contract by the Using Agency or imposition of such other remedy as the Using Agency deems appropriate in accordance with Section 9.0 of the RFQ.

VII. LIQUIDATED DAMAGES

At the Using Agency's option, liquidated damages may be assessed each time any of the below events occur, due to an act or omission of the IOM. The Using Agency and the IOM agree that it would be extremely difficult to determine actual damages that the Using Agency will sustain as the result of the IOM's failure to meet its contractual requirements. Any breach by the IOM could prevent the Using Agency from complying with E.O. 166, the IOM Guidelines, and laws applicable to the use and expenditure of COVID-19 Recovery Funds and other public funds; will adversely impact the Using Agency's ability to ensure identification and mitigation of risks; and may lead to damages suffered by the Using Agency and the State as a whole. If the IOM fails to meet its contractual obligations, the Using Agency may assess liquidated damages against the IOM as follows:

Failure to deliver a quarterly report by 1/15/22	\$250/day
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After January 15, 2022, failure to deliver subsequent final quarterly reports within 15 days after the quarter end.	\$250/day
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VIII. Questions regarding this Engagement Query:

Any questions related to this Engagement Query must be submitted electronically by 3:00 p.m. on **October 29, 2021**. They must be submitted via email to **Anthony Giordano** [REDACTED] with a copy to the State Contract Manager; Mona Cartwright,

IX. Selection Process

The Agency Contract Manager will review the proposal(s) received and select the Integrity Monitor whose proposal is most advantageous, price and other factors considered. The State Contract Manager will then issue a Letter of Engagement with a “not to exceed” clause to the selected proposer.

Prior to issuing a Letter of Engagement, the Agency Contract Manager in consultation with the Accountability Officer, will independently determine whether the proposed Integrity Monitor has any potential conflicts with the Engagement.

ATTACHMENTS

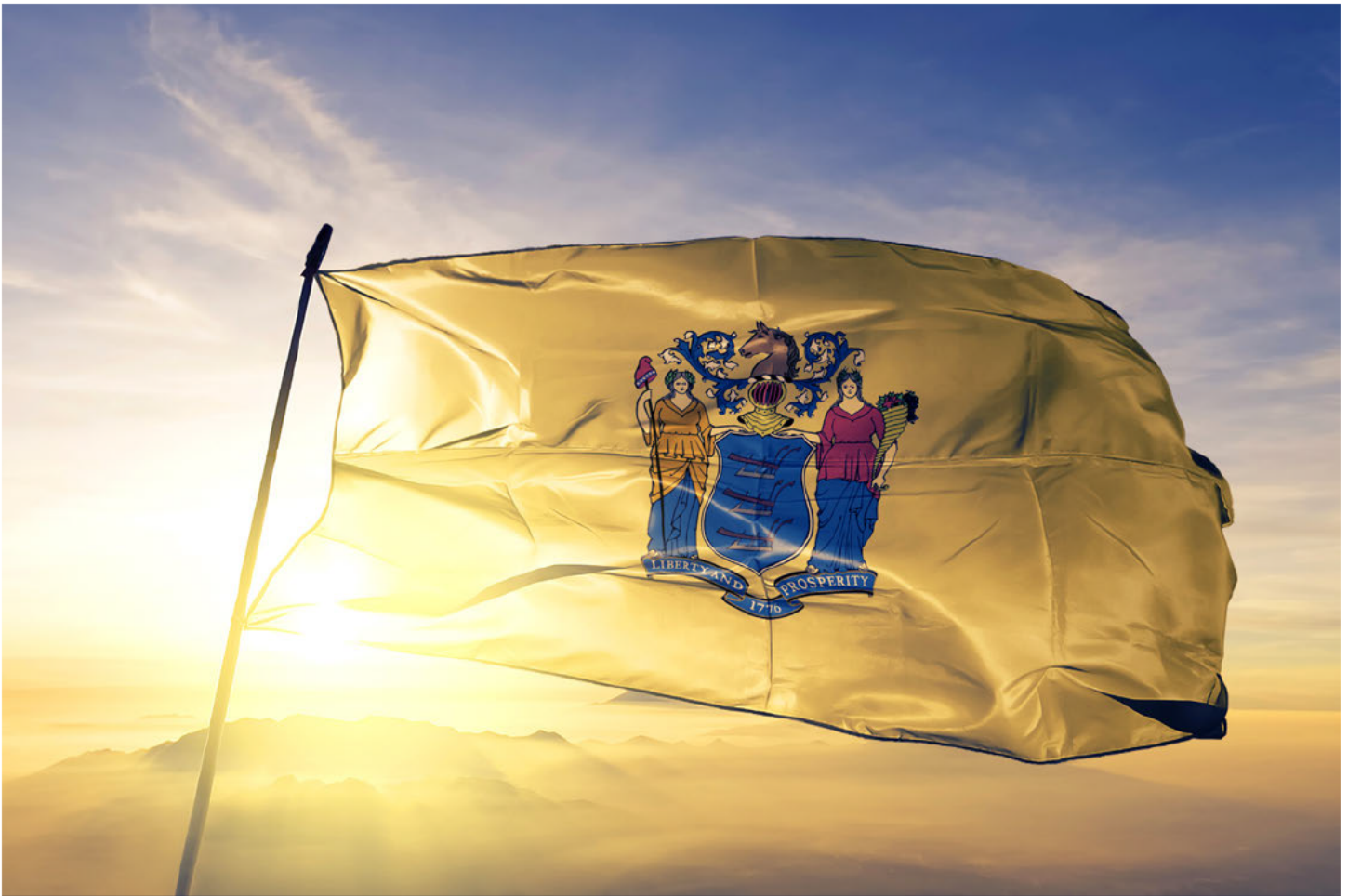
- Attachment 1: Integrity Oversight Monitor Guidelines, updated as of June, 2021
- Attachment 2: DCA Risk Assessment
- Attachment 3: Risk Assessment Template
- Attachment 4: Quarterly Report Template

Notice of Executive Order 166 Requirement for Posting of Winning Proposal
and Contract Documents

Pursuant to Executive Order No. 166, signed by Governor Murphy on July 17, 2020, the Office of the State Comptroller (“OSC”) is required to make all approved State contracts for the allocation and expenditure of COVID-19 Recovery Funds available to the public by posting such contracts on an appropriate State website. Such contracts will be posted on the New Jersey transparency website developed by the Governor’s Disaster Recovery Office (GDRO Transparency Website). The Letter of Engagement resulting from this Engagement Query is subject to the requirements of Executive Order No. 166. Accordingly, the OSC will post a copy of the Letter of Engagement, including the Engagement Query, the winning proposer’s proposal and other related contract documents for the above contract on the GDRO Transparency website.

In submitting its proposal, a proposer may designate specific information as not subject to disclosure. However, such proposer must have a good faith legal or factual basis to assert that such designated portions of its proposal: (i) are proprietary and confidential financial or commercial information or trade secrets; or (ii) must not be disclosed to protect the personal privacy of an identified individual. The location in the proposal of any such designation should be clearly stated in a cover letter, and a redacted copy of the proposal should be provided. A Proposer’s failure to designate such information as confidential in submitting a proposal shall result in waiver of such claim.

The State reserves the right to make the determination regarding what is proprietary or confidential and will advise the winning proposer accordingly. The State will not honor any attempt by a winning proposer to designate its entire proposal as proprietary or confidential and will not honor a claim of copyright protection for an entire proposal. In the event of any challenge to the winning proposer’s assertion of confidentiality with which the State does not concur, proposer shall be solely responsible for defending its designation.



Integrity Oversight Monitor Guidelines

2021 Update

**STATE OF NEW JERSEY
COVID-19 COMPLIANCE AND
OVERSIGHT TASKFORCE**

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INTRODUCTION

On July 17, 2020, Governor Murphy signed Executive Order 166 (“EO 166”), which, among other things, established the COVID-19 Compliance and Oversight Task Force (the “Taskforce”). The purpose of the Taskforce is to advise State departments, agencies, and independent authorities that receive or administer COVID-19 recovery funds (“Recovery Program Participants”) regarding compliance with federal and State law and how to mitigate the risks of waste, fraud, and abuse. As defined in EO 166, “COVID-19 Recovery Funds” are funds awarded to state and local governments, and non-government sources to support New Jersey’s residents, businesses, non-profit organizations, government agencies, and other entities responding to or recovering from the COVID-19 pandemic.

Pursuant to EO 166, the Taskforce is responsible for issuing guidelines regarding the appointment and responsibilities of COVID-19 Oversight Integrity Monitors (“Integrity Monitors”). Recovery Program Participants may retain and appoint Integrity Monitors to oversee the disbursement of COVID-19 Recovery Funds and the administration of a COVID-19 Recovery Program. They are intended to serve as an important part of the state’s accountability infrastructure while working with Recovery Program Participants in developing measures to prevent, detect, and remediate inefficiency and malfeasance in the expenditure of COVID-19 Recovery Funds. Integrity Monitors may also be used, either proactively or in response to findings by an Integrity Monitor, as subject matter experts or consultants to assist Recovery Program Participants with program administration, grants management, reporting, and compliance, as approved by the Governor’s Disaster Recovery Office (GDRO).

EO 166 requires Recovery Program Participants to identify a central point of contact (an “Accountabil-

ity Officer”) for tracking COVID-19 funds within each agency or authority. The Accountability Officer is responsible for working with and serving as a direct point of contact for the GDRO and the Taskforce. Accountability Officers should also ensure appropriate reviews are performed to assess risks and evaluate whether an Integrity Monitor can assist in reducing or eliminating risk to ensure the public that state and federal funds were used efficiently, fairly, and prudently.

