



## State of New Jersey

DEPARTMENT OF CORRECTIONS

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PHILIP D. MURPHY  
*Governor*

SHEILA Y. OLIVER  
*Lt. Governor*

VICTORIA L. KUHN, ESQ.  
*Acting Commissioner*

November 29, 2021

### AMENDMENT TO PURCHASE ORDER #21-PROSV-01432:6 COHNREZNICK LLP

Integrity Monitoring/Anti-Fraud Services for COVID-19 Recovery Funds and Programs for the New Jersey Department of Corrections (NJDOC).

A Letter of Engagement was issued to CohnReznick on November 23, 2021 to perform integrity monitoring services as described in that Engagement. NJDOC and CohnReznick agreed to extend the term of the Engagement at no cost to March 31, 2022.

#### Scope of Work:

- Requests a time extension to PO #21-PROSV-01432:6 with a no cost extension to the budget.

#### Reporting Requirements

- Completion of the Risk Assessment and Final Quarterly Report.

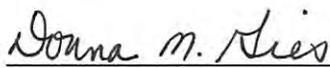
#### Duration of Engagement:

- The extension of the engagement will commence immediately and expire on March 31, 2022.

#### Justification

- Short project engagement.

The parties agree that all other terms and conditions under this Engagement remain in full force and effect.

  
\_\_\_\_\_  
Donna M. Gies for NJDOC

12/3/2021

  
\_\_\_\_\_  
Frank Banda for CohnReznick

12/3/2021

Letter of Engagement

November 23, 2021

Successful Bidder:

On behalf of the Department of Corrections, the State of New Jersey, Department of the Treasury hereby issues this Letter of Engagement to CohnReznick pursuant to the Engagement Query issued on October 22, 2021 and CohnReznick's proposal dated November 18, 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 \$114,508.00

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

Department of Corrections

Category 3 Services: Integrity Monitoring/Anti Fraud

### **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”). 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 Department of Corrections (“DOC”).

The purpose of this Engagement Query is to engage the Category 3 services of an Integrity Monitor to perform a risk assessment of DOC’s ability to comply with federal and state law regarding the expenditure of the COVID-19 Recovery Funds, specifically Coronavirus Relief Funds (“CRF”), received in the amount of \$24.8 million. In addition, the Integrity Monitor shall monitor that the use of these funds is in compliance with federal and State law.

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

## **A. Background**

The DOC is responsible for reimbursing counties for inmates held in the county jails for more than fifteen (15) days after they have been sentenced to a State correctional facility. On March 20, 2020, the Department temporarily suspended the transfer of state-sentenced inmates from the county jails in response to COVID-19. As a result, the average **monthly** total of housing reimbursements to the county jails increased by approximately \$1.6 million. While transfers of state-sentenced inmates are no longer suspended, a backlog of inmates exists due to the COVID-19 protocols established for the intake process. Currently eighteen (18) of the twenty-one (21) counties house state-sentenced inmates. For Fiscal Year 2021, the average daily population of state-sentenced inmates housed in the county jails was 732. For July 2021, the average daily population was 644; August 2021 was 402. The DOC is currently transferring approximately 150 inmates every other week, COVID testing and quarantining these inmates for seven (7) to ten (10) days prior to assignment to their facility, which continues to result in a backlog of state-sentenced inmates housed in the county jails.

The Department received funding from the CRF in the amount of \$11.0 million to cover the increased payments to the county jails for the period March 20, 2020 through December 30, 2020. An additional \$4.2 million was received to cover the period January 1, 2021 through March 31, 2021. Additional funding in the amount of \$9.6 million was provided to cover the period July 1, 2021 through December 31, 2021, for a total of \$24.8 million. In accordance with the Second Amendment to the Memorandum of Understanding between the Treasurer of the New Jersey Department of Treasury and the NJDOC, the \$9.6 million of additional funding must be encumbered by December 1, 2021. Payments processed against the encumbered funds will occur prior to December 31, 2021. While CRF will not be available after December 31, 2021, the NJDOC anticipates that the backlog of state-sentenced inmates may continue into calendar year 2022.

