

State of New Jersey
NJ Department of Treasury

P.O. Date: 8/7/2023

Division of Administration

Release Purchase Order

G4018 Integrity Oversight Monitoring

Blanket Order Number

21-PROSV-01432:16

SHOW THIS NUMBER ON ALL
PACKAGES, INVOICES AND
SHIPPING PAPERS.

Agency Ref. #

V E N D O R	Vendor Number: [REDACTED] CohnReznick LLP
	4 Becker Farm Road ROSELAND, NJ 07068 [REDACTED]
	Vendor Alternate ID: [REDACTED]
	Remit Address: Tim Bender 4 Becker Farm Road Roseland, NJ 07068 US
	Email: [REDACTED] Phone Number: [REDACTED]

S H I P T O	[REDACTED] FEDERAL LIASION PO BOX 211- 50 W. STATE ST- 8TH FL TRENTON, NJ 08625 US Email: [REDACTED] Phone: [REDACTED]
	[REDACTED] FEDERAL LIASION PO BOX 211- 50 W. STATE ST- 8TH FL TRENTON, NJ 08625 US Email: [REDACTED] Phone: [REDACTED]

INVOICES: Direct invoices in DUPLICATE to the address shown above. TERMS AND CONDITIONS set forth in our Bid or Quotation, on the reverse side hereof or incorporated herein by reference become a part of this

ATTN: [REDACTED]

<p>Solicitation (Bid) No.:</p>	<p>Payment Terms: Shipping Terms: Freight Terms: Delivery Calendar Day(s) A.R.O.: 0</p>																		
<p>Item # 1 Class-Item 918-00</p> <p>Category 3 Integrity Monitoring/Anti-Fraud, Year 2 - Hourly Program Manager Rate</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th>Quantity</th> <th>Unit Price</th> <th>UOM</th> <th>Discount %</th> <th>Total Discount</th> <th>Tax Rate</th> <th>Tax Amount</th> <th>Freight</th> <th>Total Cost</th> </tr> </thead> <tbody> <tr> <td>44.00</td> <td>\$ 275.00</td> <td>HOUR</td> <td>0.00 %</td> <td>\$ 0.00</td> <td></td> <td>\$ 0.00</td> <td>\$ 0.00</td> <td>\$ 12,100.00</td> </tr> </tbody> </table>		Quantity	Unit Price	UOM	Discount %	Total Discount	Tax Rate	Tax Amount	Freight	Total Cost	44.00	\$ 275.00	HOUR	0.00 %	\$ 0.00		\$ 0.00	\$ 0.00	\$ 12,100.00
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682.00	\$ 252.00	HOUR	0.00 %	\$ 0.00		\$ 0.00	\$ 0.00	\$ 171,864.00											

Letter of Engagement

August 1, 2023

Successful Bidder:

On behalf of the Department of Treasury - Division of Taxation, the State of New Jersey, Department of the Treasury hereby issues this Letter of Engagement to CohnReznick, LLP, pursuant to the Engagement Query issued on May 24, 2023 and CohnReznick's proposal dated June 22, 2023.

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 \$319,396.00.

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 the Treasury, Division of Taxation
[Category 3 services per Section 3.1.1 of the Integrity Monitor 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 nationwide 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 (“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 Auditing, Financial Auditing and Grant Management, and Integrity Monitoring/Anti-Fraud services.

The New Jersey Department of the Treasury has established a pool of qualified Integrity Monitors for the oversight of COVID-19 Recovery Funds and COVID-19 Recovery 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 (“Integrity Monitor 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 will apply to all Integrity Monitoring Engagements executed via this Engagement Query.

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

This Engagement Query is issued by the Department of the Treasury on behalf of the Division of Taxation.

The purpose of this Engagement Query is for the **Division** to procure the services of an Integrity Monitor ("IM") for **Category 3 services per Section 3.1.1 of the Integrity Monitor RFQ.**

A. Background

\$60 million in Coronavirus State Fiscal Recovery Funds (SFRF) was allocated to the Department of the Treasury, Division of Taxation to administer the Individual Taxpayer Identification Number (ITIN) Holders Direct Assistance Program to provide a benefit to individuals who file income taxes with an ITIN and were ineligible for other federal economic stimulus payments. The program began in November 2022 and will cease providing benefits on July 1, 2023, well before the funding is required to be expended on December 31, 2026. When completed, the program will impact close to 100,000 ITIN holders. Program benefits were calculated using 2021 Income tax returns and treated as a tax rebate. Those deemed eligible had at least one ITIN holder (either primary, spouse or dependent) and Gross Income under the Federal poverty line, based on the number of ITIN holders reported on the income tax return. Additional information regarding eligibility can be found at the following website:

<https://www.nj.gov/treasury/taxation/itinfaq.shtml>

The Division can provide the following encrypted data electronically in either excel, pdf or text file format for review by the Integrity Monitor:

ITIN Number – randomly assigned number used as an identifier
Number of ITIN filers on the return
Household size
Gross Income
Calculated Rebate
Amount of Rebate
Check issue date
Chart of Federal Poverty Levels

II. SCOPE OF WORK REQUIREMENTS

A. Project Description

The Integrity Monitor engaged by the Division of Taxation will work with Division staff to conduct a Risk Assessment of the COVID-19 Recovery Program described in this section I.A. The Risk Assessment shall be completed in accordance with guidance issued in the Integrity Oversight Monitoring Guidelines. The Risk Assessment shall be conducted using the Division of Taxation's existing controls in place to prevent fraud, waste, or abuse in connection with the COVID-19 Recovery Program that includes, at minimum, a review or assessment of:

- Program policies and procedures
- Division of Taxation's organizational structure and capacity
- Division of Taxation's internal controls
- Level of risk associated with the Program
- Division of Taxation's prior audits

Based on the risk assessment, the IM shall develop and submit a Work Plan for monitoring the COVID-19 Recovery Program for fraud, waste, or abuse that includes a review of relevant risk factors specific to the Program being monitored.

The Work Plan shall include a sampling methodology to achieve a monitoring objective related to both compliance and internal controls. Any sampling used shall follow a nationally recognized audit standard such as the AICPA or GAO Government Auditing Standards, 2018 Revision. Sampling methodologies may include: (1) simple random; (2) statistical; (3) judgmental; (4) or other methodology appropriate to the Program characteristics. The IM shall document the rationale for the sampling methodology selected.

In addition, the IM will conduct a detailed file/documentation review. The Integrity Monitor shall review program eligibility, program policy, duplication of benefits, as well as current and ongoing expenditures to ensure compliance with program requirements. The Integrity Monitor will also perform fraud detection and analytics.

Depending on findings as a result of monitoring under the Work Plan, the IM should evaluate whether onsite monitoring is appropriate based upon any conclusions reached when conducting the risk assessment or as a result of ongoing monitoring. The IM shall document in writing its evaluation and conclusion, including an assessment of the following factors:

- Significant findings reported in quarterly reports or interim reports;
- Unresponsiveness to requests for information;
- Non-compliance with federal reporting requirements; and
- Allegations of misuse of funds.

Within 5 business days of the purchase order issued as a result of the Letter of Engagement, the IM and the Division of Taxation shall participate in a kick-off meeting to review the deliverables and due dates in Section C below and establish key personnel for communications during the course of the Engagement.