Recovery Program Participants and Integrity Monitors should be focused on the common goal of maximizing the value of COVID-19 Recovery Funding by ensuring that every dollar is spent efficiently and properly. Integrity Monitors can add value to a program by assisting in implementing the fiscal controls necessary to maintain proper documentation, flagging potential issues in real time, maximizing reimbursements, sharing information with and responding to inquiries from the GDRO and Office of State Comptroller (OSC), and reporting to those offices, the Treasurer, the Attorney General, and legislative leadership.

Recovery Program Participants, Accountability Officers, and Integrity Monitors should work together to fulfill the goals of EO 166 and these guidelines. The retention of Integrity Monitors will support monitoring and oversight that will ensure that Recovery Program Participants administer COVID-19 recovery funds in compliance with program, financial, and administrative requirements set forth in the federal-state grant agreement, the State Recovery Program Participant sub-grant agreement, and applicable federal and state laws, regulations, and guidelines. Additionally, these guidelines will assist the State in fulfilling its monitoring responsibilities as set forth in 2 CFR 200 Subpart D. This may involve routine desk reviews and, when appropriate, on-site reviews by an Integrity Monitor. Recovery Program Participants that do not retain an Integrity Monitor will comply with these requirements, in coordination with the GDRO, as addressed in the Compliance Plan adopted by the Taskforce.

ESTABLISHING THE POOL OF INTEGRITY MONITORS

As of the issuance of this version of the Integrity Oversight Monitor Guidelines, a pool of monitors has already been established. The following provisions in this section should be used in the event it is necessary to establish additional pools of Integrity Monitors.¹

In the event it is necessary to establish another pool of Integrity Monitors, the New Jersey Department of the Treasury, Division of Administration (Treasury) will be responsible for designating a department employee to act as the State Contract Manager for purposes of administering the overarching state contract for Integrity Monitoring Services. The State Contract Manager will establish one pool of qualified integrity monitors for engagement by eligible Recovery Program Participants. Treasury will issue a bid solicitation for technical and price quotations from interested qualified firms that can provide the following services:

- Category 1: Program and Process Management Auditing;
- Category 2: Financial Auditing and Grant Management; and
- Category 3: Integrity Monitoring/Anti-Fraud.

The specific services Integrity Monitors provide vary and will depend on the nature of the programs administered by the Recovery Program Participant and the amount of COVID-19 Recovery Funding received. The pool of Integrity Monitors should include professionals available to perform services in one or more of the following categories:

Category 1: Program and Process Management Auditing	Category 2: Financial Auditing and Grant Management	Category 3: Integrity Monitoring / Anti-Fraud
Development of processes, controls and technologies to support the execution of programs funded with COVID-19 Recovery Funds.	Plan, implement, administer, coordinate, monitor and evaluate the specific activities of all assigned financial and administrative functions. Develop and modify policies/procedures/systems in accordance with organizational needs and objectives, as well as applicable government regulations.	Forensic accounting and other specialty accounting services.

¹ Agencies and authorities that are not permitted to follow all state procurement requirements due to U.S. Department of Transportation procurement policies may procure an Integrity Monitor separately in coordination with GDRO.

Review and improvement of procedures addressing financial management.	Provide technical knowledge and expertise to review and make recommendations to streamline grant management and fiscal management processes to ensure accountability of funds and compliance with program regulations.	Continuing risk assessments and loss prevention strategies.
Workload analysis; skills gap analysis, organizational effectiveness and workforce recruiting strategies.	Monitoring all grant management, accounting, budget management, and other business office functions regularly.	Performance and program monitoring and promotion of best practices.
Consulting services to support account reconciliations.	Provide and/or identify training for staff in the area of detection and prevention of waste, fraud, and abuse.	Prevention, detection and investigation of fraud and misconduct.
Quality assurance reviews and assessments associated with the payments process to ensure compliance with federal and state regulations.	Ensuring compliance with all applicable federal and state accounting and financial reporting requirements.	Implement and manage appropriate compliance systems and controls, as required by federal and state guidelines, regulations and law.
Risk analysis and identification of options for risk management for the federal and state grant payment process.	Provide tools to be used by the Recovery Program Participant for the assessment of the performance of the financial transaction process.	Provide data management systems/programs for the purpose of collecting, conducting and reporting required compliance and anti-fraud analytics.
Consulting services to reduce the reconciliation backlog for the Request for Reimbursements process.		Ability to provide integrity monitoring services for professional specialties such as engineering and structural integrity services, etc. either directly or through a sub-contractor relationship.
Consulting services providing Subject Matter Expert (SME) knowledge of required standards for related monitoring and financial standards for federal funding.		

CONDITIONS FOR INTEGRITY MONITORS

A Recovery Program Participant should evaluate whether it should retain an Integrity Monitor using the following standards.

Category 1 & 2 Integrity Monitors:

Category 1 and 2 Integrity Monitors are available to assist Recovery Program Participants, if, in consultation with GDRO, it has been determined that an agency or authority needs assistance in the establishment, administration, or monitoring of a program or when a Category 3 Integrity Monitor has issued findings that require the agency or authority to take corrective actions. In making the determination whether to obtain a Category 1 or 2 Integrity Monitor, a Recovery Program Participant's Accountability Officer, in consultation with GDRO, should evaluate whether an Integrity Monitor from Category 1 or 2 is necessary based on operational needs or to reduce or eliminate risk in view of the agency's or authority's existing resources, staffing, expertise or capacity. Agencies and authorities should evaluate whether the retention of a Category 1 or 2 Integrity Monitor would assist in addressing findings made by Category 3 Integrity Monitors. The availability of federal funds should be considered in evaluating whether to retain an Integrity Monitor from Category 1 or 2. In an appropriate circumstance, a Recovery Program Participant may request or may be directed by the GDRO to retain a Category 1 or 2 Integrity Monitor using non-federal funds.

Category 3 Integrity Monitors:

For Recovery Program Participants that have received or will administer a total of \$20 million or more in COVID-19 Recovery Funds: A Recovery Program Participant that has received this amount of funding should retain at least one Integrity

Monitor from Category 3: Integrity Monitoring/Anti-Fraud, subject to federal funding being available. The retention of Category 1 and 2 Integrity Monitors does not eliminate the obligation to retain a Category 3 Integrity Monitor. In some circumstances, multiple Category 3 Integrity Monitors may be necessary if one monitor is not adequate to oversee multiple programs being implemented by Recovery Program Participant as determined in consultation with the GDRO. In an appropriate circumstance, a Recovery Program Participant may request or may be directed by the GDRO to retain an Integrity Monitor using non-federal funds.

For Recovery Program Participants that have received or will administer a total of up to \$20 million in COVID-19 Recovery Funds: A Recovery Program Participant that has received this amount of funding should evaluate in consultation with GDRO whether a Category 3 Integrity Monitor is needed based on the risks presented. The Recovery Program Participant's Accountability Officer should conduct a risk assessment taking into account both the likelihood and severity of risk in the participant's program(s) and consult with the GDRO regarding whether an Integrity Monitor from Category 3 is necessary to reduce or eliminate risk in view of the agency's or authority's existing resources, staffing, expertise or capacity. The availability of federal funds should be considered in evaluating whether to retain an Integrity Monitor. In an appropriate circumstance, a Recovery Program Participant may request or may be directed by the GDRO to retain an Integrity Monitor from Category 3 using non-federal funds.

RISK ASSESSMENT

As noted above, in certain circumstances, Recovery Program Participants seeking to retain an Integrity Monitor will be advised to conduct a risk assessment to determine the need for such services. A Recovery Program Participant's Accountability Officer, in consultation with the GDRO, should assess the risk to public funds, the availability of federal funds to pay for the Integrity Monitor, the entity's current operations, and whether internal controls alone are adequate to mitigate or eliminate risk.

An Accountability Officer, or an Integrity Monitor retained by a Recovery Program Participant, should conduct an initial review of the Recovery Program Participant's programs, procedures and processes, and assess the organizational risk and the entity's risk tolerance. The risk assessment should include a review of the agency's ability to comply with federal statutory and regulatory requirements as well as applicable state laws and regulations, including with regard to reporting, monitoring, and oversight, and a review of the agency's susceptibility to waste, fraud, and abuse.

An Accountability Officer conducting a risk assessment should complete and memorialize the assessment using the [matrix template you can download from OSC's website](#). The risk assessment should be shared with the GDRO and OSC. Some of the specific factors an Accountability Officer should consider when assessing risk include:

- Organizational leadership, capacity, expertise, and experience managing and accounting for federal grant funds in general, and disaster recovery funds in particular;
- Input from the individuals/units that will be disbursing funds or administering the program;

- Review of existing internal controls and any identified weaknesses;
- Prior audits and audit findings from state or federal oversight entities;
- Lessons learned from prior disasters;
- Sub-recipient internal control weaknesses, if applicable;
- Adequacy of financial, acquisition, and grants management policies and procedures, including technological capacity and potentially outdated financial management systems;
- Ability to complete timely, accurate and complete reporting;
- Experience with state and federal procurement processes, value of anticipated procurements, and reliance on contractors to meet program goals and objectives;
- Potential conflicts of interests and ethics compliance;
- Amount of funds being disbursed to a particular category of sub-recipient and the complexity of its project(s); and
- Whether federal or state guidelines provide guidance regarding the uses of funds (*i.e.*, discretionary vs. restrictive).

The Accountability Officer should determine the organization's risk tolerance as to all recovery programs jointly and as to individual programs, recognizing that Integrity Monitors may be appropriate for some programs and not others within an agency or authority. If the risk exceeds an acceptable level of risk tolerance, the Accountability Officer should engage an Integrity Monitor.

An important element in the risk assessments is documentation of the process and results. This is critical to ensuring the extent of monitoring and oversight. The overall level of risk should dictate the frequency and depth of monitoring practices, including how to mitigate identified risks by, for example, providing training and technical assistance or increasing the frequency of on-site reviews. In some cases, monitoring efforts may lead an Accountability Officer or the GDRO to impose additional special conditions on the Recovery Program Participant. Depending on the kind of work the sub-recipient performs, it may be appropriate to reevaluate frequently, including quarterly, to account for changes in the organization or the nature of its activities. See 2 CFR Section 200.207 in the uniform guidance for examples; [GAO Report: A Framework for Managing Fraud Risk in Federal Programs \(2015\)](#).

