

**Integrity Monitor Report
Category 3**

Integrity Monitor Firm Name: **Vander Weele Group**
Quarter Ending: **6/30/2022**
Expected Engagement End Date: **5/31/2022**

A. General Info

1. Recovery Program Participant:

New Jersey Department of Labor and Workforce Development (“NJLWD”)

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

Coronavirus Aid, Relief, and Economic Security (“CARES”) Act

3. State Funding Source (if applicable):

N/A

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

September 4, 2021

5. Accountability Officer:

Theresa Vallely

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

Pandemic Unemployment Assistance (“PUA”), Federal Pandemic Unemployment Compensation (“FPUC”), and Pandemic Emergency Unemployment Compensation (“PEUC”)

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

Pursuant to E.O. 166, the Governor’s COVID-19 Compliance and Oversight Taskforce (“Taskforce”) has issued guidelines, which have been updated as of June 2021, regarding the appointment and responsibilities of COVID-19 Oversight Integrity Monitors (“Integrity Monitors”) to help prevent, detect, and remediate inefficiency and malfeasance in the expenditure of COVID-19 Recovery Funds and provide expertise in Program and Process Management Monitoring; Financial Auditing and Grant Management; and Integrity Monitoring/Anti-fraud services.

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When the CARES Act became Federal law, three new unemployment insurance (“UI”) benefit programs (PUA, FPUC, and PEUC) were implemented and managed by the Unemployment Division of the NJLWD. PUA provides unemployment compensation to workers who have been found ineligible for unemployment insurance benefits (such as self-employed workers and independent contractors). FPUC and PEUC provided additional benefits on top of regular unemployment insurance and PUA benefits.

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

\$133,500,000

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

NJLWD has expended all of the allocated funds for administering these three UI benefit programs. As of December 31, 2021, NJLWD expended more than \$9.1 billion of which the \$133.5 million was included.

10. Amount Provided to Other State or Local Entities:

N/A

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

NJLWD is currently in the post-payment phase of the program. The effective end date of these three UI benefit programs was September 4, 2021.

12. Completion Status of Integrity Monitor Engagement:

We completed our engagement as of May 31, 2022. As such, this is the last quarterly report to be provided.

B. Monitoring Activities

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

a) IM Response

N/A

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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

As of the date of this quarterly Integrity Monitor Report, we have:

- i. Held internal team meetings to collaborate, brainstorm, and discuss project details and documents;
- ii. Held group meetings with NJLWD, including procedural walkthroughs, follow up inquiries, and interviews of key personnel;
- iii. Reviewed documents provided by NJLWD regarding the administration of the UI benefit programs and supporting areas including but not limited to information technology systems and grant procurement processes;
- iv. Conducted independent research regarding administration of UI benefit programs;
- v. Reviewed program policies and procedures;
- vi. Conducted risk assessment procedures specific to the UI benefit programs by reviewing the structure, internal controls, technical platform, and guidelines of the program; and,
- vii. Assessed and submitted a final risk assessment and a final Unemployment Fraud Prevention and Detection Policy.

b) Recovery Program Participant Comments

[Type Here]

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

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We confirm that we have received appropriate data/information from NJLWD regarding the administration of these three UI benefit programs, which include, but are not limited to:

- i. UI related agreements between NJ and the U.S. Department of Labor;
- ii. Unemployment Insurance Program Letters, Federal published reports regarding the CARES Act, UI Programs, and the Pandemic;
- iii. Organizational Charts;
- iv. Key Policies and Procedures, such as Conflict-of-Interests and Anti-fraud Processes;
- v. NJLWD Internal Reviews on Internal Controls, or what they refer to as Vulnerability Assessment Questionnaires;
- vi. Third Party vendors documentation; and,
- vii. Information Technology documentation.

We have encountered no issues with NJLWD providing requested documents. Activities conducted on our behalf to determine the effectiveness of the controls and procedures in place include but are not limited to the following:

- i. Reviewing and analyzing pertinent documentation;
- ii. Conducting follow-up inquiries;
- iii. Conducting interviews, group meetings, and process walkthroughs;
- iv. Drafting and updating deliverables throughout the engagement such as the risk assessment and Unemployment Fraud Prevention and Detection Policy; and,
- v. Other activities.

We received all requested documents to date, performed substantive procedures and reviewed data and information to determine the effectiveness of the controls and procedures in place.

b) Recovery Program Participant Comments

[Type Here]

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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

Quarterly auditing activities conducted to ensure procurement compliance with terms and conditions of contracts and agreements include, but are not limited to, reviewing procurement-related policies and procedures, and conducting inquiries, interviews, group meetings, and process walkthroughs. Such activities enable us to understand more about NJLWD's daily functions, fraud prevention procedures, and processes in administering UI benefit programs. We also requested and reviewed pertinent grant (i.e., payment) supporting documentation.

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

Payment documentation in connection with the contract, such as pertinent grant (i.e., payment) supporting documentation, has been requested and reviewed. We have also continued with follow-up inquiries, interviews, and other activities as needed.

b) Recovery Program Participant Comments

[Type Here]

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

a) IM Response

Quarterly activities to prevent and detect waste, fraud, and/or abuse include, but are not limited to, documentation requests and analysis, follow-up inquiries, interviews, and other activities, as needed. For example, we held numerous discussions and meetings with UI benefit program administrators, internal auditors, and information technology personnel to understand NJLWD's existing fraud prevention procedures. Information gathered from activities described above and information obtained from further inquiries

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were then memorialized into a policy known as the Unemployment Fraud Prevention and Detection Policy, which is part of the scope of the assignment. The policy was finalized and reviewed with NJLWD. It is recommended that the policy provided be reviewed by management on a routine basis and shared with all levels of staff.

Our limited procedures and methods did not uncover evidence of waste, fraud, and/or abuse. Based on our review of the effectiveness of controls and procedures in place to prevent and detect waste, fraud, and/or abuse, we have provided recommended corrective actions and, in the risk assessment tool, have outlined additional risks to be considered. We recognize and appreciate the accomplishments of the NJWLD in spite of the limitations of technical systems and resources while establishing new unemployment programs on a massive scale in a short period of time.

b) Recovery Program Participant Comments

[Type Here]

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

a) IM Response

To date, we have not identified any integrity issues/findings, including findings of waste, fraud, and/or abuse. We have made recommendations via our final deliverables, including the risk assessment tool and the Fraud Prevention and Detection Policy.

We have addressed with Management the recommendations and suggested remediation efforts.

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

N/A

b) Recovery Program Participant Comments

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[Type Here]

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

[Type Here]

C. Miscellaneous

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

a) IM Response

1. [Joseph DeLuca - 7.00h
2. Steven Pasichow - 4.50h
3. Kevin Mullins - 31.75h
4. Michael Dundas – 16.25h
5. Salvatore Ubaldini - 124.00h
6. Matthew Gavin - 22.25h
7. Maribeth Vander Weele – 13.25h
8. Artecia Foster - 15.65h
9. Linda Ressler - 32.55h

b) Recovery Program Participant Comments

[Type Here]

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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

N/A

b) Recovery Program Participant Comments

[Type Here]

Name of Integrity Monitor:

Vander Weele Group

Name of Report Preparer:

Kevin Mullins

Signature:

Sign Here

Date:

7/15/2022

A handwritten signature in blue ink, appearing to read "Kevin J. Mullins", is written over the "Sign Here" text.