B. Reporting Requirements

1. Quarterly Integrity Monitor Reports

- a. Pursuant to E.O. 166, the Integrity Monitor shall submit a draft quarterly report to the Division on the last day of every calendar quarter detailing the specific services rendered during the quarter and any findings of fraud, waste, or abuse using the Quarterly Report template attached hereto. If the Integrity Monitor report contains findings of fraud, waste, or abuse, the Division has an opportunity to respond within 10 business 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 Division, 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 IM Guidelines, OSC may request that the Integrity Monitor issue additional reports or prepare memoranda that will assist OSC in evaluating whether there is fraud, waste, 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.
- b. With the submission of a payment invoice (or on a monthly basis), the IM shall provide a written report including, at a minimum:
 - Hours billed for each consultant corresponding to the components of the Work Plan;
 - Evaluation of effectiveness of fraud prevention activities including assessment of results, recommendations for corrective action, and prioritization of implementation of risk mitigation measures; and
 - Indications of fraud, waste, or abuse that should be immediately addressed by the Division with recommendations for risk mitigation.
- ⊖ For any findings of overpayment or ineligibility in connection with ITIN Holders Direct Assistance Program recipients, the IM must provide sufficient documentation to the Division to enable a review and potential recoupment of funds.

○

- c. At the completion of the Engagement, the IM shall submit a Project Completion Report, including at a minimum, scope of Engagement and methodology, documentation of work performed, summary of findings, and recommendations to mitigate the risk of fraud, waste, and abuse in the Program or future Programs.

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

- a. The Integrity Monitor shall report issues of fraud, waste, 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.

C. Specific Performance Milestones/Timelines/Standards/Deliverables

All deliverables must be completed by the dates indicated below.

Deliverables	Date due
Kick-off meeting with Division staff and successful IM	within 5 business days of the purchase order issued as a result of the Letter of Engagement
Risk Assessment	within 30 business days of kickoff meeting
Work Plan	within 7 days of completion of risk assessment
Interim Reports/Periodic Meetings	as needed
Draft Quarterly Report(s)	Last day of each quarter
Final Quarterly Report(s)	15 business days after the end of each quarter
Monthly Report	First of each month
Project Completion Report	30 days after project completion

III. **Proposal Content**

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

- A description of how the Integrity Monitor intends to accomplish each component of the scope of work in Section II above, including a timeline for submission of the deliverables required by this Engagement Query.
- A detailed budget identifying staff classifications and hourly rates that shall not exceed the rates in the Integrity Monitor's Best and Final Offer (BAFO) Price Schedule using the Price Sheet attached to this Engagement Query.

A statement that the Integrity Monitor has assessed whether it has any potential conflicts of interest that would prevent it from accepting this Engagement. Any potential conflicts of interest regarding the delivery of services for the scope of work under this

Engagement Query shall be identified. If the Integrity Monitor concludes that it has no conflicts of interest, it shall include an affirmative statement that it conducted an assessment and has not identified any conflict of interest that would prevent it from accepting this Engagement.

- A list of existing Engagements under G4018 with other State agencies, along with the commencement and expiration dates of the Engagement.

IV. Submission of Proposals

Detailed proposals in response to this Engagement Query shall be submitted electronically by 3:00 p.m. on June 22, 2023. Proposals must be submitted via email as set forth below with a copy to [REDACTED]

TO: State Contract Manager
Mona Cartwright, Fiscal Manager, Department of the Treasury
TreasuryIM@treas.nj.gov

V. Duration of the Engagement

The Engagement will commence upon the issuance of a Letter of Engagement and expire on December 31, 2023.

At the option of the Division, this Letter of Engagement may be extended. Any extension to this Letter of Engagement, however, may not to exceed the Contract Term, and any extensions thereto, as set forth in Section 5.2 of the Integrity Monitor RFQ.

VI. Contract Termination

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

VII. Liquidated Damages

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

Failure to deliver a draft quarterly report to the Division on the last calendar day of every quarter - \$250 per day.

Failure to deliver a final quarterly report, including any comments from the Division to the State Treasurer within fifteen (15) calendar days of the quarter-end - \$250 per day.

VIII. Questions regarding this Engagement Query

Any questions related to the Engagement Query, such as questions related to the Program or accessibility and format of data, must be submitted electronically by 3:00 p.m. on June 6, 2023. They must be submitted via email to the State Contract Manager, Mona Cartwright at TreasuryIM@treas.nj.gov with a copy to [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 including:

- The qualifications and experience of the personnel assigned to this Engagement;
- The experience of the IM in engagements of a similar size and scope; and
- The ability of the IM to complete the scope of work based on the proposed personnel/staff classifications and hours allocated to tasks in its proposal.

The State Contract Manager will then issue a Letter of Engagement with a “not to exceed” clause to the selected proposer.

The Division may request a Best and Final Offer from Integrity Monitors that responded to the Engagement Query.

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: Quarterly Report Template – Category 3
- Attachment 3: EQ Price Sheet
- Attachment 4: G4018 Integrity Monitoring Engagements Form

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, 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, the 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-

ci- pant. 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

**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 - Price Sheet

Cell to be completed by Bidder

	Staffing Category	Hourly Billing Rate (\$)	Hours	Amount (\$)	Total Cost (\$)	Hourly Discounted Billing Rate (\$)	Amount (\$)	Total Cost (discounted) (\$)
Risk Assessment	Partner/Principal/Director			\$0.00	\$0.00		\$0.00	\$0.00
	Program Manager			\$0.00			\$0.00	
	Project Manager			\$0.00			\$0.00	
	Supervisory/Sr. Consultant			\$0.00			\$0.00	
	Consultant			\$0.00			\$0.00	
	Associate/Staff			\$0.00			\$0.00	
	Subject Matter Expert			\$0.00			\$0.00	
	Administrative Support			\$0.00			\$0.00	
			0					
Work Plan Development	Partner/Principal/Director			\$0.00	\$0.00		\$0.00	\$0.00
	Program Manager			\$0.00			\$0.00	
	Project Manager			\$0.00			\$0.00	
	Supervisory/Sr. Consultant			\$0.00			\$0.00	
	Consultant			\$0.00			\$0.00	
	Associate/Staff			\$0.00			\$0.00	
	Subject Matter Expert			\$0.00			\$0.00	
	Administrative Support			\$0.00			\$0.00	
			0					
On-going Monitoring	Partner/Principal/Director			\$0.00	\$0.00		\$0.00	\$0.00
	Program Manager			\$0.00			\$0.00	
	Project Manager			\$0.00			\$0.00	
	Supervisory/Sr. Consultant			\$0.00			\$0.00	
	Consultant			\$0.00			\$0.00	
	Associate/Staff			\$0.00			\$0.00	
	Subject Matter Expert			\$0.00			\$0.00	
	Administrative Support			\$0.00			\$0.00	
			0					
Reports	Partner/Principal/Director			\$0.00	\$0.00		\$0.00	\$0.00
	Program Manager			\$0.00			\$0.00	
	Project Manager			\$0.00			\$0.00	
	Supervisory/Sr. Consultant			\$0.00			\$0.00	
	Consultant			\$0.00			\$0.00	
	Associate/Staff			\$0.00			\$0.00	
	Subject Matter Expert			\$0.00			\$0.00	
	Administrative Support			\$0.00			\$0.00	
			0					
	Allowance for Travel Expenses and Reimbursement if on-site monitoring required			\$10,000.00				
Total Cost (non-discounted)					\$10,000.00			
Total Cost (if discounted)					\$10,000.00			