PROCEDURES FOR REQUESTING AND PROCURING AN INTEGRITY MONITOR

To retain an Integrity Monitor, a Recovery Program Participant should proceed as follows:

- A Recovery Program Participant shall designate an agency employee to act as the contract manager for an Integrity Monitor engagement (Agency Contract Manager), which may be the Accountability Officer. The Agency Contract Manager should notify the State Contract Manager, on a form prescribed by Treasury, along with any required supporting documentation, of its request for an Integrity Monitor. The Agency Contract Manager should indicate which Integrity Monitoring services are required.
- The Agency Contract Manager will develop an Engagement Query.
- The Engagement Query will include a detailed scope of work; it should include specific performance milestones, timelines, and standards and deliverables.
- The Agency Contract Manager, in consultation with the Office of the Attorney General, Division of Law, will structure a liquidated damages provision for the failure to meet any required milestones, timelines, or standards or deliverables, as appropriate.
- The Agency Contract Manager will submit its Engagement Query to the State Contract Manager. Upon approval by the State Contract Manager, but prior to the solicitation of any services, the Engagement Query shall be sent to OSC for approval pursuant to EO 166. After receiving approval from OSC, the State Contract Manager will send the Engagement Query to all eligible Integrity Monitors within the pool in order to provide a level playing field.
- Interested, eligible Integrity Monitors will respond to the Engagement Query within the timeframe designated by the State Contract Manager, with a detailed proposal that includes a detailed budget, timelines, and plan to perform the scope of work and other requirements of the Engagement Query. Integrity Monitors shall also identify any potential conflicts of interest.
- The State Contract Manager will forward to the Agency Contract Manager all proposals received in response to the Engagement Query. The Agency Contract Manager will review the proposals and select the Integrity Monitor whose proposal represents the best value, price and other factors considered. The Agency Contract Manager will memorialize in writing the justification for selecting an Integrity Monitor(s).
- Prior to finalizing any engagement under this contract, the Agency Contract Manager, in consultation with the Accountability Officer, will independently determine whether the intended Integrity Monitor has any potential conflicts with the engagement.
- The State Contract Manager, on behalf of the Recovery Program Participant, will then issue a Letter of Engagement with a “Not to Exceed” clause to the engaged Integrity Monitor and work with the Agency Contract Manager to begin the issuance of Task Orders.

INTEGRITY MONITOR REQUIREMENTS

A. Independence

The process by which Integrity Monitors are retained and the manner in which they perform their tasks in accordance with these guidelines are intended to provide independence as they monitor and report on the disbursement of COVID-19 Recovery Funds and the administration of a COVID-19 Recovery Program by a Recovery Program Participant. Although the Integrity Monitor and the Recovery Program Participant should share common goals, the Integrity Monitor should function as an independent party and should conduct its review as an outside auditor/reviewer would.

An Integrity Monitor for a particular Recovery Program Participant should have no individual or company affiliation with the agency or authority that would prevent it from performing its oversight as an independent third party. Integrity Monitors and Recovery Program Participants must be mindful of applicable conflicts of interest laws, including but not limited to, N.J.S.A. 52:13D-12 to -28, Executive Order 189 (Kean, 1988) and requirements set forth in the Uniform Grant Guidance, among others. To promote independence, an Integrity Monitor hired from Categories 1 or 2 may not also be engaged as a Category 3 Integrity Monitor to review the same programs for the same Recovery Program Participant. Likewise, a Category 3 Integrity may not be hired as a Category 1 or 2 Monitor to remediate any issues it identified as a Category 3 Integrity Monitor.

B. Communication

Integrity Monitors should maintain open and frequent communication with the Recovery Program Participant that has retained its services. The purpose of communicating in this manner is to make the Recovery Program Participant aware of issues that can be addressed during the administration of a program and prior to future disbursement of funds by the Parti-

part. Therefore, Integrity Monitors should not wait until reports are issued to notify an Accountability Officer of deficiencies. This will enable the Recovery Program Participant to take action to correct any deficiencies before additional funds are expended. Substantial deficiencies should also be reported in real time to the GDRO, the State Comptroller, and the State Treasurer.

Prior to the posting of an Integrity Monitor report that contains findings of waste, fraud, or abuse, the Recovery Program Participant should be permitted to respond to the findings and have that response included in the publicly posted report. This will allow the Recovery Program Participant to highlight any course corrections as a result of the finding or to contest any finding that it feels is inappropriate. A Recovery Program Participant's response is due within 15 business days after receipt of an Integrity Monitor report.

Integrity Monitors must respond promptly to any inquiries posed by the GDRO, State Comptroller, State Treasurer, and Agency Contract Manager pursuant to EO 166.

C. General Tasks of Integrity Monitors

The tasks of an Integrity Monitor may vary based on the agency/program the Monitor is overseeing and the category of Integrity Monitor engaged. Generally, the role of a Category 1 Integrity Monitor is focused on program and process management auditing. These Integrity Monitors may assist a Recovery Program Participant in developing processes or controls to support the execution of programs, conduct risk analyses, or provide consulting or subject matter expertise to Recovery Program Participants. In general, a Category 2 Integrity Monitor's role is to provide financial auditing or grants management functions for a Recovery Program Participant. A Category 3 Integrity Monitor's primary roles are to monitor for fraud or misuse of funding, and ensure that Recovery Program Participants are performing according to the sub-award agreement and applicable federal and State regulations and guidelines. Tasks to be performed by Integrity

Monitors may include the following:

- Perform initial and ongoing risk assessments;
- Evaluate project performance;
- Evaluate internal controls associated with the Recovery Program Participant's financial management, cash management, acquisition management, property management, and records management capabilities;
- Validate compliance with sub-grant award and general term and special conditions;
- Review written documents, such as quarterly financial and performance reports, recent audit results, documented communications with the State, prior monitoring reports, pertinent performance data, and other documents or reports, as appropriate;
- Conduct interviews of Recovery Program Participant staff, as well as the constituents they serve, to determine whether program objectives are being met in an efficient, effective, and economical manner;
- Sample eligibility determinations and denials of applications for funding;
- Review specific files to become familiar with the progression of the disbursement of funds in a particular program, i.e., are actual expenditures consistent with planned expenditure and is the full scope of services listed in the project work plan being accomplished at the same rate of actual and planned expenditures;
- Ensure that the agency is retaining appropriate documentation, based on federal and state regulations and guidance, to support fund disbursement;
- Follow up with questions regarding specific funding decisions, and review decisions related to emergency situations;
- Facilitate the exchange of ideas and promote operational efficiency;
- Identify present and future needs; and
- Promote cooperation and communication among Integrity Monitors engaged by other Recovery Program Participants (e.g., to guard against duplication of benefits).

Integrity Monitors should generally perform desk reviews to evaluate the need for on-site visits or monitoring. Depending on the results of the desk review, coupled with the conclusions reached during any risk assessments that may have been conducted of the sub-recipient's capabilities, the Monitor should evaluate whether an on-site monitoring visit is appropriate. If the Monitor is satisfied that essential project goals, objectives, timelines, budgets, and other related program and financial criteria are being met, then the Monitor should document the steps taken to reach this conclusion and dispense with an on-site monitoring visit. However, the Integrity Monitor may choose to perform on-site monitoring visits as a result of any of the following:

- Non-compliance with reporting requirements;
- Problems identified in quarterly progress or financial reports;
- History of unsatisfactory performance;
- Unresponsiveness to requests for information;
- High-risk designation;
- Follow-up on prior audits or monitoring find-

ings; and

- Allegations of misuse of funds or receipt of complaints.

D. Reporting Requirements

1. Reports

Pursuant to EO 166, Integrity Monitors shall submit draft quarterly reports to the Recovery Program Participant on the last day of the quarter detailing the specific services rendered during that quarter and any findings of waste, fraud, or abuse **in accordance with the report templates [found on OSC's website](#)**.

Prior to the posting of a quarterly report that contains findings of waste, fraud, or abuse, the Recovery Program Participant should be permitted to respond to the findings and have that response included in the publicly posted report. This will allow the Recovery Program Participant to highlight any course corrections as a result of the finding or to contest any finding that it contends is inappropriate. A Recovery Program Participant's response is due within 15 business days after receipt of a quarterly report.

Fifteen business days after quarter-end, Integrity Monitors will deliver their final quarterly reports, inclusive of any comments from the Recovery Program Participant, to the State Treasurer, who shall share the reports with the GDRO, the Senate President, the Speaker of the General Assembly, the Attorney General, and the State Comptroller. The Integrity Monitor quarterly reports will be posted on the GDRO transparency website pursuant to the Executive Order.

The specific areas covered by a quarterly report will vary based on the type of Integrity Monitor engaged, the program being reviewed, the manner

and use of the funds, procurement of goods and services, type of disbursements to be issued, and specific COVID-19 Recovery Fund requirements. The topics covered by the quarterly report should include the information included in [templates which you can download from OSC's website](#).

2. Additional Reports

EO 166 directs OSC to oversee the work of Integrity Monitors and to submit inquiries to them to which Integrity Monitors must reply promptly. OSC may request Integrity Monitors to issue reports or prepare memoranda that will assist OSC in evaluating whether there is waste, fraud, or abuse in recovery programs administered by Recovery Plan Participants.

The State Comptroller may also request that Integrity Monitors or Recovery Program Participants share corrective action plans prepared by Recovery Plan Participants to address reported deficiencies and to evaluate whether those corrective plans have been successfully implemented.

