



State of New Jersey
DEPARTMENT OF COMMUNITY AFFAIRS
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PHILIP D. MURPHY
Governor

LT. GOVERNOR SHEILA Y. OLIVER
Commissioner

June 15, 2023

AMENDMENT TO PURCHASE ORDER #21-PROSV-01432:12 / Cohn Reznick LLP
Integrity Monitor Engagement – Utility Arrearages Program

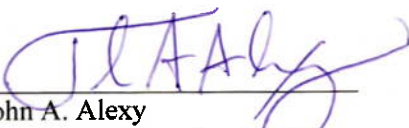
A Letter of Engagement was issued to Cohn Reznick LLP on January 12, 2023, to perform integrity monitoring services as described in that Engagement. On June 15, 2023, the New Jersey Department of Community Affairs (NJDCA) and Cohn Reznick LLP agreed to extend the term of the Engagement to July 31, 2023, at no cost to NJDCA.

As a result of the term extension to July 31, 2023, the parties agree that the Reporting Requirements under the Engagement shall continue as described below.


Cohn Reznick LLP shall deliver:

1. A monthly report to NJDCA through the end of the term, as extended.
2. In addition to the draft and final quarterly reports for the period ending June 30, 2023, as set forth in the Engagement Query, a draft and final quarterly reporting for integrity monitoring work through the quarter ending September 30, 2023. The parties agree that the draft quarterly report for the quarter ending September 30, 2023 will be delivered on July 31, 2023. NJDCA may respond to the report within 10 business days after receipt. Cohn Reznick will deliver the final quarterly report for the period ending September 30, 2023 within 15 business days after July 31, 2023.
3. A first draft of the Project Completion Report must be delivered to NJDCA by June 23, 2023, and the Project Completion Report must be delivered to NJDCA by July 31, 2023.

The parties agree that all other terms and conditions under this Engagement remain in full force and effect.



John A. Alexy
New Jersey Department of Community Affairs



Frank Banda
Cohn Reznick LLP

Letter of Engagement

January 12, 2023

Successful Bidder:

On behalf of the Department of Community Affairs, the State of New Jersey, Department of the Treasury hereby issues this Letter of Engagement to Cohn Reznick, LLP pursuant to the Engagement Query issued on November 14, 2022 and Cohn Reznick, LLP's proposal dated December 21, 2022.

All terms and conditions of the Engagement Query, including but not limited to the Scope of Work, milestones, timelines, standards, deliverables and liquidated damages are incorporated into this Letter of Engagement and made a part hereof by reference.

The total cost of this Engagement shall not exceed \$542,314.00.

The Integrity Monitor is instructed not to proceed until a purchase order is issued.

Thank you for your participation in the Integrity Monitor program.

Sincerely,

Mona Cartwright
IM State Contract Manager

INTEGRITY MONITOR ENGAGEMENT QUERY

Contract G4018 – Integrity Oversight Monitoring Program and Performance Monitoring, Financial Monitoring and Grant Management and Anti-Fraud Monitoring for COVID-19 Recovery Funds and Programs

Department of Community Affairs
[Category 3 services per Section 3.1.1 of the IOM RFQ]

I. GENERAL INFORMATION

On March 9, 2020, Governor Murphy issued Executive Order 103 declaring both a Public Health Emergency and State of Emergency in light of the dangers of the Coronavirus disease 2019 (“COVID-19”). On March 13, 2020, the President of the United States declared a national emergency and determined that the COVID-19 pandemic was of sufficient severity and magnitude to warrant a nationwide emergency declaration under Section 501 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121-5207, (“Stafford Act”) and that declaration was extended to the State of New Jersey on March 25, 2020 pursuant to Section 401 of the Stafford Act. Since then, Congress has enacted legislation to stimulate economic recovery and assist state, local and tribal governments navigate the impact of the COVID-19 outbreak and cover necessary expenditures related to the public health emergency.

On July 17, 2020, Governor Murphy signed Executive Order 166 (“E.O. 166”), which established the COVID-19 Compliance and Oversight Task Force (“Taskforce”) and the Governor’s Disaster Recovery Office (“GDRO”).

Pursuant to E.O. 166, the Taskforce has issued guidelines, which have been updated as of June 2021 and are attached hereto, regarding the appointment and responsibilities of COVID-19 Oversight Integrity Monitors (“Integrity 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 and provide expertise in Program and Process Management Auditing, Financial Auditing and Grant Management, and Integrity Monitoring/Anti-Fraud services.

The New Jersey Department of the Treasury has established a pool of qualified Integrity Monitors for the oversight of COVID-19 Recovery Funds and COVID-19 Recovery Programs pursuant to the Request for Quotation for Integrity Oversight Monitoring: Program and Performance Monitoring, Financial Monitoring and Grant Management, and Anti-Fraud Monitoring for COVID-19 Recovery Funds and Programs (“IOM RFQ”) that Using Agencies may now use to discharge their responsibilities under E.O. 166. The Integrity Monitor’s executed State of NJ Standard Terms and Conditions will apply to all Integrity Monitoring Engagements executed via this Engagement Query.

The capitalized terms in this Engagement Query shall have the same meanings as set forth in the IOM RFQ.

This Engagement Query is issued by the Department of the Treasury on behalf of the Division of Housing and Community Resources (DHCR) a Division of the **Department of Community Affairs (DCA)**.

The purpose of this Engagement Query is for the **NJ Department of Community Affairs** to procure the services of an Integrity Monitor ("IM") for **Category 3 services per Section 3.1.1 of the IOM RFQ.**

A. Background

- The New Jersey Department of Community Affairs received \$250,000,000 from the State ARPA funds through a Memorandum of Understanding between the DCA Division of Housing and Community Resources (DHCR) and the DCA Division of Disaster Recovery and Mitigation (DRM) to assist residents of New Jersey who have fallen behind on their utility bills due to the impact of the COVID-19 pandemic by making payment directly to the utility companies on behalf of those customers that have been found eligible to receive assistance through the Utility Arrearage Program (Program). DCA provides the seven main utility companies and the municipal and rural cooperative electric companies with lists of eligible applicants for balance confirmation. Once DCA receives balances from the utilities, it is analyzed to ensure the amounts provided are within the established benefit cap, and approval is sought and given to make payments. Payments are made through the NJ Treasury directly to the public and rural, cooperative and municipal utility companies. The Program started accepting applications in March 2022 and will continue to receive applications until the available funds run out. DCA has contracted with IBM for Program consulting services and support (attached).
- It was estimated that about 165,000 households would apply for assistance with their electric and gas bills, however, we have so far provided arrearage relief through the program to 213,200 applicant households as of September 30, 2022. Applicants must be responsible for their electric and gas bills.
- The program is funded through a Memorandum of Understanding between the DCA Division of Disaster Recovery and Mitigation and the DCA Division of Housing and Community Resources, utilizing SFRF funding created under the American Rescue Plan Act of 2021, P.L. 117-2.
- DCA has developed and deployed an online application form on the Microsoft D365 platform, that is available on the world wide web. The online application is available at <https://dcaid.dca.nj.gov/en-US/dcaid-services/>.
- Program data will be available electronically and can easily be downloaded in an excel format for easy analysis.
- The funds appropriated for this program must be obligated by December 31, 2024 and expended by December 31, 2026.

- The Program developed Utility Arrearage Guidelines that set forth eligibility, income levels, application process and documentation and how applications are reviewed and adjudicated, to assist the program in its entirety. (attached)

II. SCOPE OF WORK REQUIREMENTS

A. Project Description

- Review of Utility Arrearage Program
 - Review sample of applicant files for eligibility, application of payments to customer accounts, and proper documentation
 - Review Utility Arrearage Guidelines and procedures, DHCR organizational structure/capacity, and internal controls assessment
 - Review Program risks identified as a result of the risk assessment conducted by the IM described below
 - Conduct a sampling of Program characteristics using a sampling methodology that is consistent with the risk assessment described below
 - Sampling methodology may be adjusted during the Engagement to take into account prior findings or indicia of fraud to minimize fraud, waste, or abuse
 - Interview DHCR staff or other stakeholders, as necessary
- Document retention policies and procedures
 - Review sample Program files to ensure compliance with DHCR policies and federal regulations as applicable
 - Conduct a sampling of Program files using a sampling methodology that is consistent with the risk assessment
 - Sampling methodology may be adjusted during the Engagement to take into account prior findings or indicia of fraud to minimize fraud, waste, or abuse
 - Interview DHCR staff, a random sampling of applicants and utility company representatives, as necessary
- Fraud prevention/detection and data analytics
 - Review Program or applicant data to identify potential fraud, using data analytics or other methods to identify anomalies, patterns, and discrepancies
 - Conduct interviews or other follow-up as necessary
 - Cross-check or validate information against other data sources
 - Provide assistance, as appropriate, to staff on fraud detection methods or red flags
 - Assist in the development of an anti-fraud monitoring, prevention, and detection program, if warranted
- Fraud awareness instruction for DHCR and/or utility companies

- Provide assistance, as appropriate, to DHCR employees and/or utility companies with respect to the prevention, detection, and response to fraud risks
 - Recommend steps to increase awareness of Program integrity and antifraud efforts to Program applicants and other stakeholders
 - Recommend mechanisms for reporting and responding to fraud internally and externally, as applicable
- Within 5 business days of the purchase order issued as a result of the Letter of Engagement, the IM and DHCR shall participate in a kick-off meeting to review the deliverables and due dates in Section C below and establish key personnel for communications during the course of the Engagement.
- The IM shall conduct a Risk Assessment of the DHCR's existing controls in place to prevent fraud, waste, or abuse in connection with the Program that includes, at minimum, a review or assessment of:
 - Program policies and procedures
 - DHCR's organizational structure and capacity
 - DHCR's internal controls
 - Level of risk associated with the Program
 - DHCR's prior audits
- Based on the risk assessment, the IM shall develop and submit a Work Plan for monitoring the COVID-19 Recovery Program for fraud, waste, or abuse that includes a review of relevant risk factors specific to the Program being monitored.
- The Work Plan shall include a sampling methodology to achieve a monitoring objective related to both compliance and internal controls. Any sampling used shall follow a nationally recognized audit standard such as the AICPA or GAO Government Auditing Standards, 2018 Revision. Sampling methodologies may include: (1) simple random; (2) statistical; (3) judgmental; (4) or other methodology appropriate to the Program characteristics. The IM shall document the rationale for the sampling methodology selected.
- Depending on findings as a result of monitoring under the Work Plan, the IM should evaluate whether onsite monitoring is appropriate based upon any conclusions reached when conducting the risk assessment or as a result of ongoing monitoring. The IM shall document in writing its evaluation and conclusion, including an assessment of the following factors:
 - Significant findings reported in quarterly reports or interim reports;
 - Unresponsiveness to requests for information;
 - Non-compliance with federal reporting requirements; and
 - Allegations of misuse of funds.