## **II. SCOPE OF WORK (SOW) REQUIREMENTS**

### **A. Project Description**

The Integrity Monitor shall work with the DOC's Accountability Officer and other DOC staff to conduct a risk assessment of the housing reimbursement payments described above to counties for holding inmates at county jails for more than fifteen (15) days after they have been sentenced to a State Correctional Facility. The risk assessment shall include a review of DOC's ability to comply with federal and state law regarding the expenditure of \$24.8 million for housing reimbursements. The risk assessment shall comply with the IOM Guidelines.

Based on the results of the Risk Assessment, the Integrity Monitor shall develop and execute sampling and monitoring procedures to ensure that the necessary fiscal controls are in place and that the proper documentation is being maintained for housing reimbursements made to the counties and that all payments are in compliance with applicable federal and state law. This may include:

- Evaluating project performance;
- Evaluating DOC's internal controls for fiscal management and records management;
- Validating compliance with applicable Memoranda of Understanding regarding the use and reporting requirements of CRF;
- Interviewing DOC staff;
- Reviewing payments made to counties utilizing CRF for the period March 20, 2020 through December 31, 2021; and
- Other tasks included in the IOM Guidelines, as appropriate.

The information which serves as the basis for determining which State inmates are eligible for reimbursement to the county comes from the New Jersey Department of Corrections Inmate Trust Accounting General Ledger (ITAG). Information from ITAG is downloaded to the State's Offender-Based Correctional Information System (OBCIS). OBCIS is an automated system which was designed to electronically collect basic inmate information when an offender enters the State correctional system, and tracks the offender to his/her release from the system. In addition to OBCIS, DOC Budget staff maintain a separate County Purchase of Service (CPS) mainframe database called County Housing Reimbursement Information System (CHRIS). The information contained in CHRIS is used to make the final determination as to the amount of reimbursement to a county for housing a State inmate.

Reports are generated from CHRIS which indicate inmate names and the number of days for which reimbursement to the counties is required. This information is utilized by DOC Budget staff to complete a Per Diem Reimbursement Summary which provides an overall summary of costs for which a county will be reimbursed.

The Integrity Monitor's role is to ensure that NJDOC is adhering to the applicable federal and state regulations and guidelines pertaining to the use of CRF to reimburse the counties for housing State-sentenced inmates through the following tasks:

1. Meet with NJDOC staff to review the Procedures Manual for reimbursing county jails housing state-sentenced inmates;
2. Select and review county jail contracts which include per diem rates;
3. Evaluate internal controls of selected county jail reimbursements;
4. Review reports generated from CHRIS and compare to completed Per Diem Reimbursement Summaries;
5. Validate compliance with Memorandum of Understanding and subsequent amendments;
6. Ensure appropriate documentation is retained and supports payments based on federal and state regulations and guidance;
7. Conduct onsite monitoring as needed, and
8. Report any issues of fraud or criminal conduct immediately to the Accountability Officer.

If the Integrity Monitor finds an improper payment, questioned cost or fraud, the Integrity Monitor shall provide sufficient documentation to the Recovery Program Participant to enable the review and potential recoupment of the payment.

Generally, the Integrity Monitor should perform desk reviews to assess the need for onsite monitoring visits. Depending upon results from the desk review, in combination with the risk assessment, the Integrity Monitor should evaluate whether an onsite monitoring visit is appropriate.

**B. Specific Performance Milestones/Timelines/Standards/Deliverables**

All deliverables must be completed by December 31, 2021.

**C. Risk Assessment Summary**

The Integrity Monitor(s) shall perform the risk assessment and deliver Risk Assessment Summary by December 17, 2021 using the Risk Matrix at Attachment 2.

**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 the last day of every calendar quarter detailing the specific services rendered during the quarter and any findings of waste, fraud, or abuse. 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.
- 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 18, 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: [REDACTED]

**V. Duration of the Engagement:**

The Engagement will commence upon the issuance of a Letter of Engagement and expire on **December 31, 2021**. 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 IOM as follows:

Failure to deliver the Risk Assessment Summary by 12/17/2021 \$150/day

Failure to deliver a draft quarterly report by the last day of the Quarter - \$200/day

Failure to deliver a final quarterly report by fifteen days after the Quarter end - \$200/day

**VIII. Questions regarding this Engagement Query:**

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

**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/ 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: Risk Matrix

## 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.<sup>1</sup>

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:

| <b>Category 1: Program and Process Management Auditing</b>   | <b>Category 2: Financial Auditing and Grant Management</b>   | <b>Category 3: Integrity Monitoring / Anti-Fraud</b>         |
|--|--|--|
| 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. |

<sup>1</sup> 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 Integrity Monitors or Recovery Program Participants to 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 to the GDRO, OSC, State Treasurer, and the Agency Contract Manager and Accountability Officer of a Recovery Program Participant.

