

**Integrity Monitor Report
Category 3**

Integrity Monitor Firm Name: CohnReznick Advisory LLC
Quarter Ending: 03/31/2026
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

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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 – subsequently amended on 02/07/2026

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

As of February 28, 2026, \$33,804,561.95 has been expended and fully supported; an additional \$28,888,738.40 has been advanced to and/or has support pending from sub-recipients for a total of \$62,693,300.35.

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

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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 Kick off call on 01/15/2026
- Compiled and submitted Initial Document Request List to NJDCA - 02/12/2026
- Conducted status calls on 01/29/2026, 02/12/2026, 03/05/2026, 03/12/2026, 03/26/26
- Communicated with AO and audit team regarding the program data, status, current expenditures, and other current program updates
- Requested and received systems authorizations for SAGE, CRM, HESWAP
- Participated in CRM, HESWAP, Sage walkthroughs organized by DCA and gained view-only access to the systems
- Drafted and submitted Project Work Plan
- Reviewed the program policies, procedures, flowcharts, and other program documentation provided by DCA
- Drafted preliminary Risk Assessment for the Program and submitted for review to DCA
- Performed sampling procedures and are in the process of finalizing the population with the Program team to draw a sample for applicant/unit eligibility testing
- Began reviewing the data and documentation available on the utilized software systems
- Drafted monthly IM reports for the months of January through March, 2026
- Drafted 1Q26 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

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The Program team at DCA provided access to the NJ Department of Community Affairs' System for Administering Grants Electronically (SAGE) portal, the Hancock Energy Software Weatherization Assistance Program (HESWAP) database (temporary access), and the Client Relationship Management (CRM) system that are used to account for and manage the program data, including payments to the subrecipients. The IM began periodic reviews of applicant and subrecipient (agencies) files.

The IM walked through the systems and processes implemented for collection, reviewing, approvals, and storing program information and now meets regularly with the DCA's audit and program teams in order to confirm the data is complete, and relevant documentation is provided by the applicants and subrecipients to comply with program requirements.

In addition, the IM cross checked the data downloaded from the system of records for applicants (CRM) with the data reported by DHCR on monthly expenditure reports during sampling procedures to ensure the completeness of population for the sample selection.

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 expenditure reports provided to CR by the DHCR team for January and February 2026. 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

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track the program expenditures with the program goals and budgets on a monthly basis.

b) Recovery Program Participant Comments

N/A

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

a) IM Response

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; began collecting and reviewing program/ applicant documentation.

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 was determined to be high. While DCA has implemented comprehensive oversight controls, monitoring protocols, and training initiatives to strengthen subrecipient compliance, this heightened risk is primarily attributable to instances of subrecipient nonperformance, as evidenced by recent program adjustments made to address delays, capacity constraints, and implementation challenges among certain subrecipients. Program funds were reduced from \$180M to \$171M as amended in February 2026. These adjustments

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underscore that variability in subrecipient readiness and execution continues to pose a material risk to timely and consistent program delivery.

b) Recovery Program Participant Comments

DCA intends to withdraw additional funds from the program due to the failure of several subrecipients to meet performance expectations. 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 January 13, 2026 (start of the engagement), through March 31, 2026, the following individuals have expended a total of 518.2 hours:

Name:

- Ron Frazier (37.0 hours)
- Anna Fomina (141.5 hours)
- Julie Mitchell (162.0 hours)
- Nate Kessler (120.0 hours)
- Grace Wandling (57.7 hours)

No billable expenses were incurred.

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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:



Date:

03/31/2026