GDRO and the State Treasurer may also request reports from Integrity Monitors to which Integrity Monitors must reply promptly.

3. Reports of Waste, Fraud, Abuse or Potential Criminal Conduct

Integrity Monitors must immediately report substantial issues of waste, fraud, abuse, and misuse of COVID-19 Recovery Funds simultaneously to the GDRO, OSC, State Treasurer, and the Agency Contract Manager and Accountability Officer of a Recovery Program Participant.

Integrity Monitors must immediately report potential criminal conduct to the Office of the Attorney General.

INTEGRITY MONITOR MANAGEMENT AND OVERSIGHT

Agency Contract Managers have a duty to ensure that Integrity Monitors perform the necessary work, and do so while remaining on task, and on budget. Agency Contract Managers shall adhere to the requirements of Treasury Circular 14-08-DPP in their management and administration of the contract. The Agency Contract Manager will be responsible for monitoring contract deliverables and performing the contract management tasks identified in the circular, which include but are not limited to:

- Developing a budget and a plan to manage the contract. In developing a budget, the Agency Contract Manager should consider any caps on the amount of federal funding that can be used for oversight and administrative expenses and ensure that the total costs for Integrity Monitoring services are reasonable in relation to the total amount of program funds being administered by the Recovery Program Participant;
- Daily management of the contract, including monitoring and administering the contract for the Recovery Program Participant;
- Communicating with the Integrity Monitor and responding to requests for meetings, information or documents on a timely basis;
- Resolving issues with the Integrity Monitor in accordance with contract terms;
- Ensuring that all tasks, services, products, quality of deliverables and timeliness of services and deliverables are satisfied within contract requirements;

- Reviewing Integrity Monitor billing and ensuring that Integrity Monitors are paid only for services rendered;
- Attempting to recover any and all over-billings from the Integrity Monitor; and
- Coordinating with the State Contract Manager regarding any scope changes, compensation changes, the imposition of liquidated damages, or use of formal dispute processes.

In addition to these oversight and administration functions, the Agency Contract Manager must ensure open communication with the Accountability Officer, the Recovery Program Participant leadership, the GDRO, and OSC. The Agency Contract Manager should respond to inquiries and requests for documents from the GDRO and OSC as requested.



State of New Jersey, COVID-19
Compliance and Oversight Taskforce

Attachment 2 is an internal document that is not a public record pursuant to *N.J.S.A. 47:1A-1.1* as it constitutes intra-agency advisory, consultative or deliberative material.

Risk Assessment

Agency/ Authority:	[Type Here]
Program:	[Type Here]
Funding Source:	[Type Here]
Recipient or Sub-recipient:	[Type Here]
Completed By:	[Type Here]
Date:	[MM/DD/YYYY]

Note: This risk assessment tool may not include all relevant risk factors for your particular agency. Each agency should undertake a review to determine whether any additional risk areas should be reviewed, should identify those areas here, and should analyze them in accordance with the format of this tool.

- 1. Risk Inquiry:** Organizational leadership, capacity, expertise, and experience managing and accounting for federal grant funds in general, and disaster recovery funds in particular.

Rating Element: Assess your agency's experience and staffing capacity to manage and account for federal grant funds and/or disaster recovery funds. Considerations include: your agency's organizational structure, supervisory roles, delegation of authority, line level staffing capacities, experience at all levels, and responsibilities and relations within and between different divisions or offices within your agency. Does your agency have a monitoring and oversight plan to assess your continued performance and compliance with federal and state laws and regulations? Does that plan include an assessment of internal controls, review of risks, threats and prevention and detection of fraud, waste, and abuse? How will your agency address risk areas and the need for corrective action?

Summary Assessment/Description of Risks Identified:

[Type Here]

Risk Level (Low, Medium, High): Choose an item.

- 2. Risk Inquiry:** Input from the individuals/units that will be disbursing funds or administering the program.

Rating Element: How will your agency plan for the use of the COVID-19 Recovery Funds? Does your plan include considerations for federal and state requirements and eligible uses of the funds? Does your plan establish adequate funding and staffing requirements for administering the funds? Is your plan consistent with your statutory

Risk Assessment

mission and objectives? Does your plan include or contemplate the inclusion of input from line staff that are administering the program?

Summary Assessment/Description of Risks Identified:

[Type Here]

Risk Level (Low, Medium, High): Choose an item.

3. Risk Inquiry: Review of existing internal controls and any identified weaknesses.

Risk Element: Has your agency reviewed its internal controls to ensure that policies and procedures are in place to satisfy federal and state laws and regulations? Are your agency policies and procedures adequate? Are they updated for all relevant processes required for the administration of the funds? Does your agency have a monitoring and oversight plan to assess your continued performance and compliance with federal and state laws and regulations? Does that plan include an assessment of internal controls, review of risks, threats and prevention and detection of fraud, waste, and abuse? How will your agency address risk areas and the need for corrective action?

Summary Assessment/Description of Risks Identified:

[Type Here]

Risk Level (Low, Medium, High): Choose an item.

4. Risk Inquiry: Prior audits and audit findings.

Risk Element: Has your agency been audited in the past? Have you considered and addressed any prior audit findings and recommendations that may be applicable to your success in overseeing COVID-19 Recovery Funds?

Summary Assessment/Description of Risks Identified:

[Type Here]

Risk Level (Low, Medium, High): Choose an item.

5. Risk Inquiry: Lessons learned from prior disasters.

Risk Assessment

Risk Element: Has your agency been audited after a previous disaster? Have you considered and addressed any findings and recommendations from such audit(s)?

Summary Assessment/Description of Risks Identified:

[Type Here]

Risk Level (Low, Medium, High): Choose an item.

6. Risk Inquiry: Sub-recipient internal control weaknesses, if applicable.

Risk Element: If your agency is overseeing sub-recipients, have the sub-recipients been the subject of prior negative audit findings and recommendations that could impact oversight? How will your agency ensure that sub-recipients adhere to all requirements relating to their receipt of funds, including their use of funds and the reports they will be required to submit documenting their use of such funds?

Summary Assessment/Description of Risks Identified:

[Type Here]

Risk Level (Low, Medium, High): Choose an item.

7. Risk Inquiry: Adequacy of financial, acquisition, and grants management policies and procedures, including technological capacity and potentially outdated financial management systems.

Risk Element: When is the last time there was an assessment of financial, acquisition, and grants management policies and procedures? Is technological capacity an issue? Are the financial management systems adequate or outdated? Have the systems been updated or can they be updated to function adequately for the administration of the COVID-19 Recovery Funds?

Summary Assessment/Description of Risks Identified:

[Type Here]

Risk Level (Low, Medium, High): Choose an item.

8. Risk Inquiry: Barriers to reporting.

Risk Assessment

Risk Element: Does your agency have, or intend to develop, templates/forms or other documentation to report the results of the funding awards, including how your agency will respond to oversight bodies seeking to ascertain who received funds, the amount of funds, and the date funds were distributed?

Summary Assessment/Description of Risks Identified:

[Type Here]

Risk Level (Low, Medium, High): Choose an item.

9. **Risk Inquiry:** Experience with state and federal procurement processes, value of anticipated procurements, and reliance on contractors to meet program goals and objectives.

Risk Element: Assess and evaluate your agency's procurement processes and experience with state and federal procurement requirements. Do you have a trained and qualified contract manager assigned to the contract? Do your contracts contain provisions to ensure that contracted vendors provide all necessary reports in the form/manner proscribed by contract? Have your contract templates been reviewed and checked for necessary state and federal contract language? If emergency contracts have been entered into, how do you plan to transition after the urgent need has ended? Do you have plans to conduct a cost analysis?

Summary Assessment/Description of Risks Identified:

[Type Here]

Risk Level (Low, Medium, High): Choose an item.

10. **Risk Inquiry:** Potential conflicts of interests and ethics compliance.

Risk Element: Evaluate the means used to ensure that there is adequate separation of duties surrounding program funding requests and determinations. Does your agency have a code of conduct or policy describing measures to guard against potential conflicts of interest?

Summary Assessment/Description of Risks Identified:

[Type Here]

Risk Assessment

Risk Level (Low, Medium, High): Choose an item.

11. Risk Inquiry: Amount of funds being disbursed to a particular category of sub-recipient and the complexity of its project(s).

Risk Element: Evaluate the guidance, policies and procedures, or other documents that are being used to ensure that your agency properly oversees the sub-recipients' use of funds, including those relating to internal recordkeeping, monitoring, and sub-recipient reporting. Does your agency have a plan to monitor sub-recipients' compliance with program requirements and those outlined in 2 CFR 200.331? Does that plan assess risk of sub-recipients? Does that plan include training and training documents? Have you prepared templates or other reporting forms that you will be providing to sub-recipients? Has your agency developed a plan to address sub-recipient noncompliance?

Summary Assessment/Description of Risks Identified:

[Type Here]

Risk Level (Low, Medium, High): Choose an item.

12. Risk Inquiry: Whether federal or state guidelines provide guidance regarding the uses of funds (i.e., discretionary vs. restrictive).

Risk Element: Evaluate how eligibility determinations will be made? Does your agency have written guidance or policies and procedures that provide direction in making and documenting eligibility determinations? Is the completeness and accuracy of information used in eligibility determinations verified? If so, how? By whom? Is there supervisory review and approval in this process?

Summary Assessment/Description of Risks Identified:

[Type Here]

Risk Level (Low, Medium, High): Choose an item.