Potential criminal conduct is to be reported immediately 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

**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:

[Type Here]

10. Amount Provided to Other State or Local Entities:

**Integrity Monitor Report  
Category 3**

[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]

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]

**Integrity Monitor Report  
Category 3**

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

[Type Here]

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

a) IM Response

[Type Here]

**Integrity Monitor Report  
Category 3**

- 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

[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]

**Integrity Monitor Report  
Category 3**

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 Monitor Engagement Query Response

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

*New Jersey Department of Corrections*

November 18, 2021 3:00 p.m. EDT



**Submitted by:**

CohnReznick LLP  
101 Crawfords Corner Road  
Suite 2316  
Holmdel, NJ 07733

Frank Banda, CPA, CFE, CGMA, PMP  
Managing Partner – Public Sector



[www.CohnReznick.com](http://www.CohnReznick.com)

November 18, 2021

Ms. Mona Cartwright, State Contract Manager  
Fiscal Manager, NJ Department of the Treasury  
Via email: [REDACTED]

Copy to:  
Ms. Donna Gies, Agency Contract Manager  
Assistant Commissioner, Division of Administration  
NJ Department of Corrections  
Via email: [REDACTED]

***RE: 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 for the NJ Department of Corrections***

Dear Ms. Cartwright,

On behalf of CohnReznick I am pleased to present our response to the New Jersey Department of the Treasury's Integrity Monitor Engagement Query to retain a Category 3: Integrity Monitoring / Anti-Fraud Integrity Monitor for the New Jersey Department of Corrections (NJDOC). It is our understanding that NJDOC is seeking an Integrity Monitor to conduct a risk assessment and provide anti-fraud services in relation to the use of Coronavirus Relief Funds (CRF) received for the inmate housing reimbursement program as well as help the Agency comply with its sub-recipient award agreement and applicable state and federal regulations.

We are confident you will find our response to be the most efficient and economical solution to work hand-in-hand with NJDOC to achieve its overall goal of safeguarding the State's Non-CRF Programs.

Immediately following the destruction of Superstorm Sandy, CohnReznick's leadership made the staffing of disaster recovery projects in the Northeast our top priority, and we remain resolute in that commitment today. Nationwide we have overseen billions of dollars in disaster recovery funding, and we are confident our monitoring and compliance experience represents the best value to NJDOC.

CohnReznick offers the following advantages:



**Subject Matter Experience.** Our team has prior Coronavirus Aid, Relief and Economic Security (CARES) Act experience providing compliance and oversight monitoring services for programs of similar size, scope and complexity to those required by the NJDOC. In fact, CohnReznick performed the first round of integrity monitoring for the NJDOC for its CRF Programs. For that engagement our team had to perform monitoring and produce reporting in a very tight time frame, which we were successfully able to do with great collaboration from NJDOC staff. We can immediately deploy seasoned grant and recovery fund experts who have experience in similar programs, and will ensure the work completed under this contract will be fully compliant with the latest revised Integrity Oversight Monitoring Guidelines issued pursuant to E.O. 166 by the State of New Jersey COVID- 19 Compliance and Oversight Taskforce.



**New Jersey Presence and Rapid Deployment.** Founded in 1919 with 2,800+ employees, we have the staffing capability to meet NJDOC's needs. Our broad New Jersey presence of more than 450 professionals located in our Parsippany and Holmdel offices gives us the ability to effectively and rapidly coordinate qualified staff and respond to the NJDOC's turnaround times and reporting deadlines.



