

**Integrity Monitor Report
Category 3**

Integrity Monitor Firm Name: CohnReznick
Quarter Ending: 12/31/2025
Expected Engagement End Date: 12/31/2025

A. General Info

1. Recovery Program Participant:

New Jersey Department of Community Affairs (DCA)

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

Coronavirus State Fiscal Recovery Fund (SFRF) under the American Rescue Plan (ARP)

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:

Boardwalk Preservation Fund (BPF or the “Program”)

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

To fulfill its obligations under Executive Order (E.O.) 166 regarding the appointment of independent Integrity Oversight Monitors (“Integrity Monitors” or “IOM”) for any New Jersey State Agency receiving \$20 million or more in COVID 19 Recovery funds and per the IOM guidelines, the NJDCA engaged CohnReznick Advisory LLC (the IM, CR) to perform the Integrity Monitoring services for Boardwalk Preservation Fund. The Division of Disaster Recovery and Mitigation (DRM) is tasked to administer the BPF.

The purpose of this Integrity Monitoring engagement is to work with DCA’s Accountability Officer, DRM and other DCA staff to conduct a risk assessment of the DRM existing controls in place to prevent fraud, waste, and abuse; review

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subrecipient documentation for potential fraud; review and monitor construction projects for fraud and misconduct, proper payments, and compliance with State and Federal guidelines.

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

\$100,000,000

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

Total program releases/disbursements - \$37,579,530.75
Total direct actual expenditures - \$26,630,614.17

10. Amount Provided to Other State or Local Entities:

N/A

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

In progress

12. Completion Status of Integrity Monitor Engagement:

Completed

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.):

a) IM Response

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CohnReznick performed the following activities for the period from October 1, 2025, through December 31, 2025:

- Held status calls with DCA on 09/04/25, 09/25/25, 10/09/25, 10/23/25, 11/06/25, 11/20/2025, 12/04/25, and 12/18/25;
- Communicated with DRM regarding the status of projects and current expenditures, as well as the schedules for grantee status calls and site visits;
- Participated in DRM's status update calls with subgrantees on various dates in October, November, and December 2025;
- Arranged and conducted site visits for 8 grantees;
- Reviewed supporting documentation available in SIROMS for projects, for which the IM performed the site visits;
- Finalized and submitted the draft field activity reports for 8 site visits performed on 10/16/2025, 11/06/26, 11/13/25, 11/20/25;
- Sampled workers, requested supporting documentation, performed the testing and documented results of prevailing wage testing procedures;
- Finalized and submitted IM monthly October, November, and draft December 2025 reports;
- Drafted, performed the QC review, finalized and submitted the final IM Progress report;
- Finalized and submitted to Treasury the 3Q25 report;
- Drafted and submitted accordingly the 4Q25 Quarterly Treasury report.

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

At the beginning of the engagement, the IM obtained access from DCA to the State Integrated Recovery Operations and Management System (SIROMS), the system of records, which is used to account for and manage the SFRF funds, including tracking expenditures and obligations. The IM periodically reviews the

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uploads organized by each subrecipient/project and tracks actual expenditure requests, supporting documentation, and required periodic progress reports. The IM meets regularly with DCA's grant management team to confirm all grantees' information/data is complete and in conformity with program requirements. Additionally, the IM performed site visits and participated in DCA's status calls with grantees to gather additional information about accuracy and completeness of information provided and progress of projects.

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

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

The IM reviewed the DRM tracker of expenditures on a monthly basis as well as actual grantee expenditure reports as the construction projects progress and grantee supporting documentation is submitted and available in SIROMS. In this current reporting period, the IM reviewed a sample of expenditures related to the construction of 8 grantees, submitted to DRM. The IM verified that a sample of expenditure reports were properly supported, and project costs incurred were consistent with the approved budgets and project progress observed.

b) Recovery Program Participant Comments

N/A

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

a) IM Response

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During this reporting period, the IM participated in status calls DRM held with subgrantees to ensure that work is progressing as reported and adheres to the program requirements. In addition, the IM finalized the observation and provided them to DCA in the field activity reports for the site visits performed in October and November for 8 grantees. The site visits/inspections are conducted to cross-check reported progress and billing with actual work, to interview workers, and review their credentials and wages as well as to identify any issues. The IM was also validating a sample of project costs incurred and submitted on expenditure reports and checking a sample of workers for proper payment of prevailing wages.

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 reporting period.

b) Recovery Program Participant Comments

N/A

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

a) IM Response

During the review of the projects for eight grantees, the IM made several observations and communicated them to DCA/DRM for a follow up with the grantees and construction management before the projects are complete. The following was noted:

- Prevailing Wage Compliance: questionable apprentice to journeyman ratio; compensation did not match role/position; discrepancies in CPRs.
- Safety Concerns: Working without Personal Protective Equipment (PPE); debris and trip hazards; missing fire extinguishers; work areas are not properly secured to prevent public access; improper material storage
- Environmental: improper materials/ equipment handling with potential hazard to the public and environment
- Quality of Materials: Subpar ramp installation; possibly inappropriate lumber grade

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- Documentation/Costs Control: the scope doesn't match work performed and observed; costs incurred for unapproved scope; potentially unallowable and duplicate costs.
- Inspections: construction/code Inspections performed in house rather than independent 3rd party.

The IM provided best practices and recommendations for continuing monitoring of the projects with the focus on the risk areas typical for construction, including labor compliance, cost support, site management.

DRM is currently addressing the construction site and invoicing related items specifically identified and communicated by the IM and following up with the grantees to resolve them. In addition, the DRM hired a construction manager to continue with the site visits and provide construction expertise to grant managers, monitors and grantees on current and future issues.

b) Recovery Program Participant Comments

DRM will continue to manage and monitor the BPF in accordance with grant best practices and will incorporate the IM's suggestions.

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 October 1, 2025, through December 31, 2025, the following individuals have expended a total of **514.5** hours:

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Name:

- Ron Frazier (32.5 hours)
- Anna Fomina (177.0 hours)
- Kristin Plews (63.5 hours)
- Grace Wandling (113.4 hours)
- Sasha Sorokina (66.5 hours)
- Glen Szenzenstein (61.6 hours)

There were \$ 1,259.76 incurred for travel expenses in this reporting period.

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

Name of Report Preparer:

CohnReznick

Signature:



Date:

12/31/2025