- The IM shall implement the Work Plan to provide oversight of the Program until the expiration of this Engagement.

B. Reporting Requirements

1. Quarterly Integrity Monitor Reports

- a. Pursuant to E.O. 166, the Integrity Monitor shall submit a draft quarterly report to DHCR on the last day of every calendar quarter detailing the specific services rendered during the quarter and any findings of fraud, waste, or abuse using the Quarterly Report template attached hereto. If the Integrity Monitor report contains findings of fraud, waste, or abuse, DHCR has an opportunity to respond within 10 business days after receipt.
- b. Fifteen business days after each quarter end, the Integrity Monitor shall deliver its final quarterly report, including any comments from DHCR to the State Treasurer, who shall share the reports with the GDRO, the Senate President, the Speaker of the General Assembly, the Attorney General, and the State Comptroller. The Integrity Monitor's quarterly reports will be posted on the COVID-19 transparency website pursuant to E.O. 166.

2. Additional Reports

- a. E.O. 166 directs the Office of the State Comptroller (OSC) to oversee the work of Integrity Monitors. Therefore, in accordance with E.O. 166 and the IM Guidelines, OSC may request that the Integrity Monitor issue additional reports or prepare memoranda that will assist OSC in evaluating whether there is fraud, waste, or abuse in COVID-19 Recovery Programs administered by the Using Agencies. OSC may also request that the Integrity Monitor share any corrective action plan(s) prepared by the Using Agencies to evaluate whether those corrective plan(s) have been successfully implemented.
- b. With the submission of a payment invoice (or on a monthly basis), the IM shall provide a written report including, at a minimum:
 - Hours billed for each consultant corresponding to the components of the Work Plan;
 - Evaluation of effectiveness of fraud prevention activities including assessment of results, recommendations for corrective action, and prioritization of implementation of risk mitigation measures; and
 - Indications of fraud, waste, or abuse that should be immediately addressed by DHCR with recommendations for risk mitigation.

At the completion of the Engagement, the IM shall submit a Project Completion Report, including at a minimum, scope of Engagement and methodology, documentation of work performed, summary of findings, and recommendations to mitigate the risk of fraud, waste, and abuse in the Program or future Programs.

3. Reports of Fraud, Waste, Abuse, or Potential Criminal Conduct

- a. The Integrity Monitor shall report issues of fraud, waste, abuse, and misuse of COVID-19 Recovery Funds immediately to the GDRO, OSC, the State Treasurer, the State Contract Manager, and the Accountability Officer. The Integrity Monitor shall report issues of potential criminal conduct immediately to the Office of the Attorney General.

C. Specific Performance Milestones/Timelines/Standards/Deliverables

All deliverables must be completed by the dates indicated below.

Deliverables	Date due
Kick-off meeting with DHCR staff and successful IM	No later than 5 days from the issuance of the PO
Risk Assessment	Initial – No later than 30 days from the issuance of the PO Final – No later than 10 days prior to the Project Completion date listed below
Work Plan	No later than 30 days from the issuance of the PO
Interim Reports/Periodic Meetings	Monthly Reports/Bi-Weekly Meetings
Draft Quarterly Report(s)	Last day of each quarter
Final Quarterly Report(s)	15 business days after the end of each quarter
Monthly Report	5 business days after the end of each month
Project Completion Report	June 30, 2023

III. Proposal Content

At minimum, the Integrity Monitor’s proposal shall include the following:

- A description of how the Integrity Monitor intends to accomplish each component of the scope of work in Section II above, including a timeline for submission of the deliverables required by this Engagement Query.
- A detailed budget identifying staff classifications and hourly rates that shall not exceed the rates in the Integrity Monitor’s Best and Final Offer (BAFO) Price Schedule using the Price Sheet attached to this Engagement Query.

- Identification of any potential conflicts of interest regarding the delivery of services for the scope of work under this Engagement Query.
- A listing of current existing Engagements under G4018 with other State agencies, along with commencement and expiration dates of each Engagement.

IV. Submission of Proposals

Detailed proposals in response to this Engagement Query shall be submitted electronically by 3:00 p.m. on **December 21, 2022**. Proposals must be submitted via email as set forth below:

TO: State Contract Manager
 Mona Cartwright, Fiscal Manager, Department of the Treasury
 [REDACTED]

With a copy to the Agency Contract Manager: [REDACTED]

V. Duration of the Engagement

The Engagement will commence upon the issuance of a Letter of Engagement and expire on **June 30, 2023**.

At the option of the DHCR, this Letter of Engagement may be extended. Any extension to this Letter of Engagement, however, may not exceed the Contract Term, and any extensions thereto, as set forth in Section 5.2 of the IOM RFQ.

VI. Contract Termination

The IOM’s failure to comply with the requirements of the Engagement, including but not limited to E.O. 166, the IOM RFQ, the IM Guidelines, and this Engagement Query may constitute a breach of contract and may result in termination of the contract by DHCR or imposition of such other remedy as DHCR deems appropriate in accordance with Section 9.0 of the IOM RFQ.

VII. Liquidated Damages

At DHCR’s discretion, liquidated damages may be assessed each time any of the below events occur, due to an act or omission of the IM. DHCR and the IM agree that it would be extremely difficult to determine actual damages that the Using Agency will sustain as the result of the IM’s failure to meet its contractual requirements. Any breach by the IM could prevent DHCR from complying with E.O. 166, the IOM Guidelines, and laws applicable to the use and expenditure of COVID-19 Recovery Funds and other public funds will adversely impact DHCR’s ability to ensure identification and mitigation of risks and may lead to damages suffered by DHCR and the State as a whole. If the IM fails to meet its contractual obligations, DHCR may assess liquidated damages against the IM as follows:

Event/Requirement	Liquidated damages
Draft Quarterly Report(s)	\$250 per day for each day a draft quarterly report is delayed

Final Quarterly Report(s)	\$250 per day for each day a final quarterly report is delayed
Monthly Report	\$250 per day for each day a monthly report is delayed

VIII. Questions regarding this Engagement Query

Any questions related to the Engagement Query, such as questions related to the Program or accessibility and format of data, must be submitted electronically by 3:00 p.m. on **November 29, 2022**. They must be submitted via email to [REDACTED] with a copy to the State Contract Manager, Mona Cartwright at [REDACTED].

IX. Selection Process

The Agency Contract Manager will review the proposal(s) received and select the Integrity Monitor whose proposal is most advantageous, price and other factors considered including:

- The qualifications and experience of the personnel assigned to this Engagement;
- The experience of the IM in engagements of a similar size and scope; and
- The ability of the IM to complete the scope of work based on the proposed personnel/staff classifications and hours allocated to tasks in its proposal.

The State Contract Manager will then issue a Letter of Engagement with a “not to exceed” clause to the selected proposer.

DHCR may request a Best and Final Offer from Integrity Monitors that responded to the Engagement Query.

Prior to issuing a Letter of Engagement, the Agency Contract Manager in consultation with the Accountability Officer, will independently determine whether the proposed Integrity Monitor has any potential conflicts with the Engagement.

ATTACHMENTS:

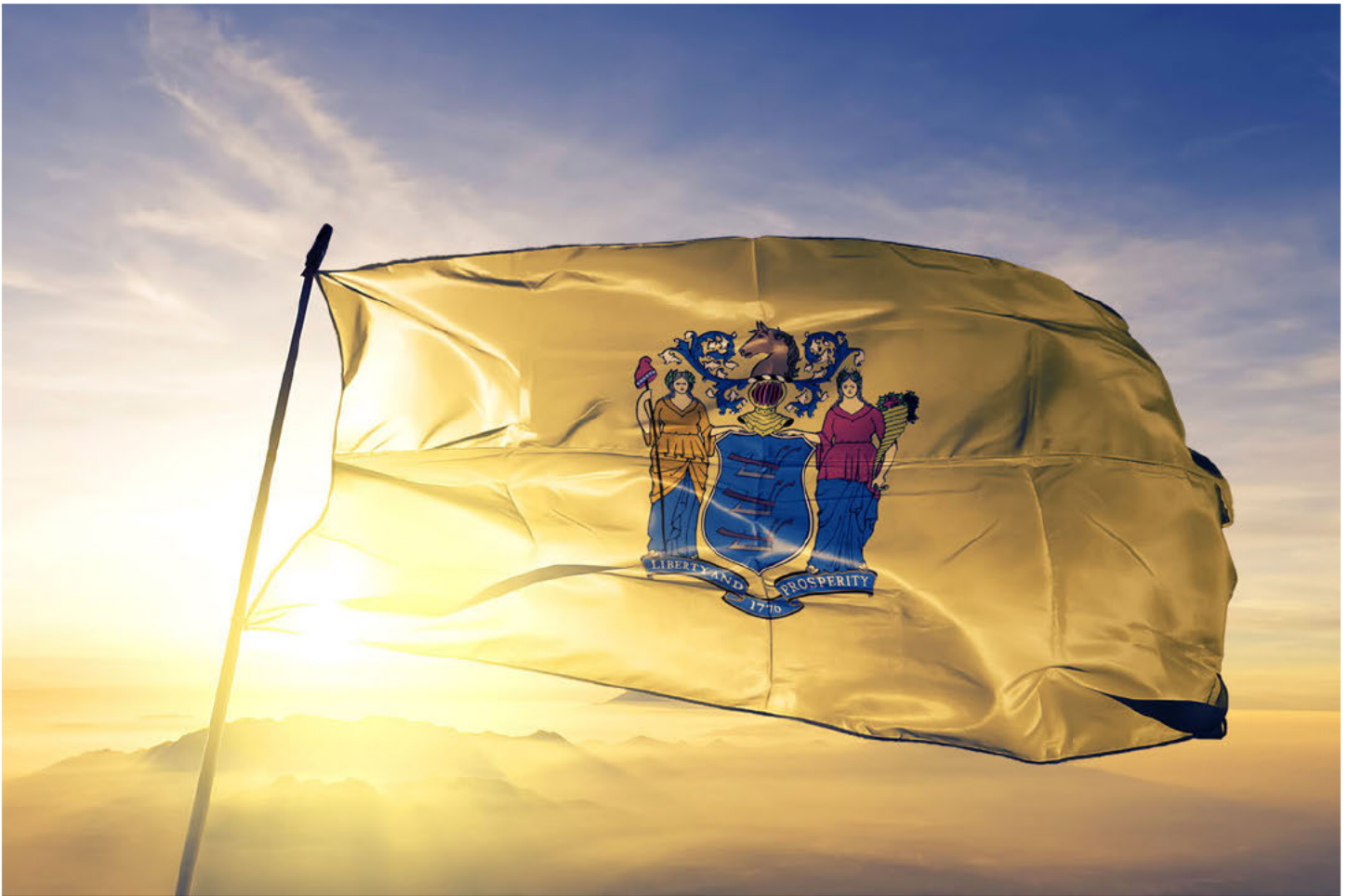
- Attachment 1: Integrity Oversight Monitor Guidelines, updated as of June, 2021
- Attachment 2: Quarterly Report Template – Category 3
- Attachment 3: EQ Price Sheet
- Attachment 4: DCA Utility Assistance Guidelines
- Attachment 5: MOU between NJ DCA DRM and NJ DCA DHCR
- Attachment 6: SOW between NJ DCA DHCR and IBM

