



New Jersey Legislature
★ Office of LEGISLATIVE SERVICES ★
OFFICE OF THE STATE AUDITOR

EXECUTIVE SUMMARY

DEPARTMENT OF HEALTH SELECTED PROGRAMS ACCOUNTED FOR IN THE DIVISION OF EPIDEMIOLOGY, ENVIRONMENTAL AND OCCUPATIONAL HEALTH July 1, 2018 to May 31, 2022

Our audit scope included activities of the Medical Marijuana Program and the COVID-19 contact tracing program. The two programs, while accounted for in the division's appropriation organization code, are administered by Public Health Services and the Office of the Commissioner, Chief of Staff, respectively.

We found the financial transactions included in our testing were related to the programs, were reasonable, and were recorded properly in the accounting systems. In making these determinations, we noted certain weaknesses in internal controls regarding purchasing, the timeliness of deposits, and the COVID-19 contact tracing program. In addition, we found some aspects of the contact tracing contract did not appear reasonable.

AUDIT HIGHLIGHTS

In July 2020, in response to the COVID-19 pandemic, the state entered into a contract with a vendor to manage its contact tracing program. From July 2020 through May 2022, the division paid the contractor \$113.9 million for contact tracing expenses and \$10.1 million in management fees.

- The contractor was paid \$109,700 monthly for the scheduling of contact tracers' work hours and the management of a call center. Despite six counties opting out of using the contractor's work scheduling system, the monthly fee paid to the contractor included funds to provide work schedules for all contract tracers throughout the state.
- The contract manager did not perform a sufficient review of the contractor's invoices before approving payment. We found eight employee overpayments totaling \$20,299.
- Contact tracers work remotely using either a state-issued laptop or their own personal computer. In July 2020, the department purchased 1,000 laptops to be used exclusively by contact tracers for \$1.3 million using federal COVID-19 funds. The department did not comply with asset inventory requirements. As of May 2022, the department did not know the location of 42 of the 1,000 laptops.
- The contractor was paid a monthly fee for managing laptops issued to contract tracers. As of May 2022, the contractor had been paid a total of \$567,400 for receiving 49 laptops and distributing only 9 to contact tracers.

AUDITEE RESPONSE

The department generally concurs with our findings and recommendations.

For the complete audit report or to print this Executive Summary, click on the attached files.