**Excellent Record of Supporting New Jersey IOM Programs.** Our firm has provided compliance and oversight monitoring services for the State of New Jersey's Department of Community Affairs, Sandy Recovery Division (NJ DCA-SRD) for its Superstorm Sandy recovery program, along with ongoing integrity oversight monitoring to NJ Transit and to the Port Authority of New York and New Jersey (PANYNJ). Our efforts on NJ DCA-SRD resulted in the creation and implementation of 19 programs – the largest of which was valued at \$1 billion – built on “real-time” mechanisms to track, quantify and evaluate performance and mitigate risk at the contractor and program levels. We will bring that experience to this contract and work together with the NJDOC and all stakeholders to fulfill the goals of E.O. 166 and the IOM Guidelines for CRF and Non-CRF monitoring.



**Integration and Coordination with NJDOC Personnel.** Upon contract award we will quickly engage with the NJDOC to determine the level of involvement desired by NJDOC stakeholders. We will suggest options for integrating NJDOC personnel into our approach to saving cost and creating efficiencies to meet deadlines, similar to our past experience with NJDOC during the monitoring of substantially dedicated payroll expenditures. In addition, we are more than happy to turn over tools and the knowledge base built throughout the engagement for ongoing program management by NJDOC staff.



**Our Ability to Withstand Public Scrutiny.** Our integrity monitoring, disaster recovery and grant management programs and deliverables have been inspected by public officials, political appointees, state Attorneys General, Inspectors General and the general public. Without fail our established programs and deliverables have repeatedly withstood this intense scrutiny.

With CohnReznick's history of having served as New Jersey's Integrity Monitor responsible for the oversight of its federal grant Disaster Recovery programs in the wake of Superstorm Sandy and more recently with COVID-19 relief funds, we will apply those lessons learned to this contract as an Integrity Monitor for NJDOC. As an integral part of the State's accountability infrastructure, we will work closely with NJDOC to meet and exceed the scope of this Engagement Query in “developing measures to prevent, detect, and remediate fraud and misconduct in the expenditure of COVID-19 Recovery Funds.”

Thank you for your time and consideration of our response. All of our efforts will be directed toward achieving NJDOC's goals efficiently, and with the highest degree of quality and integrity. CohnReznick is committed to serving you as your trusted advisor, fulfilling the requirements of this Engagement Query, and delivering services that surpass your expectations. Should you have any questions or concerns, please do not hesitate to contact me by phone at [REDACTED] or email at [REDACTED].

Sincerely,

Frank Banda, CPA, CFE, CGMA, PMP  
Managing Partner – Government and Public Sector Advisory



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PLAN TO PERFORM  
SCOPE OF WORK



# PLAN TO PERFORM SCOPE OF WORK

## *Standard Reporting and Key Deliverable Schedule*

CohnReznick will fully meet the reporting requirements and the deliverable deadlines identified by NJDOC 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 NJDOC by ensuring that funds are being spent appropriately and tracked accordingly.

Relative to the CRF State-sentenced inmates housing reimbursement program received by NJDOC to alleviate the impact of the COVID-19 emergency declaration, CohnReznick will develop an Integrity Monitoring Plan to ensure program participants are performing in accordance with the sub-grant agreement and MOU with Treasury as well as any applicable federal and state regulations and guidelines. CohnReznick will help the NJDOC to meet their Compliance, Financial and Reporting objectives through performance of the following:

- Conducting reviews of program's design and performance to ensure the objectives are being met effectively, efficiently, and economically;
- Evaluating internal controls and means of mitigating risks;
- Validating compliance regarding the use of funds and spending categories;
- Evaluating monitoring and reporting requirements;
- Reviewing document retention policies and procedures to validate compliance with federal and state rules and regulations;
- Fraud risk assessment to evaluate the effectiveness of internal controls in place to guard against waste, fraud, and abuse.

Below is a summary table of the reports and deliverables anticipated to be provided based on the NJDOC Engagement Query submission date.

| <b>Report / Deliverable</b>   | <b>Frequency / Timing</b>  |
|---|--|
| 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 Walkthrough (noting any identified gaps, inefficiencies, or redundancies) | Days 1-15  |
| Working Papers (containing test plans and results)                                | Conclusion of task order   |
| Risk Assessment and Control Matrix  | Draft - 12/17/2021<br>Final - Conclusion of task order<br>12/31/2021 |
| Monitoring  | Ongoing, as necessary  |
| Quarterly Report(s)   | Final – 12/31/2021   |
| Exit Conference Agenda and Meeting Minutes  | Conclusion of task order   |



## *Personnel*

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 Manager will be Ron Frazier as Engagement Lead and He will have all 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 NJ DCA in monitoring Coronavirus Relief Funds in the State's response to COVID-19.