Notice of Executive Order 166 Requirement for Posting of Winning Proposal
and Contract Documents

Pursuant to Executive Order No. 166, signed by Governor Murphy on July 17, 2020, the Office of the State Comptroller (“OSC”) is required to make all approved state contracts for the allocation and expenditure of COVID-19 Recovery Funds available to the public by posting such contracts on an appropriate state website. Such contracts will be posted on the New Jersey transparency website developed by the Governor’s Disaster Recovery Office (“GDRO Transparency Website”). The Letter of Engagement resulting from this Engagement Query is subject to the requirements of Executive Order No. 166. Accordingly, OSC will post a copy of the Letter of Engagement, including the Engagement Query, the winning proposer’s proposal, and other related contract documents for the above contract on the GDRO Transparency website.

In submitting its proposal, a proposer may designate specific information as not subject to disclosure. However, such proposer must have a good faith legal or factual basis to assert that such designated portions of its proposal: (i) are proprietary and confidential financial or commercial information or trade secrets; or (ii) must not be disclosed to protect the personal privacy of an identified individual. The location in the proposal of any such designation should be clearly stated in a cover letter and a redacted copy of the proposal should be provided. A Proposer’s failure to designate such information as confidential in submitting a proposal shall result in waiver of such claim.

The State reserves the right to make the determination regarding what is proprietary or confidential and will advise the winning proposer accordingly. The State will not honor any attempt by a winning proposer to designate its entire proposal as proprietary or confidential and will not honor a claim of copyright protection for an entire proposal. In the event of any challenge to the winning proposer’s assertion of confidentiality with which the State does not concur, the Proposer shall be solely responsible for defending its designation.



Integrity Oversight Monitor Guidelines

2021 Update

**STATE OF NEW JERSEY
COVID-19 COMPLIANCE AND
OVERSIGHT TASKFORCE**

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INTRODUCTION

On July 17, 2020, Governor Murphy signed Executive Order 166 (“EO 166”), which, among other things, established the COVID-19 Compliance and Oversight Task Force (the “Taskforce”). The purpose of the Taskforce is to advise State departments, agencies, and independent authorities that receive or administer COVID-19 recovery funds (“Recovery Program Participants”) regarding compliance with federal and State law and how to mitigate the risks of waste, fraud, and abuse. As defined in EO 166, “COVID-19 Recovery Funds” are funds awarded to state and local governments, and non-government sources to support New Jersey’s residents, businesses, non-profit organizations, government agencies, and other entities responding to or recovering from the COVID-19 pandemic.

Pursuant to EO 166, the Taskforce is responsible for issuing guidelines regarding the appointment and responsibilities of COVID-19 Oversight Integrity Monitors (“Integrity Monitors”). Recovery Program Participants may retain and appoint Integrity Monitors to oversee the disbursement of COVID-19 Recovery Funds and the administration of a COVID-19 Recovery Program. They are intended to serve as an important part of the state’s accountability infrastructure while working with Recovery Program Participants in developing measures to prevent, detect, and remediate inefficiency and malfeasance in the expenditure of COVID-19 Recovery Funds. Integrity Monitors may also be used, either proactively or in response to findings by an Integrity Monitor, as subject matter experts or consultants to assist Recovery Program Participants with program administration, grants management, reporting, and compliance, as approved by the Governor’s Disaster Recovery Office (GDRO).

EO 166 requires Recovery Program Participants to identify a central point of contact (an “Accountabil-

ity Officer”) for tracking COVID-19 funds within each agency or authority. The Accountability Officer is responsible for working with and serving as a direct point of contact for the GDRO and the Taskforce. Accountability Officers should also ensure appropriate reviews are performed to assess risks and evaluate whether an Integrity Monitor can assist in reducing or eliminating risk to ensure the public that state and federal funds were used efficiently, fairly, and prudently.

Recovery Program Participants and Integrity Monitors should be focused on the common goal of maximizing the value of COVID-19 Recovery Funding by ensuring that every dollar is spent efficiently and properly. Integrity Monitors can add value to a program by assisting in implementing the fiscal controls necessary to maintain proper documentation, flagging potential issues in real time, maximizing reimbursements, sharing information with and responding to inquiries from the GDRO and Office of State Comptroller (OSC), and reporting to those offices, the Treasurer, the Attorney General, and legislative leadership.

Recovery Program Participants, Accountability Officers, and Integrity Monitors should work together to fulfill the goals of EO 166 and these guidelines. The retention of Integrity Monitors will support monitoring and oversight that will ensure that Recovery Program Participants administer COVID-19 recovery funds in compliance with program, financial, and administrative requirements set forth in the federal-state grant agreement, the State Recovery Program Participant sub-grant agreement, and applicable federal and state laws, regulations, and guidelines. Additionally, these guidelines will assist the State in fulfilling its monitoring responsibilities as set forth in 2 CFR 200 Subpart D. This may involve routine desk reviews and, when appropriate, on-site reviews by an Integrity Monitor. Recovery Program Participants that do not retain an Integrity Monitor will comply with these requirements, in coordination with the GDRO, as addressed in the Compliance Plan adopted by the Taskforce.

ESTABLISHING THE POOL OF INTEGRITY MONITORS

As of the issuance of this version of the Integrity Oversight Monitor Guidelines, a pool of monitors has already been established. The following provisions in this section should be used in the event it is necessary to establish additional pools of Integrity Monitors.¹

In the event it is necessary to establish another pool of Integrity Monitors, the New Jersey Department of the Treasury, Division of Administration (Treasury) will be responsible for designating a department employee to act as the State Contract Manager for purposes of administering the overarching state contract for Integrity Monitoring Services. The State Contract Manager will establish one pool of qualified integrity monitors for engagement by eligible Recovery Program Participants. Treasury will issue a bid solicitation for technical and price quotations from interested qualified firms that can provide the following services:

- Category 1: Program and Process Management Auditing;
- Category 2: Financial Auditing and Grant Management; and
- Category 3: Integrity Monitoring/Anti-Fraud.

The specific services Integrity Monitors provide vary and will depend on the nature of the programs administered by the Recovery Program Participant and the amount of COVID-19 Recovery Funding received. The pool of Integrity Monitors should include professionals available to perform services in one or more of the following categories:

Category 1: Program and Process Management Auditing	Category 2: Financial Auditing and Grant Management	Category 3: Integrity Monitoring / Anti-Fraud
Development of processes, controls and technologies to support the execution of programs funded with COVID-19 Recovery Funds	Plan, implement, administer, coordinate, monitor and evaluate the specific activities of all assigned financial and administrative functions. Develop and modify policies/procedures/systems in accordance with organizational needs and objectives, as well as applicable government regulations;	Forensic accounting and other specialty accounting services.

¹ Agencies and authorities that are not permitted to follow all state procurement requirements due to U.S. Department of Transportation procurement policies may procure an Integrity Monitor separately in coordination with GDRO.

Review and improvement of procedures addressing financial management.	Provide technical knowledge and expertise to review and make recommendations to streamline grant management and fiscal management processes to ensure accountability of funds and compliance with program regulations.	Continuing risk assessments and loss prevention strategies.
Workload analysis; skills gap analysis, organizational effectiveness and workforce recruiting strategies.	Monitoring all grant management, accounting, budget management, and other business office functions regularly.	Performance and program monitoring and promotion of best practices.
Consulting services to support account reconciliations.	Provide and/or identify training for staff in the area of detection and prevention of waste, fraud, and abuse.	Prevention, detection and investigation of fraud and misconduct
Quality assurance reviews and assessments associated with the payments process to ensure compliance with federal and state regulations.	Ensuring compliance with all applicable federal and state accounting and financial reporting requirements.	Implement and manage appropriate compliance systems and controls, as required by federal and state guidelines, regulations and law
Risk analysis and identification of options for risk management for the federal and state grant payment process	Provide tools to be used by the Recovery Program Participant for the assessment of the performance of the financial transaction process	Provide data management systems/programs for the purpose of collecting, conducting and reporting required compliance and anti-fraud analytics.
Consulting services to reduce the reconciliation backlog for the Request for Reimbursements process		Ability to provide integrity monitoring services for professional specialties such as engineering and structural integrity services, etc. either directly or through a sub-contractor relationship
Consulting services providing Subject Matter Expert (SME) knowledge of required standards for related monitoring and financial standards for federal funding		

CONDITIONS FOR INTEGRITY MONITORS

A Recovery Program Participant should evaluate whether it should retain an Integrity Monitor using the following standards.

Category 1 & 2 Integrity Monitors:

Category 1 and 2 Integrity Monitors are available to assist Recovery Program Participants, if, in consultation with GDRO, it has been determined that an agency or authority needs assistance in the establishment, administration, or monitoring of a program or when a Category 3 Integrity Monitor has issued findings that require the agency or authority to take corrective actions. In making the determination whether to obtain a Category 1 or 2 Integrity Monitor, a Recovery Program Participant's Accountability Officer, in consultation with GDRO, should evaluate whether an Integrity Monitor from Category 1 or 2 is necessary based on operational needs or to reduce or eliminate risk in view of the agency's or authority's existing resources, staffing, expertise or capacity. Agencies and authorities should evaluate whether the retention of a Category 1 or 2 Integrity Monitor would assist in addressing findings made by Category 3 Integrity Monitors. The availability of federal funds should be considered in evaluating whether to retain an Integrity Monitor from Category 1 or 2. In an appropriate circumstance, a Recovery Program Participant may request or may be directed by the GDRO to retain a Category 1 or 2 Integrity Monitor using non-federal funds.