**Integrity Monitor Report
Category 3**

Integrity Monitor Firm Name: [Type Here]
Quarter Ending: [MM/DD/YYYY]
Expected Engagement End Date: [MM/DD/YYYY]

A. General Info

1. Recovery Program Participant:

[Type Here]

2. Federal Funding Source (e.g. CARES, HUD, FEMA, ARPA):

[Type Here]

3. State Funding Source (if applicable):

[Type Here]

4. Deadline for Use of State or Federal Funding by Recovery Program Participant:

[Type Here]

5. Accountability Officer:

[Type Here]

6. Program(s) under Review/Subject to Engagement:

[Type Here]

7. Brief Description, Purpose, and Rationale of Integrity Monitor Project/Program:

[Type Here]

8. Amount Allocated to Program(s) under Review:

[Type Here]

9. Amount Expended by Recovery Program Participant to Date on Program(s) under Review:

**Integrity Monitor Report
Category 3**

[Type Here]

10. Amount Provided to Other State or Local Entities:

[Type Here]

11. Completion Status of Program (e.g. planning phase, application review, post-payment):

[Type Here]

12. Completion Status of Integrity Monitor Engagement:

[Type Here]

B. Monitoring Activities

13. If FEMA funded, brief description of the status of the project worksheet and its support:

a) IM Response

[Type Here]

b) Recovery Program Participant Comments

[Type Here]

14. Description of the services provided to the Recovery Program Participant during the quarter (i.e. activities conducted, such as meetings, document review, staff training, etc.):

a) IM Response

[Type Here]

b) Recovery Program Participant Comments

[Type Here]

**Integrity Monitor Report
Category 3**

15. Description to confirm appropriate data/information has been provided by the Recovery Program Participant and description of activities taken to review the project/program:

a) IM Response

[Type Here]

b) Recovery Program Participant Comments

[Type Here]

16. Description of quarterly auditing activities conducted to ensure procurement compliance with terms and conditions of contracts and agreements:

a) IM Response

[Type Here]

b) Recovery Program Participant Comments

[Type Here]

17. If payment documentation in connection with the contract/program has been reviewed, provide description.

a) IM Response

[Type Here]

b) Recovery Program Participant Comments

[Type Here]

18. Description of quarterly activity to prevent and detect waste, fraud, and/or abuse:

a) IM Response

[Type Here]

b) Recovery Program Participant Comments

**Integrity Monitor Report
Category 3**

[Type Here]

19. Details of any integrity issues/findings, including findings of waste, fraud, and/or abuse:

a) IM Response

[Type Here]

b) Recovery Program Participant Comments

[Type Here]

20. Details of any other items of note that have occurred in the past quarter:

a) IM Response

[Type Here]

b) Recovery Program Participant Comments

[Type Here]

21. Details of any actions taken to remediate waste, fraud, and/or abuse noted in past quarters:

a) IM Response

[Type Here]

b) Recovery Program Participant Comments

[Type Here]

C. Miscellaneous

22. List of hours (by employee) and expenses incurred to perform quarterly integrity monitoring review:

a) IM Response

**Integrity Monitor Report
Category 3**

[Type Here]

b) Recovery Program Participant Comments

[Type Here]

23. Add any item, issue, or comment not covered in previous sections but deemed pertinent to monitoring program:

a) IM Response

[Type Here]

b) Recovery Program Participant Comments

[Type Here]

Name of Integrity Monitor:	[Type Here]
Name of Report Preparer:	[Type Here]
Signature:	[Sign Here]
Date:	[MM/DD/YYYY]

Integrity Monitoring of Emergency Rental Assistance Program, Phase II

Prepared for



Submitted by:

CohnReznick LLP
14 Sylvan Way 3rd Floor
Parsippany, New Jersey 07054

Frank Banda, Managing Partner
CohnReznick Government and Public Sector
Advisory

cohnreznick.com

November 19, 2021

New Jersey Department of Community Affairs
Mona Cartwright
[REDACTED]

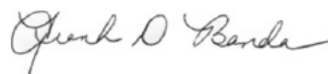
Anthony Giordano
[REDACTED]

Dear Ms. Cartwright and Mr. Giordano,

On behalf of CohnReznick LLP (CohnReznick), I am pleased to submit our proposal in response to your Integrity Monitoring/Anti-Fraud services for Coronavirus Emergency Rental Assistance Program, Phase II (CVERAP Phase II) funds Engagement Query issued for New Jersey Department of Community Affairs (NJDCA). We understand the urgency of the task at hand. NJDCA, the agency supporting New Jersey's ERAP Phase II efforts, needed to quickly and compliantly deliver \$350 million in Phase II assistance to continue helping New Jersey residents in need. CohnReznick has developed a compliance framework for agencies responsible for administering ERAP Phase II funding that addresses common compliance challenges and incorporates national best practices for protecting the integrity of assistance funds. Highlights of our response include:

- ✓ **A risk-based plan** to maximize the review of funds efficiently and accurately. You will see in our detailed timeline that we will immediately mobilize personnel and begin taking steps to gather and assess all regulatory, programmatic, and contractual requirements. By including the same team that supported NJDCA's ERAP Phase I monitoring efforts, we will leverage an expedited discovery period that will result in a comprehensive set of requirements which will drive our risk assessment and compliance work plans. This expedited discovery will also **allow us to focus on the things that matter most to CVERAP Phase II compliance**, including fraud prevention and prevention of duplication of benefits.
- ✓ **An outcome-centered approach** based on compliance best practices and alignment of vendor teams. Our team has served New Jersey communities for the past 15 years in coordinating disaster recovery efforts. We have built a reputation as trusted advisors in guiding subrecipients through complex recovery frameworks by building consensus among federal, state, and local agencies. A notable example of our integrity monitoring work includes overseeing the compliance of several of the nation's largest emergency rental assistance programs, including Texas, Louisiana, and Connecticut.
- ✓ **The ability to support you as the program evolves.** We understand NJDCA is soliciting bids for integrity monitoring services up until March 2022, but we stand ready to support you as your compliance and monitoring needs evolve. Due to the unpredictable nature of the long-term compliance needs of large-scale assistance programs like ERAP, it has been our experience that our more successful clients secure basic compliance needs (like those requested in NJDCA's engagement query) at the outset and procure the additionally required services/expertise later as needed. We will be ready when that time comes.

Respectfully submitted,



Frank Banda
Managing Partner, Government and Public Sector Advisory
[REDACTED]

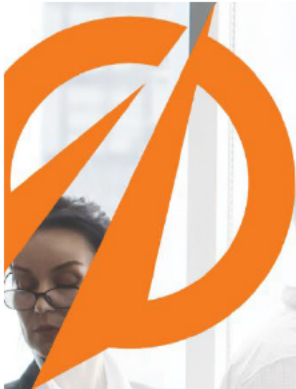


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PROGRAM EXCELLENCE. COMMUNITY TRUST.

In response to the need to oversee relief assistance efforts following the administration of CVERAP Phase II funds, NJDCA is looking for the right integrity monitor to not only perform compliance reviews, but to also help introduce best practice efficiencies to NJDCA’s program via fraud-detection training and knowledge transfer/collaboration within the multi-vendor environment. CohnReznick, having been a trusted compliance advisor to both NJDCA and the nation’s agencies tasked with overseeing the largest emergency rental assistance programs, is that firm.

Given the accelerated timeline of this engagement, NJDCA needs the integrity monitoring services of a firm with deep expertise in compliance and oversight of large, federally funded emergency programs. At CohnReznick, **emergency relief assistance program monitoring** is one of the core services of our dedicated **Government Services** practice. We have successfully helped many other government agencies operate efficiently and compliantly during some of their biggest challenges, helping them to rebuild communities after the pandemic and oversee distribution of relief for initiatives like the Emergency Rental Assistance Program. We will immediately deploy our team of experienced monitors, the majority of whom have already served New Jersey state agencies in maintaining the integrity of their COVID-19 relief programs, who will help you navigate and protect against key ERAP compliance issues by:

- Conducting desk monitoring, remotely and on site as necessary;
- Swiftly reviewing and monitoring applicant files for completeness and accuracy; and
- Using our depth of experience in data analysis to identify duplicate entries and instances of fraud, waste, and abuse from available data sources.

For projects large and small, we know what an efficiently managed and compliant program should look like, and we will deliver continuous efficiencies that will help your ERAP Phase II program efforts for **years to come**.

Further, we have the available staff and experience to commit to meeting all of NJDCA’s deadlines as defined in this solicitation.


Please see the following pages for case studies of our recent and relevant experiences.



Introducing the Nation’s ERAP Compliance Best Practices

States like New Jersey, Louisiana, Connecticut, and Texas trust CohnReznick to help them efficiently monitor all aspects of ERAP fund distribution.

Recognizing the importance of protecting the integrity of pandemic relief efforts, we’ve adopted a “same goals, different roles” philosophy that allows us to be a true advisor to states committed to doing the right thing. NJDCA and the State of New Jersey are a firm wide priority to CohnReznick, meaning we’ll bring all resources to bear to help you succeed. Our experience includes:

-  **NJDCA ERAP Phase I Compliance Monitoring**
-  **LA ERAP Compliance Monitoring**
-  **TDHCA ERAP Application Reviews and Eligibility Reviews**
-  **CT ERAP Program Management**

CohnReznick can work closely with NJDCA, staff, Nan McKay and others to ensure that:

- ✓ The objectives and performance expectations of the program are met
- ✓ Internal controls are sufficient
- ✓ Quality improvements and efficiencies are implemented
- ✓ Fraud, waste, and abuse is prevented

Helping Texas Rent Relief Become #1 Program in Nation

CASE STUDY



The Texas Rent Relief Program (TRRP) is administered by the Texas Department of Housing and Community Affairs (TDHCA). TRRP is funded through Treasury's Emergency Rental Assistance funds passed under the Consolidated Appropriations Act, 2021. The program provides rental and utility assistance to qualifying applicants. CohnReznick was initially engaged by TDHCA to perform a quality assurance (QA)/quality control (QC) review of its program, but our role changed at TDHCA's request to application processing. CohnReznick came onboard as a rescue contractor after the original vendor was unable to meet the performance metrics desired by the agency. CohnReznick scaled to 485 staff within 30 days and is currently responsible for eligibility reviews, applicant outreach, and assistance calculations for over 110,000 tenant applications

CohnReznick continues to provide ongoing application eligibility review services to TDHCA. TDHCA now leads all states in the amount of money delivered to landlords and renters (over \$728M disbursed).

