

**Integrity Monitor Report  
Category 3**

Integrity Monitor Firm Name: K2 Integrity  
Quarter Ending: March 31, 2024  
Expected Engagement End Date: June 30, 2024

**A. General Info**

1. Recovery Program Participant:

New Jersey Economic Development Authority ("NJEDA").

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

SSBCI; ARP CSFRF.

3. State Funding Source (if applicable):

N/A.

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

SSBCI: 3/15/26 for \$79M received; 80% of 79M (first tranche) must be used by 3/15/26.

CSFRF: 12/31/23.

5. Accountability Officer:

Elizabeth George-Cheniara, Director of Legal Compliance.

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

Risk Assessment.

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

The Monitor will conduct a risk assessment covering State Small Business Credit Initiative and American Rescue Plan Coronavirus State Fiscal Recovery Funds.

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

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SSBCI: up to \$255M; CSFRF: \$352M+

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

SSBCI: Program amount "committed" (excluding administrative expenses) as of 12/31/2023 = \$20,629,500, comprising of funds expended (\$1,462,500), obligated (\$2.5M) and transferred (\$16.667M);

CSFRF: N/A.

10. Amount Provided to Other State or Local Entities:

N/A.

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

The assignment covers numerous projects in various stages from planning to post-payment.

12. Completion Status of Integrity Monitor Engagement:

On-going.

**B. Monitoring Activities**

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

- a) IM Response

N/A.

- b) Recovery Program Participant Comments

N/A.

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.):

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a) IM Response

The Monitor conducted an in-depth review of the following policies/procedures to confirm the existence of key control activities: i. Corrective Action Plan (CAP) Standard Operating Procedure ii. CASH RECEIPTS PROCESS 12/31/19 iii. NJEDA CASH DISBURSEMENTS NARRATIVE 12/31/19 iv. 20230306\_SSBCI Angel Match Program\_Policies\_v1 v. Financial Management Policy for Federal Awards vi. 20220311\_Internal Audit SOP vii. SSBCI Recovery Loan Loss Reserve Policies & Procedures\_v1.0 viii. SSBCI\_Clean Energy Loans (NJ CELs)\_Program\_Policies and Procedures\_v2.

On March 20, 2024, the Monitor conducted a meeting with members of NJEDA Legal Compliance and Finance and selected additional areas for documentation review and staff interview.

b) Recovery Program Participant Comments

NJEDA provided additional requested policy documents relating to: document retention; bank management policy/protocols for physical and digital controls; anti-fraud and ethics training; and procurement. Meetings will be scheduled with EDA's IT/Cybersecurity and other staff, as needed, in the upcoming quarter(s).

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

The Monitor conducted an in-depth review of the information provided by the Authority to include policies and procedures, Authority-wide code of conduct, SSBCI risk matrix, audit reports, periodic and other financial reports, and various Program SOPs.

b) Recovery Program Participant Comments

N/A.

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

a) IM Response

See response to Question 14.

b) Recovery Program Participant Comments

N/A.

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

a) IM Response

The Montior reviewed the narratives related to cash disbursements and payments and confirmed the existence of key control activities.

b) Recovery Program Participant Comments

N/A.

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

a) IM Response

See response to Question 14.

b) Recovery Program Participant Comments

N/A.

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

a) IM Response

None.

b) Recovery Program Participant Comments

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N/A.

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

a) IM Response

None.

b) Recovery Program Participant Comments

N/A.

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

a) IM Response

N/A.

b) Recovery Program Participant Comments

N/A.

**C. Miscellaneous**

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

a) IM Response

Bradley Sussman	0.50 hours, no expenses
Tejah Duckworth	0.00 hours, no expenses
Michael Bernstein	4.50 hours, no expenses
Scott Millman	0.00 hours, no expenses
Joyce Jiang	0.00 hours, no expenses
Yomi Togunde	49.75 hours, no expenses

b) Recovery Program Participant Comments

N/A.

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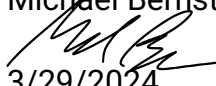
23. Add any item, issue, or comment not covered in previous sections but deemed pertinent to monitoring program:

a) IM Response

None.

b) Recovery Program Participant Comments

None.

Name of Integrity Monitor:	K2 Integrity
Name of Report Preparer:	Michael Bernstein
Signature:	
Date:	3/29/2024