Category 3 Integrity Monitors:

For Recovery Program Participants that have received or will administer a total of \$20 million or more in COVID-19 Recovery Funds: A Recovery Program Participant that has received this amount

of funding should retain at least one Integrity Monitor from Category 3: Integrity Monitoring/Anti-Fraud, subject to federal funding being available. The retention of Category 1 and 2 Integrity Monitors does not eliminate the obligation to retain a Category 3 Integrity Monitor. In some circumstances, multiple Category 3 Integrity Monitors may be necessary if one monitor is not adequate to oversee multiple programs being implemented by Recovery Program Participant as determined in consultation with the GDRO. In an appropriate circumstance, a Recovery Program Participant may request or may be directed by the GDRO to retain an Integrity Monitor using non-federal funds.

For Recovery Program Participants that have received or will administer a total of up to \$20 million in COVID-19 Recovery Funds: A Recovery Program Participant that has received this amount of funding should evaluate in consultation with GDRO whether a Category 3 Integrity Monitor is needed based on the risks presented. The Recovery Program Participant's Accountability Officer should conduct a risk assessment taking into account both the likelihood and severity of risk in the participant's program(s) and consult with the GDRO regarding whether an Integrity Monitor from Category 3 is necessary to reduce or eliminate risk in view of the agency's or authority's existing resources, staffing, expertise or capacity. The availability of federal funds should be considered in evaluating whether to retain an Integrity Monitor. In an appropriate circumstance, a Recovery Program Participant may request or may be directed by the GDRO to retain an Integrity Monitor from Category 3 using non-federal funds.

RISK ASSESSMENT

As noted above, in certain circumstances, Recovery Program Participants seeking to retain an Integrity Monitor will be advised to conduct a risk assessment to determine the need for such services. A Recovery Program Participant's Accountability Officer, in consultation with the GDRO, should assess the risk to public funds, the availability of federal funds to pay for the Integrity Monitor, the entity's current operations, and whether internal controls alone are adequate to mitigate or eliminate risk.

An Accountability Officer, or an Integrity Monitor retained by a Recovery Program Participant, should conduct an initial review of the Recovery Program Participant's programs, procedures and processes, and assess the organizational risk and the entity's risk tolerance. The risk assessment should include a review of the agency's ability to comply with federal statutory and regulatory requirements as well as applicable state laws and regulations, including with regard to reporting, monitoring, and oversight, and a review of the agency's susceptibility to waste, fraud, and abuse.

An Accountability Officer conducting a risk assessment should complete and memorialize the assessment using the [matrix template you can download from OSC's website](#). The risk assessment should be shared with the GDRO and OSC. Some of the specific factors an Accountability Officer should consider when assessing risk include:

- Organizational leadership, capacity, expertise, and experience managing and accounting for federal grant funds in general, and disaster recovery funds in particular;
- Input from the individuals/units that will be disbursing funds or administering the program;

- Review of existing internal controls and any identified weaknesses;
- Prior audits and audit findings from state or federal oversight entities;
- Lessons learned from prior disasters;
- Sub-recipient internal control weaknesses, if applicable;
- Adequacy of financial, acquisition, and grants management policies and procedures, including technological capacity and potentially outdated financial management systems;
- Ability to complete timely, accurate and complete reporting;
- Experience with state and federal procurement processes, value of anticipated procurements, and reliance on contractors to meet program goals and objectives;
- Potential conflicts of interests and ethics compliance;
- Amount of funds being disbursed to a particular category of sub-recipient and the complexity of its project(s); and
- Whether federal or state guidelines provide guidance regarding the uses of funds (*i.e.*, discretionary vs. restrictive).

The Accountability Officer should determine the organization's risk tolerance as to all recovery programs jointly and as to individual programs, recognizing that Integrity Monitors may be appropriate for some programs and not others within an agency or authority. If the risk exceeds an acceptable level of risk tolerance, the Accountability Officer should engage an Integrity Monitor.

An important element in the risk assessments is documentation of the process and results. This is critical to ensuring the extent of monitoring and oversight. The overall level of risk should dictate the frequency and depth of monitoring practices, including how to mitigate identified risks by, for example, providing training and technical assistance or increasing the frequency of on-site reviews. In some cases, monitoring efforts may lead an Accountability Officer or the GDRO to impose additional special conditions on the Recovery Program Participant. Depending on the kind of work the sub-recipient performs, it may be appropriate to reevaluate frequently, including quarterly, to account for changes in the organization or the nature of its activities. See 2 CFR Section 200.207 in the uniform guidance for examples; [GAO Report: A Framework for Managing Fraud Risk in Federal Programs \(2015\)](#).

PROCEDURES FOR REQUESTING AND PROCURING AN INTEGRITY MONITOR

To retain an Integrity Monitor, a Recovery Program Participant should proceed as follows:

- A Recovery Program Participant shall designate an agency employee to act as the contract manager for an Integrity Monitor engagement (Agency Contract Manager), which may be the Accountability Officer. The Agency Contract Manager should notify the State Contract Manager, on a form prescribed by Treasury, along with any required supporting documentation, of its request for an Integrity Monitor. The Agency Contract Manager should indicate which Integrity Monitoring services are required.
- The Agency Contract Manager will develop an Engagement Query.
- The Engagement Query will include a detailed scope of work; it should include specific performance milestones, timelines, and standards and deliverables.
- The Agency Contract Manager, in consultation with the Office of the Attorney General, Division of Law, will structure a liquidated damages provision for the failure to meet any required milestones, timelines, or standards or deliverables, as appropriate.
- The Agency Contract Manager will submit its Engagement Query to the State Contract Manager. Upon approval by the State Contract Manager, but prior to the solicitation of any services, the Engagement Query shall be sent to OSC for approval pursuant to EO 166. After receiving approval from OSC, the State Contract Manager will send the Engagement Query to all eligible Integrity Monitors within the pool in order to provide a level playing field.
- Interested, eligible Integrity Monitors will respond to the Engagement Query within the timeframe designated by the State Contract Manager, with a detailed proposal that includes a detailed budget, timelines, and plan to perform the scope of work and other requirements of the Engagement Query. Integrity Monitors shall also identify any potential conflicts of interest.
- The State Contract Manager will forward to the Agency Contract Manager all proposals received in response to the Engagement Query. The Agency Contract Manager will review the proposals and select the Integrity Monitor whose proposal represents the best value, price and other factors considered. The Agency Contract Manager will memorialize in writing the justification for selecting an Integrity Monitor(s).
- Prior to finalizing any engagement under this contract, the Agency Contract Manager, in consultation with the Accountability Officer, will independently determine whether the intended Integrity Monitor has any potential conflicts with the engagement.
- The State Contract Manager, on behalf of the Recovery Program Participant, will then issue a Letter of Engagement with a “Not to Exceed” clause to the engaged Integrity Monitor and work with the Agency Contract Manager to begin the issuance of Task Orders.

INTEGRITY MONITOR REQUIREMENTS

A. Independence

The process by which Integrity Monitors are retained and the manner in which they perform their tasks in accordance with these guidelines are intended to provide independence as they monitor and report on the disbursement of COVID-19 Recovery Funds and the administration of a COVID-19 Recovery Program by a Recovery Program Participant. Although the Integrity Monitor and the Recovery Program Participant should share common goals, the Integrity Monitor should function as an independent party and should conduct its review as an outside auditor/reviewer would.

An Integrity Monitor for a particular Recovery Program Participant should have no individual or company affiliation with the agency or authority that would prevent it from performing its oversight as an independent third party. Integrity Monitors and Recovery Program Participants must be mindful of applicable conflicts of interest laws, including but not limited to, N.J.S.A. 52:13D-12 to -28, Executive Order 189 (Kean, 1988) and requirements set forth in the Uniform Grant Guidance, among others. To promote independence, an Integrity Monitor hired from Categories 1 or 2 may not also be engaged as a Category 3 Integrity Monitor to review the same programs for the same Recovery Program Participant. Likewise, a Category 3 Integrity may not be hired as a Category 1 or 2 Monitor to remediate any issues it identified as a Category 3 Integrity Monitor.

B. Communication

Integrity Monitors should maintain open and frequent communication with the Recovery Program Participant that has retained its services. The purpose of communicating in this manner is to make the Recovery Program Participant aware of issues that can be addressed during the administration of a program and prior to future disbursement of funds by the Parti-

cipant. Therefore, Integrity Monitors should not wait until reports are issued to notify an Accountability Officer of deficiencies. This will enable the Recovery Program Participant to take action to correct any deficiencies before additional funds are expended. Substantial deficiencies should also be reported in real time to the GDRO, the State Comptroller, and the State Treasurer.

Prior to the posting of an Integrity Monitor report that contains findings of waste, fraud, or abuse, the Recovery Program Participant should be permitted to respond to the findings and have that response included in the publicly posted report. This will allow the Recovery Program Participant to highlight any course corrections as a result of the finding or to contest any finding that it feels is inappropriate. A Recovery Program Participant's response is due within 15 business days after receipt of an Integrity Monitor report.

Integrity Monitors must respond promptly to any inquiries posed by the GDRO, State Comptroller, State Treasurer, and Agency Contract Manager pursuant to EO 166.