Our professionals perform reviews of applications through the entire review cycle including: initial reviews, document requests to tenants, communicating with tenants, landlords and utility providers; setting up draw requests; placing applications into final disposition; and processing first-level appeals. The relevant features of this project are:

- ✓ Scaled to 485 staff within 30 days.
- ✓ Perform initial case review in the system of record.
- ✓ Communicate with landlords and tenants for missing documentation.
- ✓ Conduct outreach to the landlord re: accepting payment.
- ✓ Place applications in one of three dispositions: approved, ineligible or inactive.
- ✓ Perform Application Eligibility Reviews.
- ✓ Process first level appeals.
- ✓ Provide technical assistance to TDHCA staff.
- ✓ Perform payment calculations.
- ✓ Perform quality assurance of Application Eligibility Reviews.

Supporting Texas Department of Housing and Community Affairs' ERA Program

Supporting
~\$1 billion
Rent Relief Program to Texas' struggling tenants and landlords

PROJECT SCOPE

- Application Eligibility Review Services
- Applicant Communications
- Disposition and Appeals

PROJECT DURATION

- 2021— Present

HIGHLIGHTS:

- Scaled to 400 staff within 30 days
- Served as a **rescue contractor** to TDHCA to help it correct the course of initial program delays



April 7, 2021-[TX ERAP Plagued by Problems](#)


The CR
Difference

September 4, 2021-[Why the While House Loves Texas Renter Rescue](#)

CASE STUDY



Acting through the Connecticut Department of Housing (DOH), the State of Connecticut developed UnifeCT, a \$235 million emergency rental assistance program to provide rental and utility payment support to qualified households financially impacted by the COVID-19 pandemic. The intention of UnifeCT is to help stabilize Connecticut's rental housing market, while serving households at or below 80% of HUD's Area Median Income. CohnReznick is proud to partner with the state of Connecticut in providing industry leading Program Management and Eligibility Determination services for UnifeCT. Program Management services include:

- ✓ Representing DOH at meetings with program stakeholders.
- ✓ Coordinating procurement of a software solution.
- ✓ Coordinating with the selected software solution provider.
- ✓ Continuing development of and maintain program policies and procedures.
- ✓ Making CohnReznick subject matter industry experts available for consultation.
- ✓ Providing continuous review of program design and implementation.
- ✓ Developing program tools, reports, communications, and templates
- ✓ Maintaining communication protocols.
- ✓ Helping oversee utilization of contractors/vendors and DOH resources.
- ✓ Assisting with training efforts.
- ✓ Training, coordinating, and helping supervise staff performing application reviews.
- ✓ Maintaining standards for eligibility QA/QC procedures.
- ✓ Managing the appeals process.
- ✓ Conducting payment compliance reviews

Supporting Connecticut's UnifeCT ERA Program

Supporting
~\$235 million
Rent Relief Program to
Connecticut's struggling
tenants and landlords

PROJECT SCOPE

- Program Management Services
- Software Procurement
- Eligibility Determinations

PROJECT DURATION

- 2021— Present

HIGHLIGHTS:

- **Praised by U.S. Treasury as model for other states**



CT Sets an Example Across the Country in Rental Assistance Distribution

"I'm in Connecticut because I want to learn what the rest of the country can do to do what you're doing here in Connecticut so well," [U.S. Department of Treasury Deputy Secretary Wally] Adeyemo said.

Connecticut Public Radio, September 2, 2021

Continuing as Louisiana's Trusted Quality Assurance Vendor for its ERA Program

CASE STUDY

The State of Louisiana launched the Emergency Rental Assistance Program to provide emergency rental and utility assistance to Louisiana residents who are at risk of experiencing homelessness or housing instability due to the COVID-19 pandemic. The main objectives of the program are to:

- ✓ Keep people housed during the pandemic by preventing evictions for failure to pay rent.
- ✓ Serve the maximum number of households as quickly as possible while prioritizing those in greatest need.
- ✓ Ensure equitable geographic distribution of assistance.
- ✓ Compensate landlords for unpaid rent during eviction moratoria.

CohnReznick is providing expert Quality Assurance and Quality Control (QA/QC) services in support of the state of Louisiana's Emergency Rental Assistance Program by:

- ✓ Providing feedback for recommended changes within five workdays of execution of the task order.
- ✓ Providing technical assistance and expertise in QA/QC for implementation, monitoring, and close-out.
- ✓ Establishing a relationship with other vendors to provide feedback and solutions in response to the results of QA/QC efforts.
- ✓ Performing monitoring and test procedures to detect fraud, waste, and abuse for state administered ERAP and Local Government Unit programs.
- ✓ Developing and executing monitoring procedures to test compliance with program, federal and state regulations.
- ✓ Creating policies and procedures for compliance with regulations.
- ✓ Creating eligibility QA/QC checklists.
- ✓ Developing and monitoring controls to eliminate duplication of benefits from LERAP, CRBRA, CDBG CARES, ESG CARES or other sources of funds.

Supporting Louisiana's ERA Program

Covering
57+ parishes
needing rent relief within the
State of Louisiana

PROJECT SCOPE

- Quality Assurance/Quality Control Services and Expertise

PROJECT DURATION

- 2021— Present

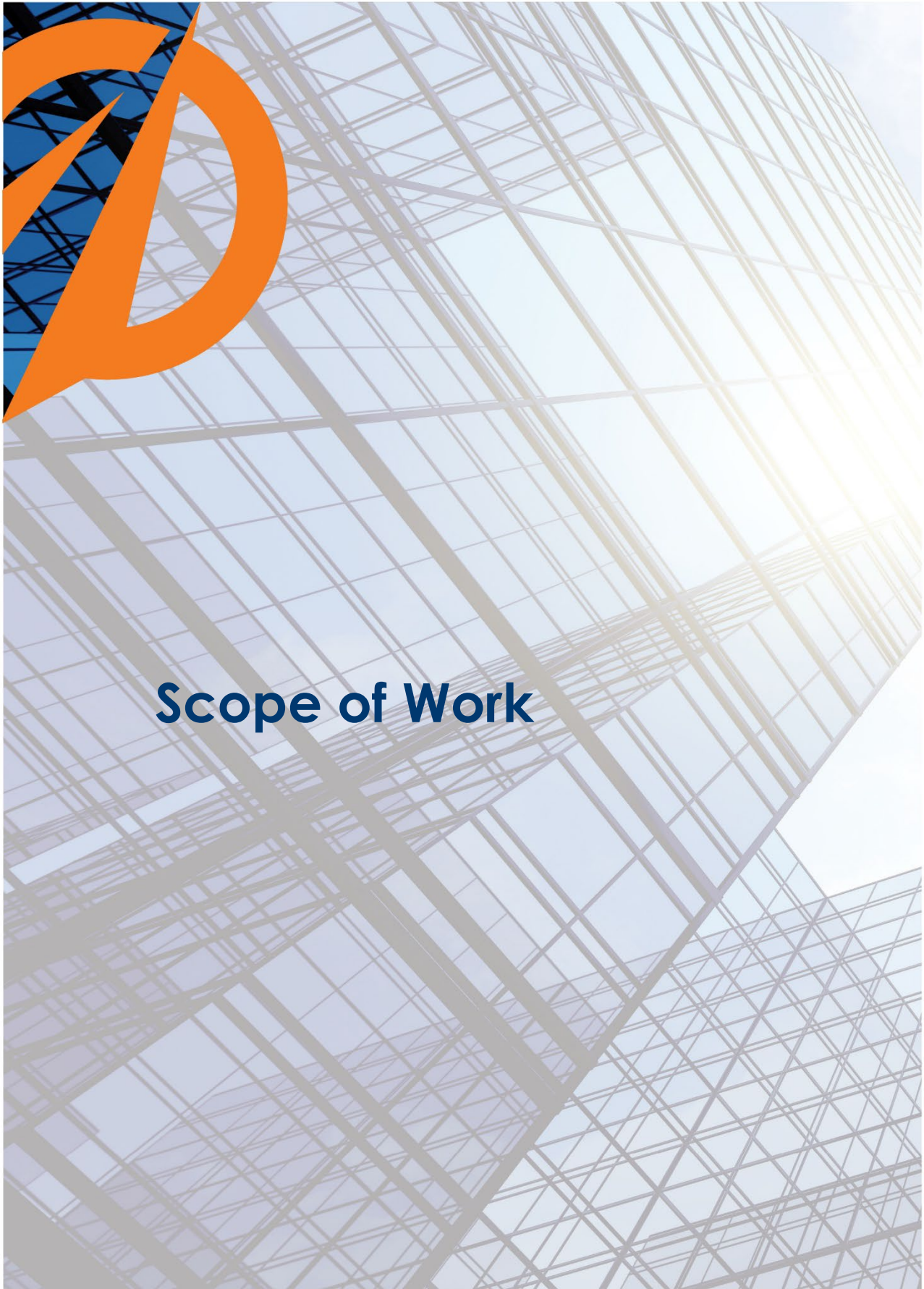
HIGHLIGHTS:

- Up and running within five days of task order
- Identified 50+ reporting considerations to facilitate processing of files
- Developed sampling methodology requiring 100% of population at program initiation, lessening efforts based on review results

LOUISIANA
TRUSTS CR



CohnReznick has been a trusted partner to the State of Louisiana for over a decade. The State has trusted us to be a compliance leader over their most important programs, with the Emergency Rental Assistance Program being no different. We are proud of our long-standing relationship with the State.