The selected Project Managers for this engagement will be Anna Fomina and David Solomon. **Ms. Fomina** has 18 years of financial management, audit, and advisory consulting experience with specific expertise in compliance and monitoring, fraud prevention and detection, assessment of internal controls, disaster recovery, and grant management. A Manager with CohnReznick, she supervises integrity oversight and anti-fraud monitoring for Coronavirus Relief Funds (CRF) pursuant to the CARES Act for various agencies. **Mr. Solomon** has more than 6 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 expertise auditing state and federally procured contracts and payments, as well as assisting with the State's implementation of the CARES and ARPA programs.

The Key Personnel chart presented on the following pages is included to familiarize NJDOC 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 NJDOC.



|  <b>Key Personnel</b> | <b>Years of Experience</b> | <b>Relevant Experience</b>  |
|--|----------------------------|---|
| <b>Program Manager – 16 Total Hours</b>  |                            |   |
| Ron Frazier, JD, PMP   | 15+                        | <ul style="list-style-type: none"> <li>• 15+ years of accounting experience, specializing in providing compliance and integrity oversight monitoring services for state agencies and private entities.</li> <li>• 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, NJ Treasury OMB and NJ DCA.</li> </ul>   |
| <b>Project Managers – 256 Total Hours</b>  |                            |   |
| Anna Fomina, CPA, CGMA   | 17+                        | <ul style="list-style-type: none"> <li>• 17+ years of extensive auditing, consulting, integrity monitoring and fraud investigation experience in private and public sector.</li> <li>• 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.</li> </ul>   |
| David Solomon  | 6+                         | <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul> |
| <b>Consultants – 320 Total Hours</b>   |                            |   |
| Viktoria Barrett   | 5+                         | <ul style="list-style-type: none"> <li>• Several years of experience providing audit and attest services to construction, financial services and real estate clients.</li> <li>• 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.</li> </ul>   |



|                      |     |  |
|----------------------|-----|--|
| Sarah Cowan, CPA     | 3+  | <ul style="list-style-type: none"> <li>• 3+ years of public accounting experience analyzing financial statements, preparing and reviewing individual, partnership and corporate tax returns.</li> <li>• Performed integrity monitoring services for the State of New Jersey and New Jersey agencies to ensure compliance with CARES Act funding.</li> </ul>  |
| Elsie Guevara, CFE   | 3+  | <ul style="list-style-type: none"> <li>• 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.</li> <li>• Performed Integrity monitoring for New Jersey agencies to ensure compliance with Coronavirus Relief Funds (CRF) pursuant to CARES Act.</li> </ul>  |
| Emily McCracken      | 2   | <ul style="list-style-type: none"> <li>• Experience conducting payment application reviews, construction closeout audits, and supporting audit staff in collecting documents and workpapers related to internal audit projects.</li> <li>• Performed Integrity monitoring for New Jersey agencies to ensure compliance with Coronavirus Relief Funds (CRF) pursuant to CARES Act.</li> </ul>   |
| Brandi Saunders, CPA | 6+  | <ul style="list-style-type: none"> <li>• 6+ years of public accounting experience conducting annual financial statement audits and analyzing financial statements.</li> <li>• Performed compliance and integrity monitoring for Coronavirus Relief Funds for NJ state agencies.</li> </ul>   |
| Tiffany Thompson     | 10+ | <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul> |
| Shih-Hsien Yang      | 7   | <ul style="list-style-type: none"> <li>• Experienced 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</li> </ul>   |



|  |  |  |
|--|--|--|
|  |  | <p>on safe-guarding financial payments and direct deposit transactions made by the federal government.</p> <ul style="list-style-type: none"><li>• 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 States of Texas and Connecticut.</li><li>• Investigated potential fraud rings using data science and presented the findings for data-driven decision-making.</li></ul> |
|--|--|--|