C. General Tasks of Integrity Monitors

The tasks of an Integrity Monitor may vary based on the agency/program the Monitor is overseeing and the category of Integrity Monitor engaged. Generally, the role of a Category 1 Integrity Monitor is focused on program and process management auditing. These Integrity Monitors may assist a Recovery Program Participant in developing processes or controls to support the execution of programs, conduct risk analyses, or provide consulting or subject matter expertise to Recovery Program Participants. In general, a Category 2 Integrity Monitor's role is to provide financial auditing or grants management functions for a Recovery Program Participant. A Category 3 Integrity Monitor's primary roles are to monitor for fraud or misuse of funding, and ensure that Recovery Program Participants are performing according to the sub-award agreement and applicable federal and State regulations and guidelines. Tasks to be performed by Integrity

Monitors may include the following:

- Perform initial and ongoing risk assessments;
- Evaluate project performance;
- Evaluate internal controls associated with the Recovery Program Participant's financial management, cash management, acquisition management, property management, and records management capabilities;
- Validate compliance with sub-grant award and general term and special conditions;
- Review written documents, such as quarterly financial and performance reports, recent audit results, documented communications with the State, prior monitoring reports, pertinent performance data, and other documents or reports, as appropriate;
- Conduct interviews of Recovery Program Participant staff, as well as the constituents they serve, to determine whether program objectives are being met in an efficient, effective, and economical manner;
- Sample eligibility determinations and denials of applications for funding;
- Review specific files to become familiar with the progression of the disbursement of funds in a particular program, i.e., are actual expenditures consistent with planned expenditure and is the full scope of services listed in the project work plan being accomplished at the same rate of actual and planned expenditures;
- Ensure that the agency is retaining appropriate documentation, based on federal and state regulations and guidance, to support fund disbursement;
- Follow up with questions regarding specific funding decisions, and review decisions related to emergency situations;
- Facilitate the exchange of ideas and promote operational efficiency;
- Identify present and future needs; and
- Promote cooperation and communication among Integrity Monitors engaged by other Recovery Program Participants (e.g., to guard against duplication of benefits).

Integrity Monitors should generally perform desk reviews to evaluate the need for on-site visits or monitoring. Depending on the results of the desk review, coupled with the conclusions reached during any risk assessments that may have been conducted of the sub-recipient's capabilities, the Monitor should evaluate whether an on-site monitoring visit is appropriate. If the Monitor is satisfied that essential project goals, objectives, timelines, budgets, and other related program and financial criteria are being met, then the Monitor should document the steps taken to reach this conclusion and dispense with an on-site monitoring visit. However, the Integrity Monitor may choose to perform on-site monitoring visits as a result of any of the following:

- Non-compliance with reporting requirements;
- Problems identified in quarterly progress or financial reports;
- History of unsatisfactory performance;
- Unresponsiveness to requests for information;
- High-risk designation;
- Follow-up on prior audits or monitoring find-

ings; and

- Allegations of misuse of funds or receipt of complaints.

D. Reporting Requirements

1. Reports

Pursuant to EO 166, Integrity Monitors shall submit draft quarterly reports to the Recovery Program Participant on the last day of the quarter detailing the specific services rendered during that quarter and any findings of waste, fraud, or abuse **in accordance with the report templates [found on OSC's website](#)**.

Prior to the posting of a quarterly report that contains findings of waste, fraud, or abuse, the Recovery Program Participant should be permitted to respond to the findings and have that response included in the publicly posted report. This will allow the Recovery Program Participant to highlight any course corrections as a result of the finding or to contest any finding that it contends is inappropriate. A Recovery Program Participant's response is due within 15 business days after receipt of a quarterly report.

Fifteen business days after quarter-end, Integrity Monitors will deliver their final quarterly reports, inclusive of any comments from the Recovery Program Participant, to the State Treasurer, who shall share the reports with the GDRO, the Senate President, the Speaker of the General Assembly, the Attorney General, and the State Comptroller. The Integrity Monitor quarterly reports will be posted on the GDRO transparency website pursuant to the Executive Order.

The specific areas covered by a quarterly report will vary based on the type of Integrity Monitor engaged, the program being reviewed, the manner

and use of the funds, procurement of goods and services, type of disbursements to be issued, and specific COVID-19 Recovery Fund requirements. The topics covered by the quarterly report should include the information included in [templates which you can download from OSC's website](#).

2. Additional Reports

EO 166 directs OSC to oversee the work of Integrity Monitors and to submit inquiries to them to which Integrity Monitors must reply promptly. OSC may request Integrity Monitors to issue reports or prepare memoranda that will assist OSC in evaluating whether there is waste, fraud, or abuse in recovery programs administered by Recovery Plan Participants.

The State Comptroller may also request Integrity Monitors or Recovery Program Participants to share corrective action plans prepared by Recovery Plan Participants to address reported deficiencies and to evaluate whether those corrective plans have been successfully implemented.

GDRO and the State Treasurer may also request reports from Integrity Monitors to which Integrity Monitors must reply promptly.

3. Reports of Waste, Fraud, Abuse or Potential Criminal Conduct

Integrity Monitors must immediately report substantial issues of waste, fraud, abuse, and misuse of COVID-19 Recovery Funds to the GDRO, OSC, State Treasurer, and the Agency Contract Manager and Accountability Officer of a Recovery Program Participant.

Potential criminal conduct is to be reported immediately to the Office of the Attorney General.

INTEGRITY MONITOR MANAGEMENT AND OVERSIGHT

Agency Contract Managers have a duty to ensure that Integrity Monitors perform the necessary work, and do so while remaining on task, and on budget. Agency Contract Managers shall adhere to the requirements of Treasury Circular 14-08-DPP in their management and administration of the contract. The Agency Contract Manager will be responsible for monitoring contract deliverables and performing the contract management tasks identified in the circular, which include but are not limited to:

- Developing a budget and a plan to manage the contract. In developing a budget, the Agency Contract Manager should consider any caps on the amount of federal funding that can be used for oversight and administrative expenses and ensure that the total costs for Integrity Monitoring services are reasonable in relation to the total amount of program funds being administered by the Recovery Program Participant;
- Daily management of the contract, including monitoring and administering the contract for the Recovery Program Participant;
- Communicating with the Integrity Monitor and responding to requests for meetings, information or documents on a timely basis;
- Resolving issues with the Integrity Monitor in accordance with contract terms;
- Ensuring that all tasks, services, products, quality of deliverables and timeliness of services and deliverables are satisfied within contract requirements;

- Reviewing Integrity Monitor billing and ensuring that Integrity Monitors are paid only for services rendered;
- Attempting to recover any and all over-billings from the Integrity Monitor; and
- Coordinating with the State Contract Manager regarding any scope changes, compensation changes, the imposition of liquidated damages, or use of formal dispute processes.

In addition to these oversight and administration functions, the Agency Contract Manager must ensure open communication with the Accountability Officer, the Recovery Program Participant leadership, the GDRO, and OSC. The Agency Contract Manager should respond to inquiries and requests for documents from the GDRO and OSC as requested.



State of New Jersey, COVID-19
Compliance and Oversight Taskforce

**Integrity Monitor Report
Category 3**

Integrity Monitor Firm Name: [Type Here]
Quarter Ending: [MM/DD/YYYY]
Expected Engagement End Date: [MM/DD/YYYY]

A. General Info

1. Recovery Program Participant:

[Type Here]

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

[Type Here]

3. State Funding Source (if applicable):

[Type Here]

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

[Type Here]

5. Accountability Officer:

[Type Here]

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

[Type Here]

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

[Type Here]

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

[Type Here]

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

[Type Here]

10. Amount Provided to Other State or Local Entities:

**Integrity Monitor Report
Category 3**

[Type Here]

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

[Type Here]

12. Completion Status of Integrity Monitor Engagement:

[Type Here]

B. Monitoring Activities

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

- a) IM Response

[Type Here]

- 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

[Type Here]

- 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

[Type Here]

**Integrity Monitor Report
Category 3**

b) Recovery Program Participant Comments

[Type Here]

16. Description of quarterly auditing activities conducted to ensure procurement compliance with terms and conditions of contracts and agreements:

a) IM Response

[Type Here]

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

[Type Here]

b) Recovery Program Participant Comments

[Type Here]

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

a) IM Response

[Type Here]

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

[Type Here]

**Integrity Monitor Report
Category 3**

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

[Type Here]

b) Recovery Program Participant Comments

[Type Here]

21. Details of any actions taken to remediate waste, fraud, and/or abuse noted in past quarters:

a) IM Response

[Type Here]

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

[Type Here]

b) Recovery Program Participant Comments

[Type Here]

23. Add any item, issue, or comment not covered in previous sections but deemed pertinent to monitoring program:

a) IM Response

[Type Here]

**Integrity Monitor Report
Category 3**

b) Recovery Program Participant Comments

[Type Here]

Name of Integrity Monitor:	[Type Here]
Name of Report Preparer:	[Type Here]
Signature:	[Sign Here]
Date:	[MM/DD/YYYY]

Integrity Monitoring - Price Sheet

Cell to be completed by Bidder

	Staffing Category	Hourly Billing Rate (\$)	Hours	Amount (\$)	Total Cost (\$)	Hourly Discounted Billing Rate (\$)	Amount (\$)	Total Cost (discounted) (\$)
Risk Assessment	Partner/Principal/Director			\$0.00	\$0.00		\$0.00	\$0.00
	Program Manager			\$0.00			\$0.00	
	Project Manager			\$0.00			\$0.00	
	Supervisory/Sr. Consultant			\$0.00			\$0.00	
	Consultant			\$0.00			\$0.00	
	Associate/Staff			\$0.00			\$0.00	
	Subject Matter Expert			\$0.00			\$0.00	
	Administrative Support			\$0.00			\$0.00	
			0					
Work Plan Development	Partner/Principal/Director			\$0.00	\$0.00		\$0.00	\$0.00
	Program Manager			\$0.00			\$0.00	
	Project Manager			\$0.00			\$0.00	
	Supervisory/Sr. Consultant			\$0.00			\$0.00	
	Consultant			\$0.00			\$0.00	
	Associate/Staff			\$0.00			\$0.00	
	Subject Matter Expert			\$0.00			\$0.00	
	Administrative Support			\$0.00			\$0.00	
			0					
On-going Monitoring	Partner/Principal/Director			\$0.00	\$0.00		\$0.00	\$0.00
	Program Manager			\$0.00			\$0.00	
	Project Manager			\$0.00			\$0.00	
	Supervisory/Sr. Consultant			\$0.00			\$0.00	
	Consultant			\$0.00			\$0.00	
	Associate/Staff			\$0.00			\$0.00	
	Subject Matter Expert			\$0.00			\$0.00	
	Administrative Support			\$0.00			\$0.00	
			0					
Reports	Partner/Principal/Director			\$0.00	\$0.00		\$0.00	\$0.00
	Program Manager			\$0.00			\$0.00	
	Project Manager			\$0.00			\$0.00	
	Supervisory/Sr. Consultant			\$0.00			\$0.00	
	Consultant			\$0.00			\$0.00	
	Associate/Staff			\$0.00			\$0.00	
	Subject Matter Expert			\$0.00			\$0.00	
	Administrative Support			\$0.00			\$0.00	
			0					
	Allowance for Travel Expenses and Reimbursement if on-site monitoring required			\$10,000.00				
	Total Cost (non-discounted)				\$10,000.00			
	Total Cost (if discounted)							\$10,000.00

NJ DEPARTMENT OF COMMUNITY AFFAIRS

**Division of Housing and Community Resources
Utility Arrearage Program Guidelines**

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APPENDIX 6

Utility Arrearage Program Guidelines

Background: The State of New Jersey received a federal allocation from the US Department of Health and Human Services' LIHEAP American Rescue Plan in the amount of \$172,973,948 and \$250,000,000 from the State ARPA funds to assist residents of New Jersey who have fallen behind on their utility bills due to the impact of the COVID-19 pandemic. These funds are administered by the NJ Department of Community Affairs (DCA).