Scope of Work



OUR UNDERSTANDING

CohnReznick's experience in compliance monitoring and oversight of federal funding spans 20+ years of planning and executing grant administration in addition to compliance monitoring activities for federal disaster recovery programs. Our understanding of compliance programs related to the Coronavirus recovery acts has been a continuation of our years of experience managing disaster recovery efforts. From storms to financial crises, to the ongoing pandemic relief efforts, CohnReznick has the breadth of experience and resources to support NJDCA's compliance and monitoring goals.

Best Practices

CohnReznick's role as **Integrity Monitor** for the State of **New Jersey** has provided insight for compliance and monitoring best practices. We stand ready to conduct compliance reviews, training, on-site monitoring and reporting for NJDCA's ERAP Phase II.

Additionally, CohnReznick is able to leverage the latest trends in data analysis to identify instances of duplication and combat fraud, waste, and abuse. Making use of these tools will be critical to meet the needs of the engagement and ensure positive program outcomes.

For this engagement, CohnReznick stands ready to assist NJDCA in achieving its compliance goals by: conducting desk monitoring of the NJDCA in relation to ARPA funds; swiftly reviewing and monitoring applicant files for accuracy and completeness in relation to ARPA funds, and; cross referencing applicants to other similar programs to review and monitor for duplication of benefits.

OUR APPROACH TO EACH TASK

CohnReznick will ensure that DCA is adhering to applicable federal and state guidelines and regulations consistent with ARPA and CVERAP- Phase II through performance of the following components:

1. Document Reviews

Review written documents, such as financial and performance reports, recent audit results, prior IM reports, and other documents or reports, as appropriate.

CohnReznick will leverage our extensive programmatic knowledge and industry expertise in reviewing NJDCA's policies and procedures, previous audit results, IM reports, and other identified documents or reports to evaluate compliance with applicable state and federal regulations.

2. Risk Assessment

Following review of DCA's Risk Assessment (See Attachment 2), conduct an initial risk assessment to evaluate, at minimum, DCA's organizational structure, internal controls, program guidelines, policies and procedures. See Attachment 3;

The self-risk assessment results will be used to identify and evaluate program vulnerabilities, compliance concerns, and fraud, waste, and abuse exposures to ensure compliance with federal regulations. Dependent upon the responses in the self-risk assessments, additional review and assessments are conducted on NJDCA's various systems, policies, procedures, and internal controls.

Following a review of NJDCA's risk assessment, our risk assessment approach will include: assessing NJDCA's organizational leadership, capacity, and experience; adequacy of financial and grants management policies and procedures; existence of internal controls; prior audits and prior monitoring (when applicable) results and findings; and potential conflict of interest and ethics compliance.



3. Application Testing

Test a sample of applications reasonably expected to be representative of the applicant population as a whole to determine compliance with program guidelines eligibility and documentation requirements and applicable federal guidance;

A random sample of applications will be drawn from program and applicant data, the methodology for the sampling will be in accordance with Circular A-133, Compliance Audits, as published by the American Institute of Certified Public Accountants (AICPA). The chosen samples will be reviewed for compliance with program eligibility guidelines as well as applicable federal regulations.

4. Application Fraud Analysis

Review applications and applications data to identify potential fraud, using data analytics or other methods to identify anomalies, patterns and discrepancies. Report instances of potential fraud for follow-up or further action;

CohnReznick has extensive experience using data analytics to identify potential instances of fraud or abuse across multiple compliance engagements in states such as Connecticut, Texas, and Louisiana, specific to the ERA program. CohnReznick has the expertise to detect incongruencies or anomalies in applications and subsequent internal review processes and recommend measures to mitigate against future application exposures. Any findings will be reported to NJDCA for further action.

CohnReznick brings a database of application fraud indicators

that help us identify irregular applications and records that are most in need of attention. Our indicators are determined by application characteristics such as applicant tenant information, landlord-tenant relationship, landlord information, reviewer information, user account/ log-in IP information, and rent-utility cost comparisons.

5. DCA and Vendor Interviews

Conduct interviews or engage in other follow up with DCA and Nan McKay staff, as necessary.

CohnReznick will coordinate with NJDCA and Nan McKay staff to conduct interviews and follow ups, as necessary.

6. Data Validation

Review program or applicant data to cross-check or validate against other data sources

In the course of reviewing applicant data for fraud, waste, and abuse, CohnReznick will validate provided data against other available data sources.

7. Vendor Compliance

Review Nan McKay's compliance with the terms of the agreement between NJDCA and Nan McKay and Associates, including reports issued by Nan McKay to DCA regarding the CVERAP Phase II program status;

The CohnReznick team will verify adherence by Nan McKay to the terms and conditions of the agreement between NJDCA and Nan McKay, to include reports issued by Nan McKay to NJDCA.



8. Disbursement Reviews

Review disbursement of grant funds for proper documentation, authorization, approvals and accurate payments. Determine whether actual disbursements are consistent with the program guidelines

CohnReznick will verify disbursements are in compliance with program guidelines by reviewing payment and pre-payment processes and procedures, proper approvals by designated/delegated officials, and identifying potential vulnerabilities in the disbursement process.

9. Eligibility Determinations

Follow up with questions regarding specific eligibility determinations and application approvals as it relates to the CVERAP Phase II, and review decisions related to disbursements.

CohnReznick will follow up with eligibility, approval, and disbursement questions relating to CVERAP Phase II as they occur.

10. Anti-Fraud Training and Program Development

Train DCA and Nan McKay on fraud-detection methods and assist in developing an anti-fraud monitoring, prevention and detection program.

As a top accounting firm, CohnReznick is the ideal partner to help NJDCA develop an anti-fraud monitoring, prevention, and detection program. Additionally, our team is prepared to provide training on fraud detection methods to NJDCA and Nan McKay and other stakeholders as necessary.

Further, if and/or when deficiencies are identified as a result of program monitoring, technical assistance may be required to aid in the resolution of the deficiency. CohnReznick is prepared to train and re-train as necessary, leveraging Kaltura to accomplish instructional goals. As an example, CohnReznick recently delivered a training to over 90 participants, including other vendor staff, on understanding and preventing examples of fraud in Emergency Rental Assistance programs. Below is the description for this training, which was delivered on October 28, 2021:

“This training will help staff members better understand fraud, waste, and abuse; including examples of frauds in Rental Relief Programs, the various categories of occupational fraud, and the mindset of those that commit these types of misconduct. The training will further highlight current strategies being used to prevent and/or mitigate fraud, waste, and improper payment(s). Other topics include: Dishonest or fraudulent acts, including providing false information to qualify for assistance,

Accurate disbursements and eligibility determinations are critical to ERAP Phase II success.

Ensuring that disbursements are reviewed, authorized by the program, and are correct can appear straightforward; however, our experience tells us that there can be significant findings resulting from administrative errors. Our team knows what processes should be in place to ensure accurate and efficient **payments** are provided to landlords and tenants who are **eligible** under the program.



Fraud Prevention Training Delivered to the Texas Rent Relief Program on October 28, 2021



submitting fraudulent applications, or persons colluding to appear to have a landlord/tenant relationship; Misappropriation of funds by tenants or landlords using the funds intended for rental or utility assistance for other ineligible purposes; Impropriety in the handling of grant funds by misrepresenting and/or deleting of financial transactions; Misclassifying disbursements and/or knowingly issuing payments to ghost persons or entities; Embezzlement and other advance accounting frauds; Inappropriate use of TRR information or records; and Any similar or related irregularities.”

11. Promote Operational Efficiency

Facilitate the exchange of ideas to promote operational efficiency for future relief funding situations and document best practices.

We understand the importance of effective communication for ensuring a collaborative, consistent, and productive team environment. Our approach to project management emphasizes the vital importance of communication among stakeholders to ensure memorialization of best practices to ensure the success of future programs.

12. Coordinate with Integrity Monitors

Promote cooperation and communication among Integrity Monitors engaged by other Recovery Program Participants (e.g., to guard against duplication of benefits, etc.);

CohnReznick will work to promote cooperation among the Integrity Monitors engaged by other program participants to promote best practices and guard against possible instances of duplication, waste, fraud, and abuse.

13. On-Site Monitoring

Conduct on-site monitoring as needed.

CohnReznick will make resources available should on-site monitoring be needed as a result of desk reviews and risk assessments. All decisions and steps taken regarding an on-site monitoring visit shall be documented by CohnReznick as to how the conclusion to make an on-site visit was made. Considerations for on-site monitoring will take into account current health and safety protocols.

14. Office of the State Comptroller Inquiries

Promptly respond to any inquiries from the Office of the State Comptroller (OSC) regarding the Tasks under this Engagement Query.

At CohnReznick, we pride ourselves on our reputation for exceptional customer service. Rapidly responding to our client’s questions and concerns is of the highest priority.



Timeline to Complete



DELIVERABLE SCHEDULE

CohnReznick will fully meet the reporting requirements and the deliverable deadlines identified by NJDCA and will ensure the successful completion of the task order. Although standard and routine for oversight monitoring, we understand these deliverables to be critical for ensuring performance and compliance of the programs' work.

CohnReznick has the team, experience, and desire to help support NJDCA by ensuring that funds are being spent appropriately and tracked accordingly. Below is a summary table of the reports and deliverables anticipated to be provided based on the NJDCA engagement query submission date.

<i>Report / Deliverable</i>	<i>Frequency / Timing</i>
Project Kick-Off Meeting Agenda and Meeting Minutes	Day 1-3
Entrance Conference Agenda and Meeting Minutes	Day 1-5
Work Session Meeting Minutes	Days 1-15
Process and Risk Assessment Matrix (noting any identified gaps, inefficiencies, or redundancies)	Final – Conclusion of task order
Working Papers (containing test plans and results)	Conclusion of task order
Risk and Control Matrix	Conclusion of task order
Risk Assessment Report	Final – 3/31/2022
Monitoring	Ongoing
Quarterly Report(s)	Final – last day of each quarter end
Exit Conference Agenda and Meeting Minutes	Conclusion of task order



Detailed Budget and Staffing Plan



STAFFING PLAN

We have structured our team based on the requirements of this Engagement Query and our direct experience providing compliance and oversight monitoring services for recovery projects of similar size, scope and turnaround time. Our selected Program Managers will be Ron Frazier as Engagement Lead and Amanda Campen as Subject Matter Expert (SME). Together they have the direct experience that this engagement would require.

