

**Integrity Monitor Report  
Category 3**

Integrity Monitor Firm Name: CohnReznick, LLP  
Quarter Ending: 03/31/2023  
Expected Engagement End Date: 06/30/2023

**A. General Info**

1. Recovery Program Participant:

New Jersey Department of Community Affairs (DCA)

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

American Rescue Plan (ARPA)

3. State Funding Source (if applicable):

N/A

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

The funds appropriated for this program must be obligated by December 31, 2024, and expended by December 31, 2026.

5. Accountability Officer:

John Alexy

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

Utility Arrearage Assistance (the "Program")

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

On July 17, 2020, Governor Murphy signed Executive Order 166 ("EO 166"), which established the COVID-19 Compliance and Oversight Task Force (the "Taskforce") and the Governor's Disaster Recovery Office (GDRO). Pursuant to EO 166, the Taskforce has issued guidelines ("IOM Guidelines"), which have been updated as of June 2021, regarding the appointment and responsibilities of COVID-19 Integrity Oversight 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. IOM Guidelines further suggests "A Recovery Program Participants that have received or will administer \$20

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million in COVID-19 Recovery Funds should retain at least one Integrity Monitor".

The purpose of this Integrity Monitoring is to work with the DCA's Accountability Officer and other DCA staff to conduct a risk assessment and review applicants' data to ensure that DCA adhering to applicable state and federal laws and regulations for ARPA's Utility Arrearage Program.

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

\$250,000,000

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

\$250,000,000

10. Amount Provided to Other State or Local Entities:

N/A

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

Post-payment

12. Completion Status of Integrity Monitor Engagement:

In progress

**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

- Conducted Kick off call on 1/26/2023.
- Submitted Document request list to NJDCA Division of Housing and Community Resources (DHCR) on 1/27/2023.
- Partially received requested supporting documentation on 2/1/2023.
- Conducted status/follow up calls on 2/2/2023, 3/22/23, and 3/27/23.
- Corresponded with Accountability Officer to scheduled Program's processes and internal controls walkthrough with NJDCA DDRM and DHCR.
- Performed the system Dynamics 365 and an application intake process walkthroughs with IBM and DHCR on 2/23/23.
- Participated in a call with DHCR and IBM on 3/30/23 to walkthrough the data files and Dynamics 365 (system of records).
- Performed reporting and monitoring processes walkthrough with DDRM on 2/27/23.
- IM received and began reviewing the data files.
- Submitted monthly IM reports for February and March 2023.

b) Recovery Program Participant Comments

N/A

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 Integrity Monitor requested various Agency and Program specific policies and procedures, memorandum of understanding and applicable amendments, organizational chart, monitoring and oversight plan, prior audit and monitoring reports, Code of Conduct and Conflict of Interest policies and procedures, Program's leads confirmation of experience, Internal Control Assessments, performance report(s), applicants' listing and related data.

b) Recovery Program Participant Comments

N/A

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

a) IM Response

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N/A

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

IM will request an Expenditure report from NJDCA that shows utility providers' payment transactions with check/transfers numbers. The IM will review this report and the payments during the expenditure testing procedures.

b) Recovery Program Participant Comments

N/A

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

a) IM Response

The IM began to perform risk assessment procedures by conducting meetings with Program Administrators to walk through their processes and internal controls and reviewing NJDCA's documentation related to their policies and procedures for internal controls and prevention and detection of waste, fraud, and abuse.

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

No integrity issues were noted during this quarter.

b) Recovery Program Participant Comments

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

a) IM Response

N/A

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

For the period January 19, 2023 (engagement start date), through March 31, 2023, the following individuals have expended a total of 323.3 hours:

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**Name:**

- Ron Frazier (27.5 hours)
- Anna Fomina (146.8 hours)
- Viktoria Barrett (65.5 hours)
- Andrew Barchenko (0.5 hours)
- Thomas Mammen (2.5 hours)
- Grace Wandling (14.0 hours)
- Cindy Chiang (28.5 hours)
- Shih-Hsien Yang (38.0 hours)

No billable expenses were incurred.

b) Recovery Program Participant Comments

N/A

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

a) IM Response

N/A

b) Recovery Program Participant Comments

Name of Integrity Monitor:

CohnReznick, LLP

Name of Report Preparer:

CohnReznick, LLP

Signature:



Date:

3/31/2023