Outreach: DCA will conduct a statewide outreach campaign to ensure that eligible households, especially households with elderly individuals or disabled individuals and households with high home energy burdens, are made aware of the assistance available. The outreach will include distribution of flyers, website and social media blasts, press releases etc.

Eligibility Requirements:

- The applicant must reside in the State of New Jersey
- The applicant is responsible for paying home energy costs
- The applicant is at least 18 years old or emancipated
- The applicant's gross household income does not exceed the maximum amounts detailed below

Federal Funds: A household's gross 30-day income cannot exceed 60% of the State Median Income (see below)

Household Size	Maximum Monthly Household Gross Income
1	\$3,348
2	\$4,379
3	\$5,409
4	\$6,439
5	\$7,470
6	\$8,500
7	\$8,693
8	\$8,886
9	\$9,080
10	\$9,273
11	\$9,466
12	\$9,659

State Funds: A household's gross 30-day income a household gross income must be at or below 80% of the Federal Income Level, (please see below)

Section 8 Income Limits (80% AMI)	
Household Size	Maximum Annual Housheold Gross Income
1	\$64,350
2	\$73,550
3	\$82,750
4	\$91,900
5	\$99,300
6	\$106,650
7	\$114,000
8	\$121,350

Self-Certification of Income: Applicants are not required to submit proof of income but are allowed to self-certify their income. The applicants must certify that their total gross household income does not exceed the limits provided above. In addition, the applicant must also certify to the following statement:

I hereby certify, under penalty of perjury, that the information provided above is true, and provide my permission for NJ Department of Community Affairs to run an income verification check with the NJ Department of Labor and Workforce Development where there is any doubt regarding my income.

Additional Required Information:

- **Address Verification:** Applicants must certify that the address provided is also the utility service address.
- **Social Security numbers** are required for the applicant and each household member. A copy of the Social Security card or any government issued document that lists the social security number can be submitted as proof of the social security number.

For the State set-aside, an applicant who does not have have a social security card can apply for assistance as a non-citizen.

Eligible Activities:

These funds can assist active residential customers with utility arrears who are at risk of disconnection due to nonpayment or active residential customers with past due balances. In addition, the program will pay up to \$1,300 to provide oil, propane, coal, or wood to eligible households for heating.

Proof of Arrears/Utility Balance Confirmation: At least once a month, a list of all applicants who have been found eligible for ARP benefits is forwarded to the utility companies to confirm current arrear balances. This is separate from the list of all applicants that DCA provides to the utility companies as required by the statute.

Maximum Amount of Assistance: The program has established the following maximum caps for benefits.

- \$8,000 for all heating arrears
- \$5,000 for non heating, gas and electric arrears
- \$1,300 for other heating arrears (oil, firewood, coal and propane) or a one-time delivery of oil, firewood, coal or propane.

Application Process: Applicants can apply by doing the following:

- Apply on-line at <https://njdca-housing/dynamics365portals.us/en-US/dcaid-services/>
- Apply and submit an application through one of the program's community-based agencies which are listed at https://nj.gov/dca/divisions/dhcr/offices/docs/LIHEAP/LIHEAP_Agencies.pdf

The following program participants are categorically eligible for utility arrearage assistance. This is because they have already been found income eligible for these programs; the income limits do not exceed 80% AMI.

- Temporary Assistance for Needy Families (TANF) Program which provides very-low income families with financial assistance and related support services.
- Pharmaceutical Assistance to the Aged and Disabled (PAAD) Program which helps eligible seniors and individuals with disabilities save money on their prescription drug costs.
- Supplemental Nutrition Assistance Program (SNAP) which helps low-income families buy food.
- COVID 19 Emergency Rental Assistance Program which provides rental arrears and temporary rental assistance to low- and moderate-income households that have had a substantial reduction in income, directly, or indirectly, due to the pandemic. The program's authorization permits the screening for assistance.
- Eviction Protection/Self-Certification Program which provides additional eviction protections based on income. The self-certification permits the screening for assistance.
- Home Energy Assistance (HEA) and Universal Fund (USF) which provides assistance with natural gas and electric bills to low-income households.

DCA receives a monthly master list of customers who are behind on their utility bills from the utility companies. This master list is cross referenced with the lists of participants in the above-referenced programs. Eligible households that are successfully matched are uploaded into the ARP application on-line portal and benefits will be issued.

Application Adjudication:

All ARP Arrearage Program applications submitted online are adjudicated by a DCA team of caseworkers.

Application Timeframe:

Applicants should expect the entire process to take approximately 60 days, once they submit their application.

Payments:

All payments are made to the fuel supplier and utility company on the customer's behalf.

Denial Process:

An application may be denied for the following reasons:

- The applicant does not provide all documentation within 90 days from the date the request for additional information was emailed.
- The applicant does not meet the eligibility criteria for the program.

Applicants who are denied receive a written notice of the denial. All applicants have the right to appeal the eligibility determination made on their application.

APPENDIX

COVID-19 ERAP – Authorization
Eviction Protection Self-Certification

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS, DIVISION OF
DISASTER RECOVERY AND MITIGATION
AND
THE NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS, DIVISION OF
HOUSING & COMMUNITY RESOURCES
FOR
THE EVICTION AND HOMELESSNESS PREVENTION PROGRAM AND OFFICE**

This **MEMORANDUM OF UNDERSTANDING** (“MOU”) (MOU Number 2021-03), is made by and between the New Jersey Department of Community Affairs (“DCA”), Division of Disaster Recovery and Mitigation (“DRM” or “Grantee”) and the Division of Housing and Community Resources (“DHCR”), an instrumentality of the State of New Jersey (the “State”), to set forth the terms and conditions for the disbursement of American Rescue Plan Act – Coronavirus State Fiscal Recovery Fund monies to implement the Eviction Prevention Program and the Office of Eviction Prevention (“Program”). The Divisions of DRM and DHCR may sometimes hereinafter be collectively referred to as the “Parties” and individually as a “Party.”

PREAMBLES

WHEREAS, due to the increase in the number of novel coronavirus (“COVID-19”) cases in New Jersey, the surrounding region and across the globe, the Governor of the State of New Jersey issued Executive Order No. 103 declaring a public health emergency and a state of emergency in the State of New Jersey (the “State”) on March 9, 2020, allowing for certain executive actions to respond to the increasing amount of COVID-19 cases in the State; and

WHEREAS, on March 11, 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic (the “COVID-19 Pandemic”) and on March 13, 2020, the President of the United States (“President”) declared a national state of emergency; and

WHEREAS, in response to the COVID-19 Pandemic, Congress enacted a series of laws to address the impacts of the COVID-19 Pandemic; and

WHEREAS, on March 11, 2021, the President signed the “American Rescue Plan Act of 2021” P.L. 117-2 (the “ARP Act”) into law; and

WHEREAS, as part of the ARP Act, Congress at subtitle M of the ARP Act, amended Title VI of the Social Security Act (42 U.S.C. 801 et seq.) by adding Sections 602 and 603 to create the “Coronavirus State Fiscal Recovery Fund” (“CSFRF”); and

WHEREAS, CSFRF monies (“CSFRF Funds”) are to be used, generally: (a) to respond to the public health emergency with respect to COVID-19 or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality; (b) to respond to workers performing essential work during the COVID public health emergency by providing premium pay to eligible workers of the State who

are performing such essential work, or by providing grants to eligible workers who perform essential work; (c) for the provision of government services to the extent of the reduction in revenue of the State due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year of the State prior to the emergency; or (d) to make necessary investments in water, sewer, or broadband infrastructure; and

WHEREAS, the State received \$6,244,537,955.50 in CSFRF Funds under the ARP Act which must be used in conformance with the requirements of the ARP Act; and

WHEREAS, pursuant to the Fiscal Year 2022 Appropriations Act, L. 2021, c.133, as may be amended from time to time, DRM is responsible for overseeing the entire portfolio of funds, consistent with CSFRF requirements, as the State-designated Grants Manager; and

WHEREAS, pursuant to P.L. 2021, c.188, the State Legislature has appropriated monies to DHCR for the Eviction Prevention Program and the Office of Eviction Prevention; and

WHEREAS, the State Treasurer has entered into a Memorandum of Understanding dated as of July 22, 2021, with DRM, as Grants Manager for the CSFRF Funds, to provide those grant management functions and processes for the State that are necessary to administer, manage and monitor grant awards and disburse funds accordingly; and

WHEREAS, DRM will use its SIROMS grant management system to track expenditures and obligations, administer approved grant funds, and track compliance with applicable laws, regulations, guidance, and project requirements; and

WHEREAS, DRM is distributing a portion of the CSFRF Funds, in an amount not to exceed \$755,000,000, to provide funding to DHCR for the implementation of the Program that the Governor's Disaster Recovery Office and DCA have determined is eligible for CSFRF Funds; the Program is described in Exhibit A attached hereto and is made a part hereof; and

WHEREAS, the implementation of the Program shall be undertaken in compliance with Federal, State and local laws and regulations as well as the requirements of the Program, itself, Executive Order No. 166 (Murphy 2020) ("EO 166"), 31 CFR Part 35 U.S. Treasury Coronavirus State and Local Fiscal Recovery Funds – Final Rule, and Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("2 CFR Part 200"); and

WHEREAS, it is in the Parties' mutual interests, as well as in the public interest, to have the Parties respective responsibilities concerning the implementation of the Program memorialized in a written agreement.