Monitoring for Success

Integrity Monitor Engagement Query Response

Contract G4018 – Integrity Oversight
Monitoring – Category 3 Services

New Jersey Division of Taxation

Individual Taxpayer Identification Numbers (ITIN) Holders Direct Assistance Program

June 22, 2023 | 3:00 p.m. EST



Submitted by:

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

Frank Banda, CPA, CFE, CGMA, PMP
Managing Partner – Public Sector
 | Frank.Banda@CohnReznick.com

www.CohnReznick.com

June 22, 2023


State Contract Manager
Ms. Mona Cartwright, Fiscal Manager
NJ Department of the Treasury
Via email: TreasuryIM@treas.nj.gov



Copy to:



Division of Taxation

Via email: 

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 Division of Taxation – Individual Taxpayer Identification Number (ITIN) Holders Direct Assistance Program

Dear Ms. Cartwright :

On behalf of CohnReznick, I am pleased to present our proposal to provide the New Jersey Division of Taxation with Category 3: Integrity and Anti-Fraud Oversight Monitoring services to conduct a risk assessment of the Individual Taxpayer Identification Number (ITIN) Holders Direct Assistance Program. We are confident you will find our response to be the most efficient and economical solution to work hand-in-hand with the New Jersey Division of Taxation (Division of Taxation) to achieve its monitoring and oversight goals.

Choosing CohnReznick offers the following advantages:

Subject Matter Expertise



Our proposed team includes individuals who have worked with New Jersey agencies to perform compliance and oversight monitoring of COVID-19 Recovery Programs. This experience allows our team to be able to deploy immediately and provide a deep bench of Coronavirus Recovery program experts who will ensure the work completed under this contract will be fully compliant with American Rescue Plan (ARP) Act, EO-166 regulations, and other relevant guidelines, policies, and procedures.

CohnReznick also has extensive experience using data analytics to identify potential instances of fraud or abuse across multiple compliance engagements in states such as New Jersey, New York, Connecticut, Texas, and Louisiana, and has the expertise to detect incongruencies or anomalies in applications and subsequent internal review processes and recommend measures to mitigate against future exposures.

Collaboration with Division of Taxation Personnel



Upon contract award we will engage with the Division of Taxation to determine the level of involvement desired by stakeholders. We will suggest options for integrating personnel into our approach to save costs and create efficiencies. Furthermore, we are more than happy to turn over the tools and knowledge base built throughout the engagement for Division of Taxation staff use.

New Jersey Presence, Rapid Deployment and Long-Term Support Capability



Our firm has the staffing capability to meet the Division of Taxation's needs. Our broad New Jersey presence – with more than 450 professionals located in our Parsippany and Holmdel offices – allows us to effectively and rapidly coordinate qualified staff to respond to the Division of Taxation's turnaround times and final reporting deadline of December 31, 2023.

Excellent Record of Supporting New Jersey IOM Programs



CohnReznick has provided compliance and oversight monitoring services for multiple New Jersey entities such as the NJ Department of Community Affairs, the Office of Management and Budget (OMB), Department of Health (DOH), Department of Corrections (DOC) and the Department of Education (DOE). We will bring the experience we have gained throughout these engagements to this project with the Division of Taxation and will work with all stakeholders to fulfill the goals of E.O. 166 and follow New Jersey's Integrity Oversight Monitoring (IOM) Guidelines for Compliance and Oversight.

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 programs and deliverables have repeatedly withstood intense scrutiny.

With CohnReznick's history as New Jersey's Integrity Monitor responsible for the oversight of its federal grant Disaster Recovery programs in the wake of Superstorm Sandy and various COVID-19 relief funds, we will apply those lessons learned to this contract as Integrity Monitor for the Division of Taxation. As an integral part of the State's accountability infrastructure, we will work closely with the Division of Taxation to meet and exceed the scope of this Engagement Query (EQ) in monitoring the administration of the ITIN Holders Direct Assistance Program to identify opportunities for fraud, waste, corruption, conflicts of interest, and cost abuse issues in areas such as eligibility, program requirement compliance, and internal controls.

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

Sincerely,



Frank Banda, CPA, CFE, CGMA, PMP
Managing Partner – Government and Public Sector Advisory
[REDACTED] | Frank.Banda@CohnReznick.com



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A background image of the New York City skyline at sunset, with the sun low on the horizon, casting a warm orange glow over the water and the city. The skyline features several prominent skyscrapers, including the Freedom Tower on the left. The water in the foreground is a deep blue.

EXPERIENCE

Supporting New Jersey Since 2013



Knowledge and Experience

A trusted advisor in Integrity Monitoring to the State of New Jersey since 2013, CohnReznick is proud to have helped the state protect an enormous volume of federal funds from misuse. From Hurricane Sandy to COVID-19 recovery and economic revitalization, CohnReznick has helped New Jersey state agencies and municipalities correctly utilize over \$9 billion in federal funding.

Since 2020, CohnReznick has been chosen time and again as the Integrity Monitor of choice across multiple competitive solicitations by New Jersey state agencies. We have been selected to monitor twenty-one (21) programs for New Jersey pertaining to the use of COVID-19 Relief Funds, assisting New Jersey agencies in achieving defensible, successful program outcomes – to date these programs have been awarded nearly \$6.5 Billion in relief funds.

CohnReznick will leverage our ***extensive knowledge of the State of New Jersey and national COVID-19 compliance efforts*** to be a true, strategic advisor to the Division of Taxation.



5 New Jersey Agencies Supported

- ▶ New Jersey Department of Community Affairs (DCA)
- ▶ New Jersey Department of Corrections (DOC)
- ▶ New Jersey Department of Health (DOH)
- ▶ New Jersey Department of Education (DOE)
- ▶ New Jersey Treasury Office of Management and Budget (OMB)

\$6.5B+
Federal Funds Monitored

21 Unique Programs

CVERAP
LGEF
CVERAP Phase II
County Jail Reimbursements
Long Term Care Testing
Testing Expansion
Direct Care Salary
Survey Program
25% FEMA Match
Psync. Hospital Emergency Rate
DR4488PA CORONAVIRUS PANDEMIC (FEMA)
ELC COVID 19 Enhancing Detection
ELC COVID 19 Enhancing Detection-Laboratory
COVID 19 Immunization and Vaccines
Digital Divide
ESSER I
ESSER II
ESSER III
PR for Public Safety EE's (JJC, DSP, DOH, MAVIA)
Utility Assistance Program
CRRSA Emergency Assistance to Non-public Schools

Nationally, multiple states have also turned to and depend on CohnReznick for the delivery of successful, billion-dollar assistance programs, giving us a unique perspective on the principal modern challenges the Division of Taxation may encounter. For example, CohnReznick is the integrity monitor for the State of Florida's allocation of the Emergency Solutions Grant – Coronavirus (ESG-CV). In this role, we coordinated with Continuums of Care to ensure funding is serving its purpose of stemming homelessness as a result of the pandemic. Additionally, we are the integrity monitor for Louisiana's Emergency Rental Assistance and Homeowner Assistance Funds Program, where we work to ensure funding is compliantly being distributed to residents who need it. These are just a few of the national COVID-19 recovery programs we monitor.



In summary, our team is well-versed in how to effectively monitor COVID-19-related grant programs to help ensure grants stay on track with their intended recovery missions.

