

Integrity Monitor Report
Category 3

Integrity Monitor Firm Name: CohnReznick, LLP
Quarter Ending: 09/30/2023
Expected Engagement End Date: 12/31/2023

A. General Info

1. Recovery Program Participant:

New Jersey Treasury, Division of Taxation

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

ARPA - Coronavirus State Fiscal Recovery Funds (SFRF)

3. State Funding Source (if applicable):

N/A

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

December 31, 2026

5. Accountability Officer:

Amy Martin

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

The Individual Taxpayer Identification Number (ITIN) Holders Direct Assistance Program

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

On July 17, 2020, Governor Murphy signed Executive Order 166 (“EO 166”), which established the COVID-19 Compliance and Oversight Task Force (the “Taskforce”) and the Governor’s Disaster Recovery Office (GDRO). Pursuant to EO 166, the Taskforce has issued guidelines (“IOM Guidelines”), which have been updated as of June 2021, regarding the appointment and responsibilities of COVID-19 Integrity Oversight Monitors”). Integrity Monitors are intended to serve as an important part of the State’s accountability infrastructure while working with Using Agencies in developing measures to prevent, detect, and remediate inefficiency and malfeasance in the expenditure of COVID-19 Recovery Funds. IOM Guidelines further suggest, "Recovery Program Participants that have received or will administer \$20 million in COVID-19 Recovery Funds should retain at least one Integrity Monitor."

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The Department of Treasury, Division of taxation received \$60 million in Coronavirus State Fiscal Recovery Funds (SFRF) to administer the Individual Taxpayer Identification Number (ITIN) Holders Direct Assistance Program and to provide a benefit to individuals who file income taxes with an ITIN and were ineligible for other federal economic stimulus payments.

The purpose of this Integrity Monitoring engagement is to work with the Division's Accountability Officer and program administrators:

- To conduct a risk assessments of ITIN Assistance program,
- To conduct a detailed documentation review to ensure compliance with program requirements,
- To perform fraud detection and analytics.

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

\$60,000,000

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

\$50,832,937.38

10. Amount Provided to Other State or Local Entities:

N/A

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

Completed

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

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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 following tasks were completed for the period 8/7/2023 (start of the engagement) through 09/30/2023:

- Conducted a kickoff call on 8/14/23
- Conducted status calls on 8/24/23, 8/31/23, 9/7/23, 8/24/23, 9/7/23, 9/14/23, 9/21/23, 9/28/23
- Performed a walkthrough of the Division's procedures and controls in place
- Drafted a risk assessment for the program
- Drafted a work plan
- Corresponded and followed up with program managers regarding outstanding document requests and other items
- Reviewed and cataloged received documentation
- Reviewed the available program data
- Began program data analytics
- Drafted 3Q23 Treasury quarterly report
- Drafted the IM Monthly reports – August, and September 2023

- 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 Integrity Monitor requested various Division and Program specific policies and procedures, memorandum of understanding and applicable amendments, organizational chart, monitoring and oversight plan, prior audit and monitoring reports, Code of Conduct and Conflict of Interest policies and procedures, Program's leads confirmation of experience, Internal Control Assessments, performance report(s), and related beneficiaries' data. The IM then reviewed the provided documentation, walked through the processes and controls implemented for administration of the program and assessed the risks.

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The IM also requested and received detailed data that includes the encrypted ITIN personal tax returns information and payment information (check and check dates). The IM is planning to use this data for analytical review to identify anomalies, patterns, duplications, and other discrepancies. To verify the completeness of ITIN holders' payment data, the IM also requested and received the NJ Treasury payment report.

- 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
The IM requested and received detailed program data that shows payments to individual ITIN holders with dates and check numbers. CR began to analyze this data and will compare the total of all individual payments to the COVID relief payments report generated from NJ Treasury comprehensive financial system (NJCFS).
 - 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 completed risk assessment procedures by conducting meetings with Program Administrators to walk through their processes and internal controls, by reviewing the Division's policies and procedures and other documentation related to internal controls and prevention and detection of fraud, waste, and abuse. CR also began to analyze the program beneficiaries and payment data by using data analytics methods to identify anomalies, patterns, duplications, and other discrepancies.
 - b) Recovery Program Participant Comments

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N/A

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

- a) IM Response
The IM did not note any integrity issues/findings.
- 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
N/A
- 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:

- a) IM Response
For the period August 7, 2023 through September 30, 2023, the following individuals have expended a total of 379.5 hours:

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Name:

- Ron Frazier – (12.0 hours)
- Katie Wilson – (1.0 hours)
- Anna Fomina – (79.0 hours)
- Davis Solomon – (73.0 hours)
- Shih-Hsien Yang - (14.9 hours)
- Andrew Barchenko – (60.5 hours)
- Grace Wandling (27.1 hours)
- Tiffany Thomson (78.5 hours)
- Thoms Mammen (33.5 hours)

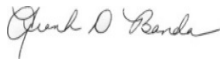
No billable expenses were incurred.

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
N/A

b) Recovery Program Participant Comments
N/A

Name of Integrity Monitor:	CohnReznick, LLP
Name of Report Preparer:	CohnReznick, LLP
Signature:	
Date:	9/30/2023