

**Integrity Monitor Report
Category 3**

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

As of 06/30/2024, SSBCI funds "committed" (excluding administrative expenses) = \$44,129,500 comprised of the following:

- \$1,962,500 expended (Angel Match)
Note: this does not include the POC Stock transaction in the amount of \$150,000 that was reflected in the Angel Match Integrity Monitor Report for 2024 (Q3) as of September 17, 2024.
- \$12,500,000 obligated, \$213,750 expended (Life Science Fund.)
- \$16,667,000 transferred, \$1,779,511.20 expended (NJ Capital Access Fund)
- \$10,500,000 expended (NJ CELs)
- \$2,500,000 obligated (Recovery Loan Loss Reserve)

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.

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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

The Monitor met with NJEDA staff to discuss the draft of the program wide risk assessment conducted during the first and second quarters of 2024 on July 2, 2024, July 11, 2024, and August 16, 2024. The Monitor incorporated points of feedback and clarification as deemed appropriate and submitted the program-wide risk assessment for broader distribution and review. Additionally, the Monitor drafted risk rationale documentation explaining the rationale for the risk level assigned to each of the COVID19 Oversight risk inquiries.

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 Authority has provided all requested policies and procedures. Additionally, the Authority staff was fully cooperative and available for discussion and clarification of processes in practice. The Monitor received organizational charts, document retention policies, and comments from various NJEDA personnel regarding clarifications for the Monitor's draft risk assessment.

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 Monitor reviewed the narratives related to cash disbursements and payments and confirmed the existence of key control activities regarding ethics and the financial management for federal awards. The Monitor also reviewed document retention policies.

The Monitor reviewed revised organizational charts provided by the NJEDA.

Additionally, the monitor reviewed the 2024 Internal Audit Plan for Audit Committee Meeting and noted the following areas of review that could impact payments and the corresponding risk profile: i. Request for Proposal Review; ii. Payroll Register Special Review; iii. Request for Quote Review; iv. Compliance with Business Travel Policy; v. Compliance with Credit Card Policy

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.

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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

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:

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a) IM Response

Bradley Sussman	0.00 hours, no expenses
Tejah Duckworth	0.50 hours, no expenses
Michael Bernstein	2.00 hours, no expenses
Bruce Archer	0.50 hours, no expenses
Joyce Jiang	0.00 hours, no expenses
Yomi Togunde	5.00 hours, no expenses

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

None.

b) Recovery Program Participant Comments

None.

Name of Integrity Monitor:	K2 Integrity
Name of Report Preparer:	Oluwayomi "Yomi" Togunde Pierce
Signature:	<i>Oluwayomi Togunde</i>
Date:	10/16/2024