Our experience allows us to provide Division of Taxation with the following benefits:

- ❖ Increased effectiveness to focus attention on trends and patterns
- ❖ Increased efficiencies and reduced costs over time
- ❖ Increased protection against fraud, waste and abuse

How CohnReznick's Integrity Monitoring Solution is Different

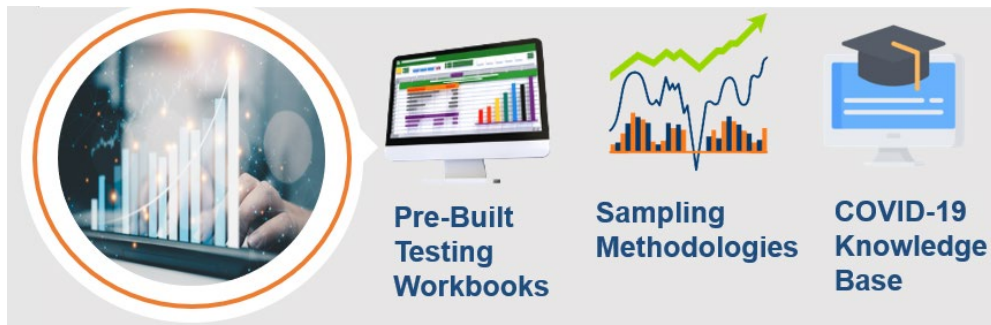
Throughout our work on Contract G4018 we have kept in mind the bigger picture: not just helping New Jersey state agencies to safeguard their use of federal funds, but also striving to deliver valuable insights and best industry best practices that our clients can carry forward into future programs, all while prioritizing efficiencies through the use of our deep bench of experienced monitors and a robust portfolio of project-proven monitoring tools. This mindset allows us to differentiate our ***Integrity Monitoring Service Delivery Model*** in the following ways:

 <i>Our Service Delivery Differentiators</i>	<i>Benefits to the Division of Taxation</i> 
<ul style="list-style-type: none">➤ No Time Needed to Mobilize our Team of Experienced Integrity Monitors➤ Investment of Partner Review Time➤ Toolkit of Monitoring Accelerators	<ul style="list-style-type: none">✓ More Time Spent on Identifying and Resolving Issues✓ Higher Return of Investment on Integrity Monitoring✓ Accurate Data to Empower the Division of Taxation to Take Action to Reduce Misuse of Funds

CohnReznick's Integrity Monitoring Toolkit

CohnReznick can leverage our demonstrably effective workbooks and testing procedures developed over previous engagements for compliance monitoring for New Jersey State agencies and utilize our expansive knowledge base to help develop a clear, actionable monitoring plan.

Further, our experienced data team has project-proven analysis tools and methodologies to capture significant pools of data and extract meaningful insights into trends within a program – from identifying potential risks of fraud, waste and abuse, to highlighting inefficiencies in program performance, CohnReznick possess the means to drive accountable, successful program outcomes.





We understand that an organization's data can be voluminous, and analyzing that data can become an overwhelming

task. Identifying patterns and trends in large data sets is an important part of analyzing potential risk or existence of fraudulent transactions and other errors. We have developed proprietary scripts and tests that are run against data sets to identify:




- ✓ Duplicate transactions
- ✓ Mismatched data records
- ✓ Data Inconsistencies
- ✓ Calculation errors

CohnReznick also employs Data Analytics software such as Caseware IDEA, TeamMate Analytics, Pathlock (formerly Greenlight Technologies), Alteryx and Talend to assist in our data analysis process through:

- ▶ Capturing multiple databases and analyzing data in one centralized location
- ▶ Converting data from multiple formats to usable data tables
- ▶ Standardizing the approach and procedures to analyzing data sets
- ▶ Stratifying records to identify areas of focus
- ▶ Comparing data from disparate systems
- ▶ Providing visual indicators of suspect transactions

	<p>Caseware IDEA is an advanced data forensics and data mining application. In addition to many pre-defined tasks, IDEA allows the user to write advanced data scripts and formulas to mine and manipulate the records within the data set.</p> <p>More information can be found at the following link: https://www.audimation.com/products/caseware-idea-data-analysis-software/</p>
	<p>TeamMate Analytics is a powerful add-in to Microsoft Excel; their menu-based tool provides a familiar interface and the pre-defined tasks satisfy many data analytic needs.</p> <p>More information can be found at the following link: https://www.wolterskluwer.com/en/solutions/teammate/teammate-analytics/</p>



	<p>Pathlock – formerly Greenlight Technologies, the leading provider of unified access orchestration – has unified solutions that provide 360-degree application protection while reducing the need for disparate tools attempting to solve pieces of the application governance challenge. Pathlock's platform unlocks Zero Trust through the following features:</p> <ul style="list-style-type: none">• Unparalleled intelligence: Deep integration into an application to not only provision access and highlight potential risks, but also monitor activity and prevent threats before they happen.• Comprehensive protection: Secure over 140+ of the most popular on-premise and cloud applications including SAP, Oracle, Salesforce, NetSuite and Workday.• Real-time prevention: Always-on policy enforcement that automatically protects your critical data around the clock and keeps you compliant, even when nobody is watching. <p>More information can be found at the following link: https://pathlock.com/</p>
	<p>Alteryx is a data analytics tool that unifies analytics, data science and business process automation in one easy-to-use platform to accelerate digital transformation. Alteryx allows users to perform advanced analytics, business intelligence visualization, data management and analytic process automation.</p> <p>More information can be found at the following link: https://www.alteryx.com/</p>
	<p>Talend combines data integration, integrity and governance in a single, unified platform. The Talend Trust Score furthers this focus by providing an at-a-glance assessment of your data's health — its quality, and relevance synergies.</p> <p>More information can be found at the following link: https://www.talend.com/</p>



Our team will also bring the latest trends and systematic approach to applying data analytics to our Integrity Monitoring to identify instances of duplication of benefits and combat fraud, waste and abuse.

The systematic approach we apply to Data Analytics consists of the following 10 steps:

- **Step 1: Define the Risks.** After identifying organizational and programmatic risks, we use data analytics to uncover anomalies, trends, patterns, and outliers in the data.
- **Step 2: Identify Relevant Datasets and Fields.** The data analytics team begins by identifying every dataset that contains or might contain information that is relevant to the subject matter of interest.
- **Step 3: Formulate Hypotheses about Record Field Relationships.** This step benefits from team brainstorming. Depending on the dataset content, hypotheses can become more complex. Further, the hypotheses can expand and multiply based on the number of dataset combinations.
- **Step 4: Program Analytical Tests for Each Hypothesis.** The data analytics team then test each hypothesis from Step 3 using data analysis software.
- **Step 5: Run Programmed Tests.** The beauty of data analytics is that once the analytics team has programmed its hypotheses, running the tests takes seconds, even with very large volumes of data. The programmed tests will create outputs for further evaluation, known as the “hit lists.”
- **Step 6: Evaluate and Refine the Tests.** The analytics team evaluates the initial results then adds additional filters and analysis to refine their methodology.
- **Step 7: Run the Refined Tests.** Depending on the nature of the data and complexity of the programmed hypotheses, the analytics team may need to perform Steps 5 through 7 multiple times, with each iteration producing better and more meaningful results.
- **Step 8: Validate the Results.** The CohnReznick team deploys advanced techniques to validate results.
- **Step 9: Categorize and Report Results.** The CohnReznick team logically categorizes the results of the testing and reports any findings.
- **Step 10: Identify Control Problems and Corrective Actions.** A byproduct of the data analytics process is that it reveals dataset control weaknesses, which are recorded and provided to our clients as best practice recommendations.