NOW, THEREFORE, DRM and DHCR agree as follows:

Section 1. Grant Award

1.1 Subject to the terms and conditions of this MOU, DRM, as Grantee, shall make available to DHCR, funds in the amount not to exceed \$755,000,000 (the "Grant Funds") for the purpose of funding the Eviction Prevention Program and the Office of Eviction Prevention. Upon full execution of this MOU, DRM will disburse one-quarter (25%) of the entire amount of the Grant Funds to DHCR.

1.2 After the initial advance, DRM will disburse subsequent advances totaling one-quarter of the entire amount of the Grant upon written request by DHCR to DRM. The request shall include the required documentation and the reporting requirements that include performance objectives proposed by DHCR, as identified in Exhibits C and D. Exhibits C and D are attached hereto and made a part hereof.

1.3 DRM agrees to advance the requested funds within fifteen (15) calendar days of DHCR's submission of a complete request. The cash transfer to provide DHCR with the advance will be recorded in SIROMS.

Section 2. Terms of the Grant Awards

2.1 DHCR shall use the Grant Funds for the purpose of funding the Program. Any material changes to the Program must be approved by DRM prior to implementation, except to the extent such changes are required to conform with federal requirements or conditions of funding.

2.2 DHCR must meet the deadlines for the use of CSFRF Funds. Any CSFRF Funds not obligated by December 31, 2024, or not expended by December 31, 2026 to cover such incurred costs, must be returned to United States Department of the Treasury ("U.S. Treasury"), unless the deadline is extended by U.S. Treasury.

2.3 DHCR must also ensure that any entities to which DHCR provides CSFRF Funds obligate the Grant Funds by December 31, 2024 and expend the Grant Funds by December 31, 2026, unless the deadline is extended by U.S. Treasury.

2.4 DHCR will receive and must use the proceeds of this Grant for "Allowable Costs," meaning costs that are acceptable pursuant to 2 CFR §200.403, all other applicable federal regulations, and approved as part of the Program encompassed by this MOU.

2.5, DHCR may use the Grant Funds for Direct Costs, as defined in 2 CFR Part §200.413. DHCR shall maintain full documentation of Direct Costs for all expenses incurred and provide access for DRM, U.S. Treasury, and any other monitoring agency upon request.

2.6 The administrative costs of DHCR may not exceed 2.5% of the Grant or \$18.875 million, unless the Joint Budget Oversight Committee approves the additional funding (\$37.5 million) that has been requested for this purpose. Administrative costs are not included in the Grant Funds allocated to the Program.

Section 3. Responsibilities of DHCR

3.1 Prior to December 31, 2024, to demonstrate compliance with Section 2.2, DHCR shall provide a report to the DRM demonstrating actual or committed disbursement of Grant Funds and the need for and commitment to expend the Grant Funds by no later than December 31, 2026.

3.2 DHCR shall provide the requisite staff and support required to implement the Program.

3.3 DHCR hereby binds itself, certifies and assures that it will comply with all federal, State and local laws and regulations, policies, guidelines and requirements, as they relate to the acceptance and use of federal CSFRF Funds, including all applicable State and Federal Executive Orders. The Parties expressly acknowledge that the matters which are the subject of this MOU are governed by the ARP Act, including subtitle M, and administered by the U.S. Treasury, and may be subject to ongoing modifications and clarifications. DHCR agrees to comply with all applicable CSFRF requirements and Federal cross-cutting statutes and regulations as more fully detailed in the Schedule of Assurances attached hereto as Exhibit E and made a part hereof, in addition to the U.S. Treasury Guidance and Frequently Asked Questions and the U.S. Treasury Final Rule (31 CFR Part 35) as they may be updated from time to time, and subject to any other exceptions and waivers that may be issued by U.S. Treasury that affect CSFRF Funds.

3.4 DHCR shall be responsible for requiring that all of its subrecipients, contractors and all tiers of subcontractors adhere to all applicable State and Federal laws and regulations, including the ARP Act, all other applicable federal statutes, U.S. Treasury regulations, as well as the requirements set forth in this MOU, including Exhibit C, and to conduct all necessary monitoring for such compliance.

3.5 Thereafter, the frequency of financial reporting will be monthly and Program progress reporting will be quarterly, unless determined otherwise by the Parties.

3.6 DHCR shall submit a record of all their obligations and expenditures into SIROMS with necessary supporting documentation, along with other obligations such as grants, subrecipient agreements and contracts. In addition to data entry, review and other document submittals, DHCR shall upload all monthly and quarterly reports, as required herein, and other Federal and State reports into SIROMS.

3.7 DHCR agrees that in connection with its rights and obligations pursuant to this MOU, it shall cooperate with DRM, including the DRM monitoring team and the COVID-19 Integrity Oversight Monitor ("Integrity Monitor"), with regard to the audit of activities carried out pursuant to this MOU, including compliance with various operating and reporting procedures which may hereinafter be promulgated by DRM or federal funding sources. DHCR shall provide DRM with (read) access to and reporting from DHCR's financial records and management systems which include, but are not limited to, paper documents, worksheets, grant management systems, contract management systems, and databases.

3.8 DCA must appoint and retain an Integrity Monitor, pursuant to EO 166, because the Grant exceeds \$20 million. DRM will follow-up with DHCR to ensure that any concerns or findings reported by the Integrity Monitor are addressed.

3.9 To the extent that U.S. Treasury audits the use of the Grant Funds, DHCR shall coordinate with DRM a response to such audit(s). DHCR shall also be responsible for any recoupment of the Grant Funds that U.S. Treasury may require due to any findings.

3.10 DCA must comply with the audit requirements as outlined in 2 CFR Part 200, Subpart F, Audit Requirements, which mandates that if a non-Federal entity expends \$750,000 or more in federal awards during the non-Federal entity's fiscal year, the entity must have a single or program-specific audit conducted by an independent auditor for that year.

3.11 In the event that the actual or committed disbursement of funds as stated in the report provided pursuant to Section 3.1 is less than the amount of the Grant Funds, or upon termination of the MOU, DHCR shall promptly remit to DRM the balance of the remaining Grant Funds.

3.12 DHCR is responsible for ensuring the Grant Funds do not constitute a "Duplication of Benefits" as defined by the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121 et seq. DHCR shall establish appropriate policies and procedures to prevent Duplication of Benefits and shall cooperate and coordinate with other State departments and agencies to prevent and rectify Duplication of Benefits, which may include, but is not limited to, recoupment of Grant Funds.

3.13 The Accountability Officer for DCA is the Director of Fiscal Administration of the DCA, who shall review DHCR's obligations as provided in this MOU and shall be an additional point of contact for DRM, Governor's Office and the Office of the State Comptroller. The Accountability Officer is required to perform risk assessments of DHCR's Program, along with hiring an Integrity Monitor where appropriate.

3.14 DHCR shall provide any complaints of discrimination on the grounds of race, color, or national origin, and limited proficiency covered by Title VI of the Civil Rights Act of 1964, and any review, proceedings and outcome related to the complaint.

3.15 DHCR shall maintain records for the period set forth in the State General Retention Schedule or seven (7) years for federal grants. Non-federal entities not subject to State retention requirements shall maintain records for the period set forth in 2 C.F.R. § 200.333.

Section 4. General Provisions

4.1 Termination and Amendments. This MOU may be modified or extended only by prior written agreement by the Parties. This MOU may be terminated by either DRM or DHCR upon thirty (30) days prior written notice to the other Party.

4.2 This MOU is being entered into for the sole purpose of evidencing the mutual understanding and intention of the Parties.

4.3 There are no third-party beneficiaries of this MOU.

4.4 This MOU shall be administered consistent with N.J.S.A. 52:14-1 et seq.

4.5 The Effective Date of this MOU shall be the later of the date executed by the Parties below and shall continue until March 31, 2027.

4.6 DRM and DHCR shall retain all the powers, obligations and immunities provided by law.

4.7 The Parties acknowledge that the successful completion of each Party's duties hereunder will require cooperation between the Parties. The Parties agree to work cooperatively to achieve the goals of this MOU.

4.8 The recitals appearing before Section 1 are made part of this MOU and are specifically incorporated herein by reference.

4.9 This MOU may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the Parties have executed and delivered this MOU on the date set forth next to their respective signatures below, but effective as of the date set forth above. The Parties agree to accept electronic signatures.


New Jersey Department of Community Affairs, Division of Disaster Recovery & Mitigation

Date: _____

By: Vera Ellen Ricciardi
Director

New Jersey Department of Community Affairs, Division of Disaster Recovery and Mitigation

Date: 8-31-21



By: Janel Winter
Director

New Jersey Department of Community Affairs, Division of Housing & Community Resources

- Exhibit A – Description of the Program
- Exhibit B – Budget
- Exhibit C -- Financial Reporting
- Exhibit D – Programmatic Reporting
- Exhibit E -- Schedule of Assurances

American Rescue Plan (ARP) Utility Arrearage Program Case Management Consulting Services

Statement of Work

Prepared for

State of New Jersey

Department of Community Affairs

(NJDCA)

Division of Housing and Community Resources

September 2 , 2021

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1. Overview

New Jersey Department of Community Affairs (NJDCA) is planning to utilize different Platforms for the enablement of American Rescue Plan (ARP) Arrearage Program to support both in-take of applications and adjudication of benefits.

To assist NJDCA in the operation of this program, IBM proposes a Time and Materials (T&M) model for our Contact Center-as-a-Service (CCaaS). Our CCaaS managed services model that includes the following: adjudication/call center staff and Nice inContact Interactive Voice Response (IVR) Platform-as-a-Service (PaaS). Through CCaaS IBM will provide professional services to manage and operate the ARP arrearage program for NJDCA for a period of 10-Months from August 23, 2021, to June 30, 2022.

2. IBM Statement of Work

This section describes the work to be provided by IBM (the “Services”) to State of New Jersey Department of Community Affairs (“Client”, also called “you” and “your”) under the terms and conditions of the agreement identified in the signature block of this SOW (the “Agreement”). In addition, your responsibilities are listed.

2.1 Project Scope

Under this agreement, IBM will provide resources (as outlined in the “IBM Responsibilities” section) on a T&M basis.

