Integrity Monitor Report
Category 3

Integrity Monitor Firm Name: CohnReznick Advisory LLC
Quarter Ending: 06/30/2026
Expected Engagement End Date: 12/31/2026

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:

   Lead Remediation and Abatement Program (LRAP 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 its LRAP Program.

   The purpose of this Integrity Monitoring engagement is to work with the DCA's Accountability Officer and Division of Housing and Community Resources (DHCR) program leads to conduct the Program risk assessment; to review of DHCR's existing controls in place to prevent fraud, waste, or abuse; to perform reviews of grantees and applicants' eligibility on a sample basis; to review the program policies and regulations, and sub-recipient procurements to ensure eligibility according to listed requirements, compliance with documented policies and procedures, and proper authorization and approval of expenditures.

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

   $180,000,000 – original
   $171,000,000 – 1st amendment (02/07/2026)
   $143,670,741 – 2nd amendment (04/07/2026)

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

   As of June 30, 2026, the Program expenditures totaled $80,885,419.28 and consisted of:
   $47,757,899.18 - expended and fully supported costs;
   $26,415,079.78 – costs advanced to and/or has support pending from sub-recipients;
   $6,712,440.32 – program administrative costs.

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:

    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.):

a) IM Response

- Conducted status update calls on 04/09/2026, 04/23/2026, 05/11/2026, 05/21/2026, 06/04/2026, 06/18/2026, 06/25/2026;
- Communicated with AO and audit team regarding the program data, requested items, and other current program updates;
- Reviewed Monthly expenditure reports provided by DHCR in April, May, and June 2026;
- Finalized and reviewed a sample of applicants/units for eligibility;
- Sampled Financial Status Reports (FSRs) and began a review of expenditures;
- Selected a sample of vendors and requested supporting documentation for procurement review;
- Began review of the contract and cost incurred for outreach vendor;
- Drafted monthly IM reports for the months of April through June 2026;
- Finalized 1Q26 Quarterly report and submitted it to Treasury;
- Drafted 2Q26 Quarterly report and submitted to DCA for review.

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

To confirm that appropriate and complete data and information have been provided by the DHCR team, the IM reviews supporting documentation such as applicants and subrecipient files, including financial status reports with invoices and other necessary documentation submitted through designated reporting systems and document repositories – System for Administering

Grants Electronically (SAGE) portal and the Client Relationship Management (CRM). Submitted data, on a sample basis, was evaluated for completeness, accuracy, and consistency by reconciling reported expenditures to source documentation. Any discrepancies, omissions, or anomalies identified were documented and followed up with the DHCR for clarification, as necessary.

In addition, the IM performed a series of oversight and monitoring activities to assess project/program status and performance. These activities included analysis of monthly expenditures and units completed, desktop reviews of supporting documentation for the samples of applicants and FSRs, and evaluation of compliance with applicable program requirements and funding guidelines.

Where applicable, we conducted coordination meetings with the Participant to discuss project updates, risks, and issues, and to validate reported information. Earlier in the project, the IM reviewed internal controls related to project reporting and financial management to ensure reliability of submitted data. These procedures provide reasonable assurance that reported information is accurate and compliant with program requirements.

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

IM reviewed the monthly expenditure reports provided to CR by the DHCR team and evaluated alignment with the project progress overall. The reports include information on the production goal, funds expended as advances, and actual program expenditures for remediation work completed. The cadence was established with DHCR to track the program expenditures with the program goals and budgets on a monthly basis.

The IM also reviewed payments to vendors on a sample basis during the expenditure testing and verified amounts were supported by invoices and compliant with other grant provisions.

b) Recovery Program Participant Comments

N/A

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

a) IM Response

During the initial stages of the engagement, the IM performed risk assessment procedures by conducting meetings with AO and Program team to gain an understanding of the processes and internal controls; reviewed NJDCA's self-risk assessment for the LRAP and documentation related to their policies and procedures for internal controls and prevention and detection of waste, fraud, and abuse.

In the current period, the IM tested a sample of applicants/units for eligibility and began testing costs submitted on FSRs by examining the subrecipients' supporting documentation and verifying whether the expenditures were for proper amounts, supported, consistent with program guidelines and properly authorized and approved. The IM also initiated a review of vendor procurement documents and provided a sample of vendors to DHCR to obtain related support and ensure the procurement process was compliant with and followed all grant terms and Federal and State laws and regulations.

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

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

    a) IM Response

    The overall Program risk associated with subrecipients' performance continues to pose a material risk to timely and consistent program delivery. To address delays, capacity constraints, and implementation challenges among certain subrecipients, DCA further reduced the Program funds from $171M (February 2026 amendment) to $143.6M (April 2026 amendment).

    b) Recovery Program Participant Comments

    Through the reduction of funding and the removal of non-performing agencies from the Program, DCA seeks to mitigate subrecipient performance risks.

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 April 1, 2026, through June 30, 2026, the following individuals have expended a total of 748.2 hours:

Name:

- Ron Frazier (40.0 hours)
- Anna Fomina (124.3 hours)
- Julie Mitchell (156.4 hours)
- Nate Kessler (316.0 hours)
- Grace Wandling (95.5 hours)
- Shih-Hsien Yang (16.0)

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

b) Recovery Program Participant Comments

Name of Integrity Monitor: CohnReznick, LLP
Name of Report Preparer: CohnReznick, LLP
Signature: Frank D. Banda
Date: 06/30/2026