Insights from a CohnReznick Integrity Monitor



David
Solomon -
Manager



I feel a strong sense of conviction for the importance of the work we do, helping state and local agencies safeguard public funds and implement programs designed to directly and positively affect the lives of their constituents. The history of our work in New Jersey extends back more than a decade, and the care and quality of our work has allowed us to serve as trusted monitors across numerous grant programs for a number of New Jersey state agencies.

I have had the pleasure to assist in some of those engagements, and I am always impressed with the countless small ways we improve our approach to cater to the requirements of each program we monitor. From leveraging technology to provide real, meaningful observations from raw data on an accelerated timeline, to the personal approach of examining expenditure records for programs that exceed well over a billion dollars, the experience and attention our staff brings to each unique program is truly remarkable to see.



“We just wanted to thank you for your professionalism as you conducted [our] Integrity Monitoring. Your knowledge and expertise in overseeing the disbursement of ... COVID-19 Funds and the administration of ... COVID-19 programs are highly appreciated. We look forward to implementing your practice recommendation in order to mitigate the risk areas, and to improve and streamline our quality system.”

~ **State of New Jersey Client**



“Your commitment to quality and your agility – it was just really unprecedented. You stood out among the vendors. It was your standards that helped us really get this done and helped [us] see what we could, or maybe should, be expecting from others too.”

~ **State of Texas Client**



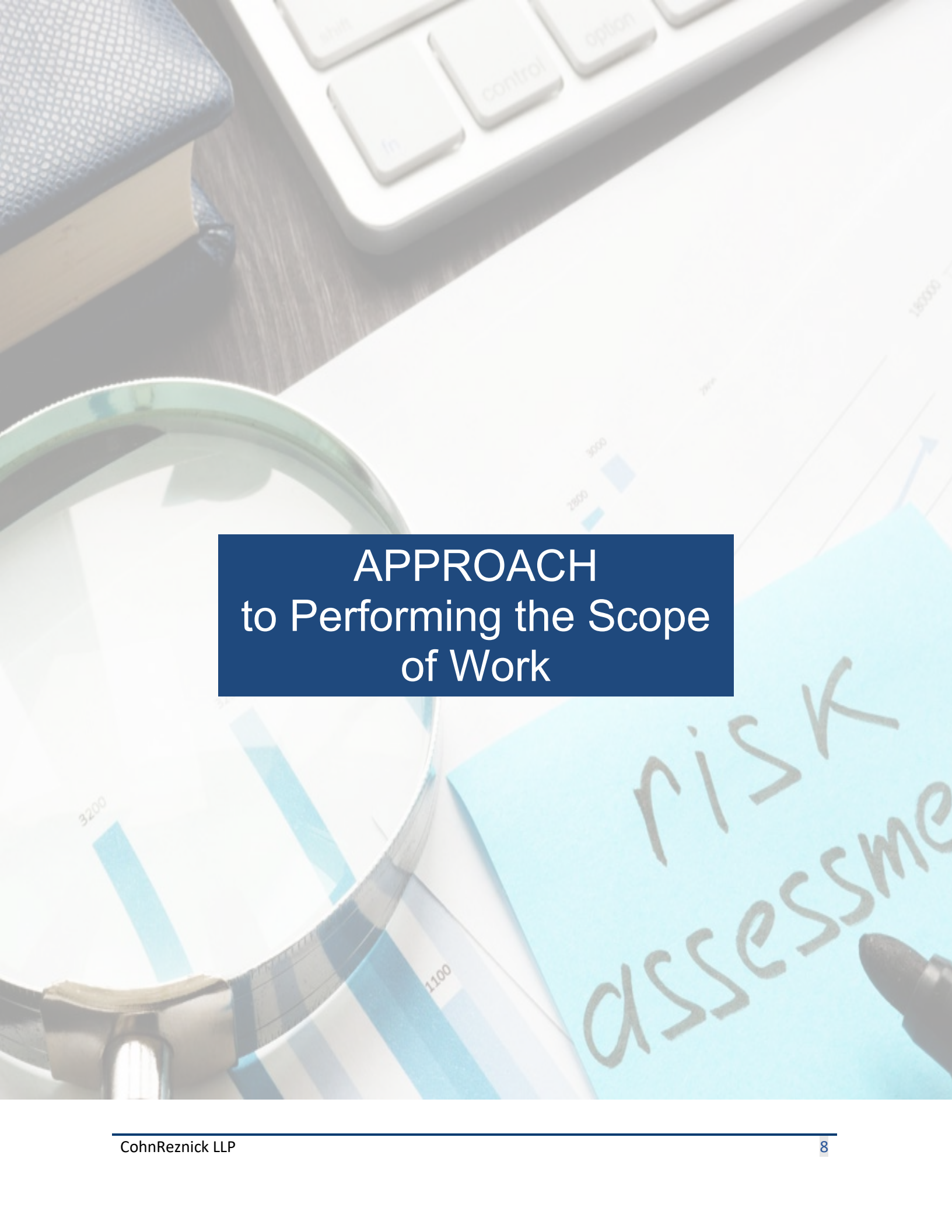
“CohnReznick has provided – and continues to provide – [us] highly reliable, expert advice and statewide capacity augmentation services for [our] Recovery programs. Their prior experience working with other state agencies ... has provided [us] the expedited, reliable guidance and subject matter expertise [we] required ... [we are] a more capable organization with CohnReznick in the wake of COVID while managing multiple federal and state disasters.”

~ **State of North Carolina Client**



“I appreciate your participation in the ... program and I’m looking forward to the outstanding work product that I’ve come to expect from CohnReznick folks like yourselves.”

~ **State of Texas Client**



APPROACH to Performing the Scope of Work



Plan to Accomplish Scope of Work Requirements

CohnReznick's team of professionals are ***prepared to support the Division of Taxation on this engagement*** with a proven data analytics-driven strategy to review the ITIN Holder's Direct Assistance Program and its compliance with the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF) established by the American Rescue Plan Act (ARPA).

Throughout this engagement, we will provide detailed reports identifying any concerns related to potential fraud, corruption, waste, and abuse as well as recommendations on how to address and remediate any of the concerns identified.

The below plan outlines our comprehensive and holistic approach to performing each component of the scope as outlined in the EQ:

- Conducting a risk assessment to evaluate conformance with documented policies and procedures, internal controls, federal and state statutes and guidance, and any award agreements/ Memorandums of Understanding (MOUs);
- Developing a work plan using industry-accepted best practices and Generally Accepted Government Auditing Standards (GAGAS), and incorporating sampling methodologies developed according to Circular A-133, Compliance Audits, as published by the American Institute of Certified Public Accountants (AICPA);
- Reviewing the sample of ITIN holders for eligibility, accuracy, and completeness in relation to program guidance
- Submitting periodic quarterly reports and a final Project Completion Report to provide a summary of findings and to outline recommendations to mitigate against future risks of fraud, waste and abuse.

CohnReznick tailors its approach to each engagement in a unique and strategic manner to best support our client's needs and address the challenges they face. Our extensive experience successfully supporting numerous New Jersey state agencies with their monitoring of substantial, complex grant programs provides us with a keen understanding of the challenges and obstacles facing recipients and program administrators.

With years of combined experience in the industry, we have tackled similar projects and delivered exceptional results. Our project management approach is grounded in effective communication, proactive planning, and rigorous monitoring to ensure that we stay on track and deliver on time. Our team will meet the expectations set forth in the Engagement Query (EQ) and within the time frame specified in this response, and we are confident our plan presents the most efficient, effective means of monitoring the use of COVID-19 Recovery Program funds. The project plan below outlines our comprehensive and holistic methodology to performing each component of the scope as outlined in the EQ.