## Work Plan

CohnReznick proposes to perform the following in response to the scope of services identified by NJDOC in this Engagement Query:

### **Planning – Day 1-5**

#### **Engagement Kickoff:**

- 1) Conduct engagement kickoff meeting NJDOC;
- 2) Confirm engagement scope and objectives;
- 3) Confirm level of coordination between CohnReznick and NJDOC personnel;
- 4) Confirm NJDOC management and agree on protocol for contacting Program staff;
- 5) Coordinate with NJDOC to draft entrance conference agendas and schedule meetings with required Program personnel;
- 6) Agree on and document protocol and timelines for providing key deliverables: planning, fieldwork, wrap-up and other related deliverables;
- 7) Confirm required working papers format and organizational structure for submission to NJDOC at the end of the engagement; and
- 8) Create structure for maintaining working papers and key deliverables and for sharing information between CohnReznick and NJDOC.

#### **Entrance Conferences:**

- 1) Conduct entrance conferences with NJDOC and Program's management;
- 2) Request organization charts and confirm points of contact for monitoring area(s);
- 3) Provide copy of required sections of risk assessment matrix for completion by Department's management, confirm response date, and schedule follow-up meeting(s) to discuss responses;
- 4) Request copies of policies, procedures, and operational workflows;
- 5) Establish protocol for contacting staff to request required documents and for requesting interviews and process walkthroughs; and
- 6) Confirm the system of record for each process area and the existence of any external systems / databases used to maintain Program data.

### **Monitoring and Oversight of the NJDOC Programs – Ongoing and/or As Needed**



#### ***Risk Assessment and Evaluation of Internal Controls***

- 1) Review responses and documents received from Program management;
- 2) Document follow-up questions;
- 3) Conduct staff interviews and virtual or on-site process walkthroughs (as necessary);
- 4) Review the Procedures Manual for reimbursing county jails housing state-sentenced inmates with DOC staff;
- 5) Assess the risk of each associated process and identify potential areas of high risk;



- 6) Review and evaluate existing internal controls in place to satisfy the CRF funds requirements and compliance with federal and state law regarding the expenditures for housing reimbursements;
- 7) Document any gaps and conduct follow-up meetings to discuss risk assessment and internal controls;
- 8) Recommend best practices based on the results of programs' internal controls review and assessment of risks; and
- 9) Document any potential areas of fraud, waste and abuse for communication to NJDOC.



### ***Programs' Compliance Review***

- 1) Draft compliance plan for county jail housing cost reimbursement reviews;
- 2) Coordinate with NJDOC regarding work plan;
- 3) Initiate activities to evaluate program performance;
- 4) Review document retention policies and processes;
- 5) Compare actual processes to documented procedures, workflows, regulatory requirements and best practices;
- 6) Validate compliance with applicable Memoranda of Understanding and state and federal guidance regarding use and reporting requirements for CRF Funds;
- 7) Select and review a sample of housing payments for eligibility, proper documentation, approvals and payment;
- 8) Review (on the sample basis) applied per diem rates with county jail contracts;
- 9) Compare Per Diem Reimbursement cost summary reports to the information contained in County Housing Reimbursement Information System (CHRIS).
- 10) Conduct interviews and follow ups regarding specific funding and review decisions for emergency situations;
- 11) Document results and note any process variances, gaps, and/or areas of improvement for follow-up discussion;
- 12) Document and provide the workpapers or detailed report of any potential improper payments, questioned cost or fraud to NJDOC;
- 13) Review the specific challenges and operational inefficiencies of each program under the scope and provide recommendations for program adjustments related to those issues;
- 14) Discuss any noted variances and confirm preliminary results with programs' managers;
- 15) When and if needed, provide suggestions for improving fraud prevention, detection and monitoring policies and procedures; and
- 16) Conduct other tasks listed in the IOM Guidelines or deemed appropriate as directed by NJDOC.



## Reporting – Quarter-end and Final

As required by E.O. 166 and the IOM Guidelines, the IOM engaged by NJDOC shall submit a draft quarterly report to NJDOC on or before the last day of every calendar quarter, detailing the specific services rendered to date and any findings of waste, fraud or abuse. Final quarterly report(s) and any response from NJDOC will be delivered to the State Treasurer, who will share the report(s) with the Governor's Disaster Recovery Office (GDRO), the Senate President and the Speaker of the General Assembly, the Attorney General, and the State Comptroller.