Mr. Frazier, JD, PMP has more than 15 years of experience, and specializes in providing integrity oversight monitoring services for state and regulatory agencies. He has worked for New Jersey on various engagements including NJDCA in monitoring Coronavirus Relief Funds in the State’s response to COVID-19. Ms. Campen, JD has several years of experience in compliance, project management and auditing, and direct experience working with states’ COVID-19 responses. She most recently served as the Bureau Chief of Recovery for the Florida Division of Emergency Management, managing a \$12 billion portfolio. Prior to that, as Operations Chief and Deputy State Coordinator she coordinated Florida’s long-term response and recovery needs throughout all phases of emergency management.

The selected Project Managers for this engagement will be Anna Fomina and David Solomon. Ms. Fomina has more than seven years of consulting, integrity monitoring, and fraud investigation experience in the private and public sector. A Manager with CohnReznick Government Services, she has an additional 10+ years of public accounting experience as an auditor. Mr. Solomon has more than six years of experience in project management relating to business systems implementation, auditing, and reporting. Having previously worked in the public sector for the Florida Division of Emergency Management (FDEM) and the Florida Department of Financial Services’ Bureau of Auditing (DFS), he has experience auditing state and federally procured contracts and payments, as well as assisting with the State of Florida’s implementation of the CARES and ARPA programs.

Our team will also be supported by data analytics manager and fraud detection Subject Matter Expert Shih-Hsien Yang and our data analysis team. Mr. Yang is a data analytics manager with CohnReznick who brings to this engagement seven years of data science expertise with proven success in implementing and deploying machine learning (ML) algorithms into production environments. An accomplished data scientist, Mr. Yang has investigated potential fraud rings using data science and has presented his findings for data-driven decision making. Our data team has played an instrumental role in developing ML algorithms for fraud and duplication detection to combat fraud, waste, and abuse for the ERA programs in Texas and Connecticut. Further, much of the data teams’ work has focused on safe-guarding financial payments and direct deposit transactions made by the federal government.

The Key Personnel chart presented on the following pages is included to familiarize NJDCA with our engagement team, and to show their relevant IOM and compliance experience. Our team is fully staffed with professionals who are experienced in performing the work outlined in this Engagement Query. Our team structure is designed to be flexible and efficient to adhere to the turnaround times and completion deadline requirements of NJDCA.

NJDCA Experience and Leading National Expertise

Our proposed staffing plan brings together specialists who have both experience supporting integrity monitoring of NJDCA programs as well as experience supporting the nation's largest ERA programs.



CohnReznick helped the Texas ERAP team flag nearly 2,000 cases for fraud.



Key Personnel	Years of Experience	Relevant Experience
Program Managers – 40 Total Hours		
Amanda Campen, JD	7+	<ul style="list-style-type: none"> 7+ years' experience in compliance, project management and auditing. Currently serves as a Project Manager for the Massachusetts Emergency Management Agency, performing financial and programmatic compliance, grant coordination, technical assistance and administration work to plan, organize and monitor federally funded disaster grants for COVID-19.
Ron Frazier, JD, PMP	15+	<ul style="list-style-type: none"> 15+ years' accounting experience, specializing in providing compliance and integrity oversight monitoring services for state agencies and private entities. As a licensed attorney and lead for both compliance and compliance monitoring, performed as the contract and performance manager for the NJ IOM Coronavirus Relief Fund projects including NJ DOE, NJDOH and NJ DCA.
Project Managers – 640 Total Hours		
Anna Fomina, CPA, CGMA	17+	<ul style="list-style-type: none"> 17+ years of extensive auditing, consulting, integrity monitoring and fraud investigation experience in private and public sector. Managing integrity oversight monitoring for NJ DOE, NJ OMB and NJ DCA projects including Program and Performance Monitoring, Financial Monitoring, Grant Management and Anti-Fraud Monitoring for Coronavirus Relief Funds (CRF) pursuant to the CARES Act.
David Solomon	6+	<ul style="list-style-type: none"> 6+ years' experience in auditing and emergency management in the public sector, most recently with the Florida Division of Emergency Management, assisting with the State's implementation of the CARES and ARPA (SLFRF) programs. Performed compliance and integrity monitoring services for the State of New Jersey, Office of Management and Budget (OMB), specific to the use of Coronavirus Relief Funds (CRF) pursuant to the CARES Act.
Consultants – 850 Total Hours		
Sarah Cowan, CPA	3+	<ul style="list-style-type: none"> 3+ years of public accounting experience analyzing financial statements, preparing and reviewing individual, partnership and corporate tax returns. Performed integrity monitoring services for the State of New Jersey and New Jersey agencies to ensure compliance with CARES Act funding.
Brandi Saunders, CPA	6+	<ul style="list-style-type: none"> 6+ years of public accounting experience conducting annual financial statement audits and analyzing financial statements. Performed compliance and integrity monitoring for Coronavirus Relief Funds for NJ state agencies including NJDOH.



Elsie Guevara, CFE	3+	<ul style="list-style-type: none"> • 3+ years of experience providing audit and attest services to clients in various industries, including integrity monitoring of the Port Authority of New York and New Jersey. • Performed Integrity monitoring for New Jersey agencies – including NJDOH – to ensure compliance with Coronavirus Relief Funds (CRF) pursuant to CARES Act.
Emily McCracken	2+	<ul style="list-style-type: none"> • Experience conducting payment application reviews, construction closeout audits, and supporting audit staff in collecting documents and workpapers related to internal audit projects. • Performed Integrity monitoring for New Jersey agencies to ensure compliance with Coronavirus Relief Funds (CRF) pursuant to CARES Act.
Viktorija Barrett	5+	<ul style="list-style-type: none"> • Several years of experience providing audit and attest services to construction, financial services and real estate clients. • Worked on projects related to the use of Coronavirus Relief Funds (CRF) for staffing, vaccination, construction programs and activities, and also monitored contractor compliance with legal, regulatory and contractual obligations.
Shih-Hsien Yang	7+	<ul style="list-style-type: none"> • Experience data analytics manager with proven success in helping government and public sector clients make near-real time, data-driven decisions. Much of his work is focused on safe-guarding financial payments and direct deposit transactions made by the federal government. • Instrumental role in developing Machine Learning algorithms for fraud detection and duplicate detection to combat fraud, waste, and abuse for the emergency rental assistance programs of the State of Texas and Connecticut. • Has investigated potential fraud rings using data science and has presented the findings for data-driven decision-making.
Tiffany Thompson	10+	<ul style="list-style-type: none"> • Experience performing routine and special audits, as well as preparing reports of audit results, recommending improvements in accounting methods and internal controls, and assisted in developing efficient operations by preparing internal controls, systems, and procedures. • Previously served in the Florida Office of the Attorney General, conducting financial and compliance audits, and with the Florida Department of Agriculture and Consumer Services as a compliance officer, identifying and presenting business risks and irregularities for \$1.2 billion in annual USDA grants.



DETAILED BUDGET

Our budget and timeline to perform the scope of work reflects the explicit 3/31/2022 contract expiration deadline detailed in the NJDCA Engagement Query. Our staff will complete all tasks pursuant to the Quarterly and Final Report deadlines, and the project deliverables will be completed and submitted to NJDCA based on those requirements in the Engagement Query.

<i>Name</i>	<i>Role</i>	<i>Rate</i>	<i>Total Hours</i>	<i>Total Cost</i>
Amanda Campen	Program Manager	\$266.75	40	\$10,670.00
Ron Frazier				
Anna Fomina	Project Manager	\$245.00	640	\$156,800.00
David Solomon				
Sarah Cowan	Consultant	\$148.50	850	\$126,225.00
Brandi Saunders				
Elsie Guevara				
Emily McCracken				
Viktoria Barrett				
Shih-Hsien Yang				
Tiffany Thompson				
TOTAL			1,530	\$293,695.00



SUMMARY OF DELIVERABLES

Our deliverables will be provided to NJDCA on a timely basis, and will include findings that will be aimed to help NJDCA expedite reviews of applicant files, while minimizing the opportunity for duplication of benefits. **We will help NJDCA drive ERAP Phase II program performance with our monitoring results.**

Planning



- Kick-off Meeting and Entrance Conferences and meeting minutes
- Work session meeting minutes

Risk Assessment/Work Plan Development



- Process and Risk Assessment Matrix (noting any identified gaps, inefficiencies, or redundancies)
- Working Papers (containing test plans and results)
- Risk and Control Matrix
- Finalize work plan
- Risk Assessment Report

Quarterly and Ongoing



- Document monitoring results
- Draft and submit Monthly and Quarterly reports
- Report any instances of fraud, waste or abuse
- Conduct follow-up and ongoing activities (such as training)

Added advantage: The CohnReznick team is already familiar and comfortable with the NJDCA’s Risk Management and Reporting Templates.



Conflicts of Interest



Per the requirement outlined in the NJ Treasury's Engagement Query to retain a Category 3: Integrity Monitoring/Anti-Fraud Integrity Monitor for the NJ Department of Community Affairs (NJDCA), this is our written notification to NJ Treasury and NJDCA that CohnReznick has conducted an internal conflicts check and that it produced no known conflicts at this time.

If selected as the vendor of choice for this Integrity Monitoring engagement, CohnReznick will monitor for potential conflicts of interest that may arise throughout contract performance, disclose any conflicts that may arise to NJDCA and work with NJ Treasury and NJDCA to effectively mitigate such conflicts.