Planning



Project Launch Meeting(s)

Kickoff Meeting

- 1) Conduct an engagement kickoff meeting with the Division of Taxation within 5 business days of purchase order being provided to the Integrity Monitor;
- 2) Review and confirm engagement scope and objectives;
- 3) Confirm level of coordination between CohnReznick and the Division of Taxation personnel to include communications protocols;
- 4) Schedule Entrance Conference with key Program personnel;
- 5) Establish a meeting schedule and confirm attendees, as needed.

Entrance Conference

- 1) Conduct entrance conference with the Division of Taxation and other key stakeholders;
- 2) Overview of the Program and confirm points of contact for monitoring areas;
- 3) Request copies of policies, procedures, operational workflow and organization charts;
- 4) Establish protocol for contacting staff to request required documents and for requesting interviews and process walkthroughs;
- 5) Confirm the system of record for each process area and the existence of any external systems/databases used to maintain Program data;
- 6) Coordinate with the Division of Taxation to select initial sample;

Monitoring of the ITIN Holders Direct Assistance Program



Risk Assessment

- 1) Coordinate with the Division of Taxation to perform risk assessment to evaluate, at a minimum, its program policies and procedures, organizational structure and capacity, prior audits, and internal controls implemented to manage risk;
- 2) Conduct staff interviews and virtual processes walkthrough;
- 3) Review provided responses and documents received;
- 4) Assess the risk of each associated process and identify potential areas of high risk;
- 5) Review and evaluate existing internal controls in place to satisfy program requirements;
- 6) Document any gaps and conduct follow-up meetings to discuss risk assessment and responses;
- 7) Complete and submit Risk Assessment;
- 8) Recommend best practices based on the results of internal control review and assessment of risks;
- 9) Document and immediately report any potential areas of fraud, waste and abuse.



Work Plan Development

- 1) Interview Division of Taxation personnel and other stakeholders regarding risk assessment, as necessary;
- 2) Based on the risk assessment, develop a Work Plan for monitoring the ITIN Holders Direct Assistance Program;
- 3) Develop sampling methodology in accordance with Circular A-133, Compliance Audits, as published by the AICPA and document the rationale for the sampling methodology selected;
- 4) Coordinate with the Accountability Officer regarding work plan;
- 5) Finalize work plan for conducting monitoring activities.



Document File Review

- 1) Select sample using methodology developed in work plan;
- 2) Design testing procedures based on identified risks;
- 3) Analyze program data for eligibility, compliance, duplication of benefits and proper documentation and payment;
- 4) Review encrypted program data provided by the Division to identify potential fraud, waste, and abuse using our proven data analytics tools to identify anomalies, patterns, and discrepancies;
- 5) Review program and/or tax data to cross-check or validate against other available data sources;
- 6) Review current and ongoing expenditures to ensure compliance with program requirements and to identify potential instances of fraud, waste, and abuse;
- 7) Conduct interviews and other follow-up as necessary.



Deliverables & Closeout

CohnReznick will provide the following reports to the Division of Taxation based on the agreed-upon schedule:

Risk Assessment of ITIN Holders Direct Assistance Program

- ✓ Within thirty (30) days of the kickoff meeting

Work Plan

- ✓ Within seven (7) days of the completion of the risk assessment

Monthly Report(s)

- ✓ On or before the last calendar day of the month, to be submitted the 1st of each month with monthly invoice

Draft Quarterly Report(s)

- ✓ On or before the last day of every calendar quarter

Final Quarterly Report(s)

- ✓ Fifteen (15) business days after the end of each calendar quarter

Project Completion Report

- ✓ Thirty (30) days after project completion



ENGAGEMENT Phases and Timeline



Work Plan Organization and Commitment to Quality

CohnReznick is committed to providing quality services and deliverables within the Division of Taxation's desired timeframe.

Cognizant of the quarterly reporting over the duration of the Program, our Work Plan is organized into five (5) phases:

- ▶ Planning
- ▶ Risk Assessment
- ▶ Work Plan Development
- ▶ Monitoring
- ▶ Reporting

Shown below is the timeline and actions we will be performing during these phases on a quarterly basis throughout the duration of this engagement with the Division of Taxation.

Planning



- ▶ Kick-off Meeting and Entrance Conferences
- ▶ Document protocol and deliverable timelines
- ▶ Request and review existing documentation
- ▶ Identify relevant systems

Risk Assessment



- ▶ Interview key personnel and conduct process walkthroughs
- ▶ Complete and submit Risk Assessments
- ▶ Document process gaps and recommend best practices based on results



Work Plan Development



Days 16–42

- ▶ Design sampling methodology in accordance with industry standards and document rationale for method selected
- ▶ Develop work plan with consideration of Risk Assessment results and interviews with key personnel
- ▶ Submit draft work plan

Monitoring & Reporting



Days 16–180

- ▶ Perform Integrity Monitoring and Data Analytics
- ▶ Document monitoring results
- ▶ Draft and submit Monthly and Quarterly reports
- ▶ Report any instances of fraud, waste or abuse
- ▶ Conduct follow-up and ongoing activities

Added advantage: The CohnReznick team is already familiar and comfortable with NJ Risk Assessment and Reporting Templates.



STAFF Experience and Team Structure



Engagement Management Team & Subject Matter Experts

CohnReznick has structured our team of professionals based on the requirements of this EQ as well as our direct experience providing compliance and oversight monitoring services for projects of similar size, scope and turnaround time.

The selected **Program Manager** for this engagement is **Ron Frazier, JD, PMP**, who has 20+ years of experience and specializes in providing integrity oversight monitoring services for state and regulatory agencies. Ron is a Senior Manager who has worked with the State of New Jersey on multiple engagements in monitoring Coronavirus Relief Funds in the State's response to COVID-19.

The **Project Managers** for this engagement are **Anna Fomina, CPA, CGMA** and **David Solomon**.

- ❖ **Anna Fomina, CPA, CGMA** 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, Anna has supervised integrity oversight and anti-fraud monitoring for Coronavirus Relief Funds (CRF) pursuant to the CARES, Consolidated Appropriation and ARP Acts for multiple NJ state agencies.
- ❖ **David Solomon** has 7+ years of experience in project management relating to business systems implementation, auditing and reporting, and previously performed and managed compliance and integrity oversight monitoring for NJDCA, NJDOC, NJDOH and NJDOE, specific to the use of Coronavirus Relief Funds (CRF) pursuant to ARP, CARES, and Consolidated Appropriations Acts. David has also worked in the public sector for the Florida Division of Emergency Management (FDEM) and the Florida Department of Financial Services in the Bureau of Auditing (DFS) and has expertise auditing state- and federally procured contracts and payments, and leading business systems process mapping and process improvement.

Our **Subject Matter Experts (SMEs)** for this Engagement are **Katie Wilson, CFE, CICA** and **Shih-Hsien Yang**.

- ❖ **Katie Wilson, CFE, CICA** is a Senior Manager with 16+ collective years of Compliance, Internal Controls and Risk Analysis, Fraud Prevention and Detection, Federal Reporting, Auditing and Accounting experience focused on preparation of Financial Statements, Audit Readiness, Audit Response and Internal Controls over Financial Reporting, Operations, and Systems. Katie obtained specialized experience within the Department of Defense (DOD) and the Intelligence Community, DoD Inspector General (IG), Defense Health Agency (DHA), United States Agency for International Development (USAID), Center for Medicare & Medicaid Services (CMS), National Aeronautics and Space Administration (NASA), and with the Administrative Office of the U.S. Courts (AOUSC) contracts and educated in the John E. Reid and Associate, Inc. technique of Interviewing and Interrogation.