- 1) Prepare draft risk assessment and quarterly report for submission to NJDOC;
- 2) Submit draft documents to NJDOC for feedback;
- 3) Coordinate with NJDOC to begin finalizing quarterly report;
- 4) Update quarterly report based on feedback and/or response to findings received by NJDOC;
- 5) Update risk assessment based on feedback from NJDOC;
- 6) Finalize quarterly report and risk assessment;
- 7) Prepare, upon request additional reports or memoranda to assist Office of State Comptroller (OSC) in evaluating whether there are fraud, waste or abuse issues in programs administered by NJDOC; and
- 8) Submit final documents to NJDOC.



### Key Deliverables

CohnReznick will provide the following key deliverables to NJDOC based on the agreed-upon schedule:

- 1) Risk Assessment
  - o Draft – 12/17/2021
  - o Final- 12/31/2021
- 2) Draft Quarterly Report(s)
  - o on or before the last day of every calendar quarter(s)
- 3) Final Quarterly Report(s)
  - o 12/31/2021

A blurred background image showing a person's hands using a laptop. The person is wearing a white shirt. In the foreground, a pair of glasses and some papers are visible on a wooden desk. The overall scene is a professional office environment.

# SCHEDULE OF DELIVERABLES



# SCHEDULE OF DELIVERABLES

CohnReznick is committed to providing quality services and deliverables within NJDOC's desired timeframe. Our Work Plan is organized into three (3) phases:

- 1) Planning
- 2) Monitoring & Oversight
- 3) Reporting

## *NJDOC Phases and Timeline*

The overall plan will be designed to evaluate the Program's performance as compared with objectives and goals set by members of Senior Leadership both to promote best practices and to create paths for improvement.





BUDGET TO PERFORM  
SCOPE OF WORK



## BUDGET TO PERFORM SCOPE OF WORK

Our budget and timeline to perform the scope of work reflects the explicit 3/31/2022 contract expiration deadline detailed in the NJDOC 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 NJDOC based on those requirements in the Engagement Query.