As a Certified Fraud Examiner, Katie has extensive expertise in fraud risk and other risk assessments, internal controls and fraud prevention and detection. Her general experience includes: project management, managing audit and operational projects, policy and program compliance, overseeing projects to completion, complying with policies and procedures of various governmental entities as well as budgeting and client relations elements of project management.








- ❖ **Shih-Hsien Yang** is a Data Analytics Manager, accomplished data scientist and fraud detection SME who brings 8+ years of data science expertise to this engagement with proven success in implementing and deploying machine learning (ML) algorithms into production environments. Shih-Hsien has investigated potential fraud rings using data science, and has presented his findings to authorities for data-driven decision-making.

Key Personnel Chart








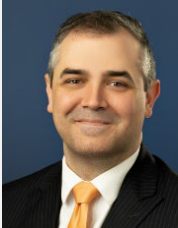


The *Key Personnel* chart we have developed (below) is included to familiarize the Division of Taxation with our engagement team and also highlight their relevant IOM and compliance experience. Our team is fully staffed with professionals experienced in performing the work as outlined in this EQ, and the team structure is designed to be flexible and efficient in order to adhere to the turnaround times and completion deadline requirements of this EQ for the Division of Taxation.

Please note the badges shown to the right have been added to our staff bios to denote that professional has demonstrated and proven experience with the State of New Jersey, COVID-19 relief experience, and/or is a certified Anti-Fraud monitor.




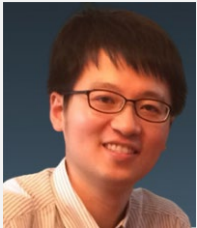




 Key Personnel	Years of Experience	Relevant Experience
Partner – Executive Oversight		
<p>Frank Banda, CPA, CFE, CGMA, PMP <i>Managing Partner – Government and Public Sector Advisory</i></p>    	35+	<ul style="list-style-type: none"> ▶ 35+ years' management, audit, accounting and consulting experience, with expertise in fraud prevention and detection, audit readiness, internal controls, compliance and monitoring, disaster recovery and grant management ▶ Proven ability to plan and implement large programs while managing risks and resolving issues; well versed in public policy and audit/fraud prevention ▶ Serves as Integrity Monitor for ~\$3 billion of Community Development Block Grant – Disaster Recovery (CDBG-DR) funding for New Jersey's Department of Community Affairs (DCA) ▶ Engagement Partner on multiple NJ Integrity Monitoring COVID-19 Relief Fund projects including NJDOE, NJDOH, NJDOC, NJOMB and NJDCA



 Key Personnel	Years of Experience	Relevant Experience
Program Manager – 44 Total Hours		
<p>Ron Frazier, JD, PMP</p>   	20+	<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 ▶ Licensed attorney and lead for both compliance and compliance monitoring engagements ▶ Performed as contract and performance manager for NJ IM Coronavirus Relief Fund projects including NJDOE, NJDOH and NJDCA
Project Managers – 682 Total Hours		
<p>Anna Fomina, CPA, CGMA</p>   	18+	<ul style="list-style-type: none"> ▶ 18+ years' extensive auditing, consulting, integrity monitoring and fraud investigation experience in private and public sector ▶ Managing Integrity Oversight Monitoring for NJDOE, NJDOH, NJOMB and NJDCA projects including Program and Performance Monitoring, Financial Monitoring, Grant Management and Anti-Fraud Monitoring for Coronavirus Relief Funds (CRF) pursuant to the CARES, Consolidated Appropriation, American Rescue Acts
<p>David Solomon</p>   	7+	<ul style="list-style-type: none"> ▶ 7+ years' experience in government 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 and managed compliance and integrity monitoring services for the State of New Jersey - DOC, DOH, DOE, and DCA, specific to the use of Coronavirus Relief Funds (CRF) pursuant to the CARES and Consolidated Appropriations Acts









 Key Personnel	Years of Experience	Relevant Experience
Subject Matter Experts – 110 Total Hours		
<p>Katie Wilson, CFE, CICA</p>  	16+	<ul style="list-style-type: none"> ▶ 16+ years of Compliance, Internal Controls and Risk Analysis, Fraud Prevention and Detection, Federal Reporting, Auditing, and Accounting experience focused on preparation of Financial Statements, Audit Readiness, Audit Response, and Internal Controls over Financial Reporting, Operations and Systems ▶ Obtained specialized experience within the Department of Defense (DOD) and the Intelligence Community, DoD Inspector General (IG), Defense Health Agency (DHA), United States Agency for International Development (USAID), Center for Medicare & Medicaid Services (CMS), National Aeronautics and Space Administration (NASA), and with the Administrative Office of the U.S. Courts (AOUSC) ▶ Extensive expertise in fraud risk and other risk assessments, internal controls and fraud prevention and detection
<p>Shih-Hsien Yang</p>   	8+	<ul style="list-style-type: none"> ▶ 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 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 recovery programs in the States of Texas and Connecticut ▶ Investigated potential fraud rings using data science and has presented the findings for data-driven decision-making



 Key Personnel	Years of Experience	Relevant Experience
Consultants – 704 Total Hours		
<p>Andrew Barchenko</p>   	3+	<ul style="list-style-type: none"> ▶ 3+ years of experience providing internal audit support, Sarbanes-Oxley compliance, system selection and implementation, and process improvement supporting clients in the commercial real estate, financial services, retail and consumer products, healthcare and not-for-profit industries ▶ Experienced in identifying control gaps and operational inefficiencies, and developing recommendations for gap remediation and process improvement ▶ Performs business consulting services including policy and procedure development, and system selection and implementation
<p>Viktoria Barrett, CIA, CFE</p>    	5+	<ul style="list-style-type: none"> ▶ 5+ years' experience providing audit and attest services to construction, financial services and real estate clients ▶ Worked on projects related to use of Coronavirus Relief Funds (CRF) for staffing, vaccination, construction programs and activities ▶ Monitored contractor compliance with legal, regulatory and contractual obligations and provided integrity monitoring services for NJDOE, NJDOH and NJDCA ▶ Previously served as Assistant Inspector General for Health & Hospitals, NYC Department of Investigation – managed OIG activities and participated in development and implementation of OIG's audit, investigative and field operations
<p>Tiffany Thompson</p>   	10+	<ul style="list-style-type: none"> ▶ Experienced 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 ▶ Evaluated compliance and finalized deliverables on Integrity Monitoring



		<p>engagements with NJDOH, NJDOC and NJDCA</p> <ul style="list-style-type: none">▶ 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
<p>Grace Wandling, CPA</p>   	20+	<ul style="list-style-type: none">▶ 20+ years of accounting and auditing experience in the private and government sectors▶ Currently supporting CohnReznick's compliance and monitoring engagements in the State of New Jersey for OMB, DOE and DCA▶ Specializes in discrepancy and fraud investigation as well as discovery and remediation; has held roles in Federal Deposit Insurance Corporation – Office of Inspector General (OIG) as well as leadership positions in the United States Government Accountability Office (GAO)▶ Approved rental and utility cases to assist tenants impacted by COVID-19 for the Connecticut Department of Housing (CT DOH)
<p>Erin White</p>   	6+	<ul style="list-style-type: none">▶ 6+ years of governmental accounting and auditing experience including pre-audit and post-audit reviews of Florida state agency payments and contracts▶ Provided integrity monitoring services such as risk assessment and finalizing deliverables for NJDOE, NJDOH and NJDOC▶ Experienced in developing and implementing CRF and Non-CRF federally funded grant programs

A hand holding a blue pen is positioned over a large, detailed budget spreadsheet. The spreadsheet is laid out on a wooden desk, with a laptop and other papers visible in the background. A dark blue rectangular box is overlaid on the center of the image, containing the title text. The overall scene suggests a professional or academic setting focused on financial planning.

BUDGET to Perform Scope of Work



Price Sheet to Perform the SOW

Please note the Total Cost (non-discounted) shown is the cost calculated prior to any discounts applied – however being keenly aware of the State’s efforts to remain under budget we have discounted our pricing to present our best value to the Division of Taxation.

Our Price Sheet to perform the SOW (following page) reflects the contract expiration deadline of 12/31/2023. Our staff will complete all tasks pursuant to the Quarterly and Final Report deadlines, and the project deliverables will be completed and submitted to the Division of Taxation based on those requirements in the EQ.

With this response CohnReznick believes it has shown it is more than qualified and capable of providing the services as outlined in the EQ. Our experience helping numerous states and municipalities, along with our proven track record of providing industry-leading audit and advisory services, demonstrates how CohnReznick is uniquely suited in aiding the Division of Taxation. In addition, if required CohnReznick has the capacity to engage with local resources to provide on-site inspections as needed.

CohnReznick has repeatedly shown our approach to compliance and monitoring recovery programs is focused on partnering with our clients ensuring successful program outcomes, and we look forward to working with the Division of Taxation and continuing to offer expert advisory support to the State of New Jersey.



Integrity Monitoring - Price Sheet									
	Staffing Category	Hourly Billing Rate (\$)	Hours	Amount (\$)	Total Cost (\$)	Hourly Discounted Billing Rate (\$)	Amount (\$)	Total Cost (discounted) (\$)	
Risk Assessment	Partner/Principal/Director	\$295.00	5	\$0.00	\$17,305.00	\$ -	\$0.00	\$17,305.00	
	Program Manager	\$275.00	5	\$1,375.00		\$ 275.00	\$1,375.00		
	Project Manager	\$252.00	40	\$10,080.00		\$ 252.00	\$10,080.00		
	Supervisory/Sr. Consultant	\$204.00	0	\$0.00		\$ 204.00	\$0.00		
	Consultant	\$153.00	30	\$4,590.00		\$ 153.00	\$4,590.00		
	Associate/Staff	\$133.00	0	\$0.00		\$ 133.00	\$0.00		
	Subject Matter Expert	\$252.00	5	\$1,260.00		\$ 252.00	\$1,260.00		
	Administrative Support	\$ 76.00	0	\$0.00		\$ 76.00	\$0.00		
			85						
Work Plan Development	Partner/Principal/Director	\$295.00	5	\$1,475.00	\$16,105.00	\$ -	\$0.00	\$14,630.00	
	Program Manager	\$275.00	10	\$2,750.00		\$ 275.00	\$2,750.00		
	Project Manager	\$252.00	30	\$7,560.00		\$ 252.00	\$7,560.00		
	Supervisory/Sr. Consultant	\$204.00	0	\$0.00		\$ 204.00	\$0.00		
	Consultant	\$153.00	20	\$3,060.00		\$ 153.00	\$3,060.00		
	Associate/Staff	\$133.00	0	\$0.00		\$ 133.00	\$0.00		
	Subject Matter Expert	\$252.00	5	\$1,260.00		\$ 252.00	\$1,260.00		
	Administrative Support	\$ 76.00	0	\$0.00		\$ 76.00	\$0.00		
			70						
On-going Monitoring	Partner/Principal/Director	\$295.00	5	\$1,475.00	\$260,446.00	\$ -	\$0.00	\$258,971.00	
	Program Manager	\$275.00	19	\$5,225.00		\$ 275.00	\$5,225.00		
	Project Manager	\$252.00	532	\$134,064.00		\$ 252.00	\$134,064.00		
	Supervisory/Sr. Consultant	\$204.00	0	\$0.00		\$ 204.00	\$0.00		
	Consultant	\$153.00	634	\$97,002.00		\$ 153.00	\$97,002.00		
	Associate/Staff	\$133.00	0	\$0.00		\$ 133.00	\$0.00		
	Subject Matter Expert	\$252.00	90	\$22,680.00		\$ 252.00	\$22,680.00		
	Administrative Support	\$ 76.00	0	\$0.00		\$ 76.00	\$0.00		
			1280						
Reports	Partner/Principal/Director	\$295.00	10	\$2,950.00	\$31,440.00	\$ -	\$0.00	\$28,490.00	
	Program Manager	\$275.00	10	\$2,750.00		\$ 275.00	\$2,750.00		
	Project Manager	\$252.00	80	\$20,160.00		\$ 252.00	\$20,160.00		
	Supervisory/Sr. Consultant	\$204.00	0	\$0.00		\$ 204.00	\$0.00		
	Consultant	\$153.00	20	\$3,060.00		\$ 153.00	\$3,060.00		
	Associate/Staff	\$133.00	0	\$0.00		\$ 133.00	\$0.00		
	Subject Matter Expert	\$252.00	10	\$2,520.00		\$ 252.00	\$2,520.00		
	Administrative Support	\$ 76.00	0	\$0.00		\$ 76.00	\$0.00		
			130						
	Allowance for Travel Expenses and Reimbursement if on-site monitoring required	\$10,000.00							
	Total Cost (non-discounted)					\$325,296.00			
	Total Cost (if discounted)						\$319,396.00		

A group of five business professionals (three men and two women) are standing in a modern office lobby with large glass windows. They are dressed in business attire. One woman in the center is holding a brown briefcase. A dark blue rectangular box is overlaid on the image, containing the title text in white.

IDENTIFICATION of Any Conflicts of Interest



Our Written Notification of No Known Conflicts At This Time

Per the requirements outlined in the New Jersey Treasury's Engagement Query to retain a Category 3: Integrity Monitoring/Anti-Fraud Integrity Monitor for the New Jersey Division of Taxation to conduct monitoring of the Individual Taxpayer Identification Number (ITIN) Holders Direct Assistance Program, this is our written notification to NJ Treasury and the Division of Taxation 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 the Division of Taxation, and work with NJ Treasury and the Division of Taxation to effectively resolve such conflicts.



ENGAGEMENTS Under G4018 with Other State Agencies



Existing NJ Treasury Engagements Under G4018

Below is a listing of CohnReznick’s existing engagements under NJ Treasury Contract G4018, as requested.

<i>G4018 Integrity Monitoring Engagements</i>				
Vendor Name: CohnReznick LLP				
State Department or Agency	Engagement Category (1, 2, 3)	Program & Description	Program Federal Funding Source	Amount of Funding
New Jersey Department of Education	3	Integrity Oversight Monitoring: ESSERF I, ESSERF II, and ESSERF III	CARES, CRRSA, ARP	\$4,270,000,000.00
New Jersey Department of Education	3	Integrity Oversight Monitoring: Emergency Assistance to Nonpublic Schools Program	CRRSA, ARP	\$139,342,838.00
New Jersey Department of Community Affairs	3	Integrity Oversight Monitoring: Utility Arrearage Program	ARP	\$250,000,000.00