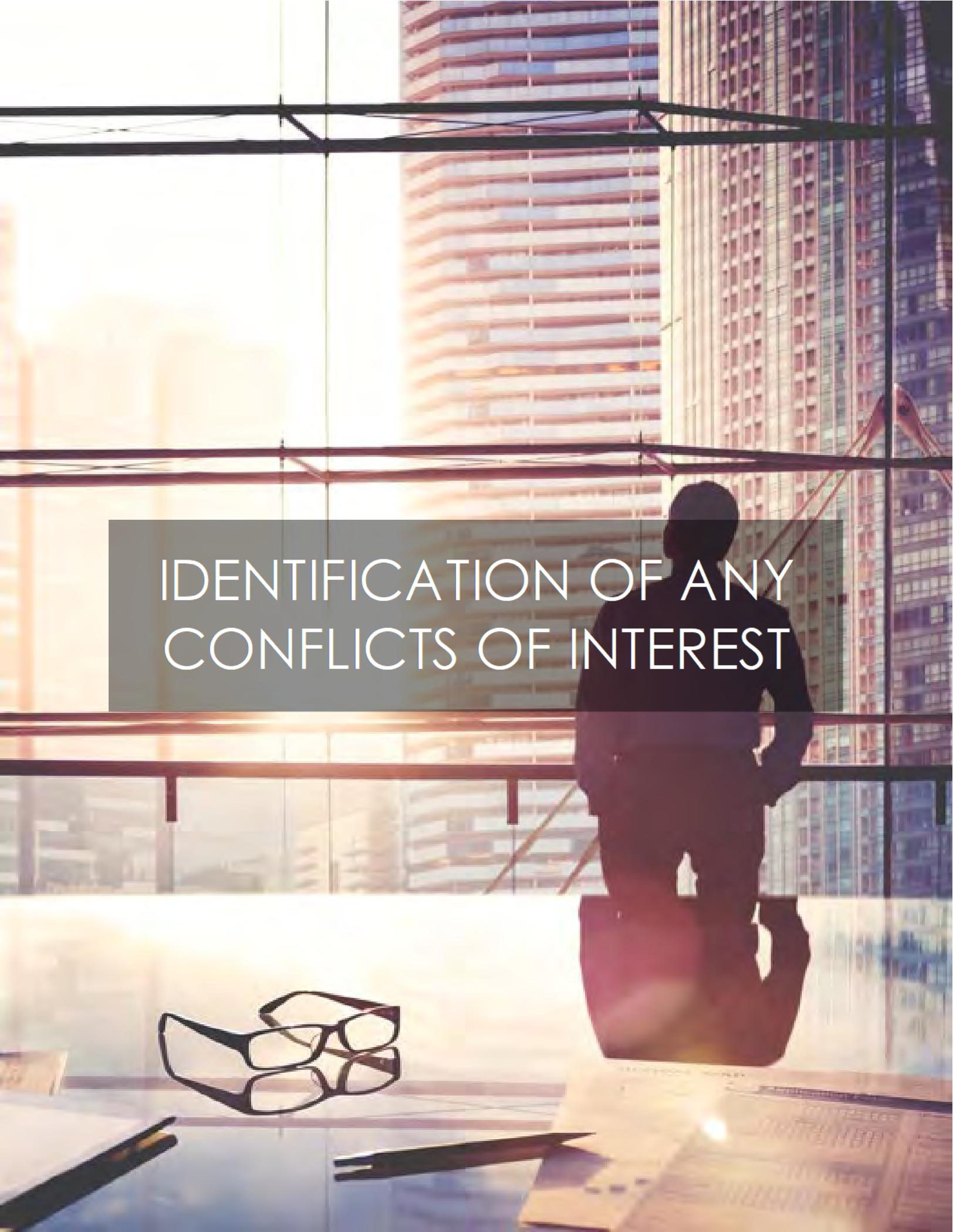
| <i>Name</i>      | <i>Role</i>     | <i>Rate</i> | <i>Total Hours</i> | <i>Total Cost</i> |            |                  |  |  |
|------------------|-----------------|-------------|--------------------|-------------------|------------|------------------|--|--|
| Ron Frazier      | Program Manager | \$266.75    | 16                 | \$4,268           |            |                  |  |  |
| Anna Fomina      | Project Manager | \$245.00    | 256                | \$62,720          |            |                  |  |  |
| David Solomon    |                 |             |                    |                   |            |                  |  |  |
| Viktoria Barrett | Consultant      | \$148.50    | 320                | \$47,520          |            |                  |  |  |
| Sarah Cowan      |                 |             |                    |                   |            |                  |  |  |
| Elsie Guevara    |                 |             |                    |                   |            |                  |  |  |
| Emily McCracken  |                 |             |                    |                   |            |                  |  |  |
| Brandi Saunders  |                 |             |                    |                   |            |                  |  |  |
| Tiffany Thompson |                 |             |                    |                   |            |                  |  |  |
| Shih-Hsien Yang  |                 |             |                    |                   |            |                  |  |  |
| <b>TOTAL</b>     |                 |             |                    |                   | <b>592</b> | <b>\$114,508</b> |  |  |

### *A Final Thought:*

Our experience with the implementation of COVID-19 relief programs positions us to aid the NJ Department of Corrections reach its recovery goals.

With this response CohnReznick has shown that it is more than qualified and capable of providing the services as outlined in the Engagement Query. Our experience helping numerous states and municipalities implement their COVID-19 relief programs, along with our proven track record of providing industry-leading audit and advisory services, demonstrates how CohnReznick is uniquely suited in aiding the New Jersey Department of Corrections realize its recovery goals.

CohnReznick has shown time and time again that our approach to compliance and monitoring recovery programs is focused on partnering with our clients to ensure successful program outcomes, and we look forward to working with NJDOC and continuing to offer expert advisory support for the State of New Jersey.



# IDENTIFICATION OF ANY CONFLICTS OF INTEREST



## IDENTIFICATION OF ANY POTENTIAL 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 Corrections (NJDOC), this is our written notification to NJ Treasury and NJDOC 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 NJDOC, and work with NJ Treasury and NJDOC to effectively mitigate such conflicts.