The overall program will include the following phases

- Project Kick-off
- NICE inContact Interactive Voice Response (IVR) Setup and Configure
 - ServiceNow Setup and Configure in support of NICE inContact IVR Maintenance and Operations
- Watson Virtual Agent
 - Voice and web based virtual agent to support participant self-service and provide 24x7 coverage
- Staff and On-Board Adjudicators (Initial and As Needed)
- ARP Arrearage Program Operational Reporting in a Word or Power Point Document
 - Weekly Reports:
 - Claim Processing Reports (at minimum will include Claim Age, Claims Status, Backlog and Processed)
 - IVR Reports (at minimum will include Available Agents, Inbound/Outbound Call Volumes/Handled and English/Spanish Calls Handled)
 - Monthly Reports:
 - Budget, Staff, Work Productivity, and Issue/Risk Reports

- NICE inContact IVR Maintenance and Operations
- Project Close-Out

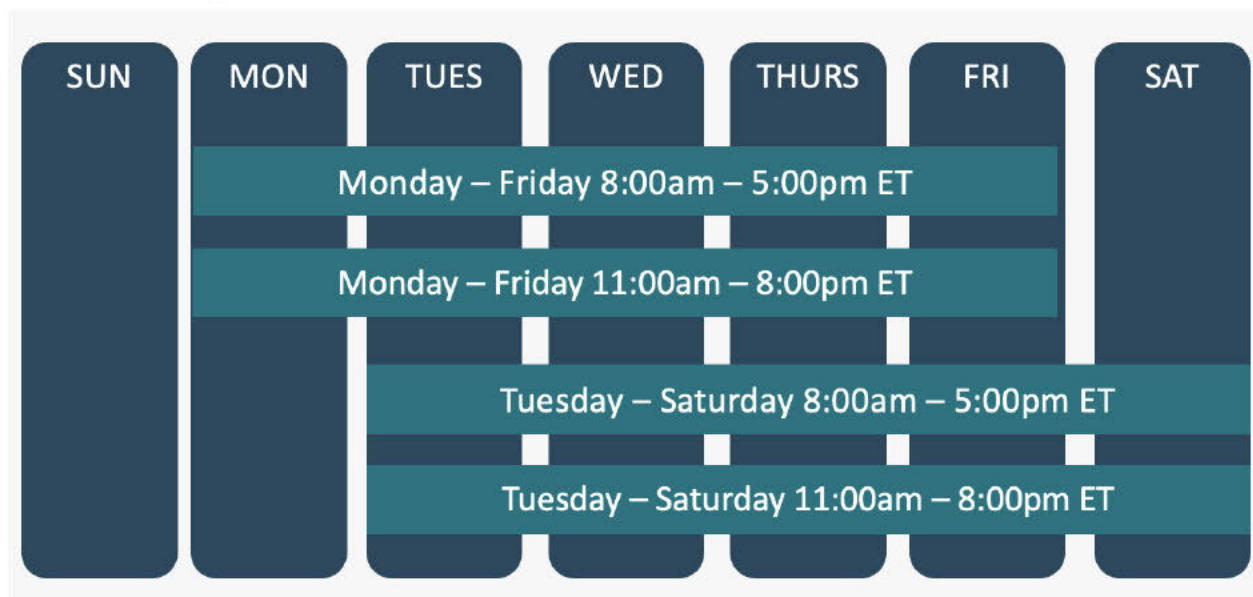
2.2 Facilities and Hours of Coverage

IBM will:

- Perform work under this SOW remotely.
- Provide the Services under this SOW during following business hours as described below.

ARP Arrearage Program Support:

- Business hours, 8:00 AM to 8:00 PM local time, Monday through Saturday, except observed New Jersey and Federal holidays or as otherwise mutually agreed.



Example work coverage for providing support from 8:00 AM to 8:00 PM

Some personnel may work hours other than those defined as normal business hours to accommodate administrative and technical tasks as necessary.

- IBM will use personnel from the listed third-party suppliers to support the delivery of services.

Third Party Supplier
Artech Information Systems

- Staffing levels may fluctuate to meet the approved FTE headcount as hiring and training activities surge to backfill any vacant positions as needed.

2.3 IBM Responsibilities

Prior to the start of the Services, IBM will designate a person called the IBM Project/Operations Manager who will be the focal point for Client communications relative to this Agreement. The IBM Project/Operations Manager is included in our CCaaS managed services model and will have the authority to act on behalf of IBM in all matters regarding this Agreement. The IBM Project/Operations Manager will provide ongoing delivery oversight for the IBM responsibilities.

In addition to the Project/Operations Manager cited above, IBM’s CCaaS managed services will also provide the following resources to NJDCA’s IT team. The team will be scaled based on the direction of NJDCA’s Program Manager and mutually agreed upon capacity models.

Team Structure		
Staffing Level	Staffing Category	Role
Leve 3	Project/Operations Manager	PMO
Leve 3	PMO Support Staff	PMO
Leve 3	Manager	Focals
Leve 2	Supervisor	Squad Leaders
Leve 1	Agents	Adjudicators
Leve 1	Agents	Ca Center Profess onas s
Leve 2	Technical Support	Application Support

IBM team’s activities will include:

- Program Management
 - Project/Operations Manager to work with the NJDCA Program Manager
 - Manage risk, issues, and changes
 - Establish weekly operations leadership meeting, unless otherwise agreed, in support of overall governance and management of ARP arrearage program operations
 - Provide weekly and monthly ARP arrearage operational reports
 - Directly provide operational management of IBM staff performing ARP arrearage program activities
 - Assess and monitor metrics around estimated claim application volumes, claim adjudication processing volumes, and call volumes to recommend appropriate changes to staffing levels
 - Recruit, hire, staff, and on-board ARP arrearage program adjudicators as needed
- NICE inContact IVR Setup, Configure, and Maintain – NICE inContact is a cloud-based contact center management platform, including the following components:
 - Direct Inward Dialing (DID) – Toll free number

- IVR (Interactive Voice Response) – An automated telephony system that interacts with the employees, gathers the required information to route the employee to the appropriate Service Center Resource. Supports skill-based routing and call recording
- Promisekeeper Functionality – Configurable option that allows end user to request a callback during business hours.
- Quality Management – Allows Supervisors to randomly select contacts and verify handling is correct
- Workforce Management – Provides ability to optimize workforce, including scheduling breaks and training based on call volume. Also, includes the ability to analyze the performance of the call center individually and as a team
- 240 hours of NICE inContact IVR to NJ 211 IVR integration is included in this SOW
- NICE inContact ServiceNow Setup and Configure – ServiceNow is a platform-as-a-service provider that will provide technical management support for NICE inContact including providing help desk functionality
- ARP arrearage program claim application adjudication/call center support
 - Evaluation of application and submitted documents to determine program eligibility
 - Perform approval, denial, or follow-up as needed to render an approval or denial decision
 - Provides customer service and problem solving in response to claimant inquiries and advises claimant of their rights and responsibilities under current ARP arrearage program policies and procedures; evaluates utility's arrears claims and issues.
 - Research, reviews, and advises claimants on unfamiliar concepts, filing options, and programs that apply to ARP arrearage program activities.
 - Assist claimants with filing their ARP arrearage program applications.
 - Assist external users by answering questions about the application and the program in both English and Spanish, where possible
 - Conduct proactive case management for ARP arrearage program with the following activities:
 - Conduct follow-up activities with claimants with incomplete applications or outstanding documents via outbound calls or emails
 - Support NJDCA outreach/campaign activities for non-responders to the ARP arrearage program via outbound calls or emails
 - Monitor shared ARP arrearage program mailbox and respond to ARP arrearage program, application status and/or application follow-up questions
 - All level 2 supervisors and level 3 Manager to provide operational management to level 1 agents

- Level 2 Technical Support
 - Provide technical assistance to all IVR users; including password resets, IVR outages, call flow issues and configuration changes via included NICE inContact IVR ServiceNow
 - Provide technical assistance to IBM team members related to American Rescue Plan (ARP) Case Management system including access and password resets via NJ Enterprise ServiceNow or equivalent ticketing system
 - Provide technical assistance to external users related to American Rescue Plan (ARP) Case Management system including access and password resets via NJ Enterprise ServiceNow or equivalent ticketing system
- Watson Assistant Virtual Agent Setup, Configure, and Maintain – Watson Assistant Virtual Agent is a cloud-based Software-as-a-Service, including the following components: Integration with NJDCA ARP arrearages customer service application and NICE inContact and SIP transfer applications.
 - Phase 1
 - Requirements gathering and conversational design
 - Web Channel: Deploy to NJDCA ARP Arrearage program website to support FAQ
 - Voice Channel: Deploy in concert with IVR to support screening of callers and FAQ responses
 - Phase 2 – Both web and voice channels
 - Integrate with MS Dynamics
 - Authentication for existing applications
 - Provide claim status
 - SMS links to callers (Voice only)
 - Hypercare
 - Focus on evaluating initial user interactions with the Virtual Agent to identify opportunities for improvement
 - Continuous Improvement
 - Evaluate system performance to enhance user experience
 - Update conversational dialog flows as program information is updated

2.4 Client's Responsibilities

IBM's performance is dependent upon the fulfillment of the Client's responsibilities at no charge to IBM. Any delay in performance of these responsibilities may result in a delay of the overall completion of the program.

IBM expects that the Client will:

- Designate a Program Manager who will work day-to-day with the project team
- Provide a centrally managed documentation repository for storing current program eligibility requirements and documentation including, but not limited to determination decision template and a list of acceptable documents for IBM project team access
- Business subject matter experts (SME(s)) that will work with the project team on an as-needed basis
- Create and perform a targeted and phased outreach campaign, which may include standard website announcements and communications to target population
- Help guides available to applicants during the application process
- Provide remote access to NJDCA network and environments as needed to perform IBM activities

2.5 Approach

IBM will work with NJDCA to monitor metrics around estimated claim application volumes, claim adjudication processing volumes, and call volumes to recommend appropriate changes to services and staffing levels. NJDCA can decide to add or reduce the number of IBM resources at any stage during the program with the stipulated notice period of 30 days if certain staffing ratios are mutually agreed to.

IBM recommends the following staffing ratios based on the below claim and call capacity models outlined in section 2.9 Assumptions to manage and operate the ARP arrearage program.

Example Adjudicator Staffing Ratio:

Level 1 Resources	Level 2 Resources	Level 3 Resources	Total
35	8	5	48

2.6 Completion Criteria

IBM will have fulfilled its obligations under this SOW when one of the following occurs first:

- 1) IBM completes 63,608 hours of Contact Center-as-a-Services in addition to the Watson Assistant Virtual Agent delivery or
- 2) the Client or IBM terminates the project in accordance with the provisions of the Agreement, or
- 3) this contract end date expires, and an extension is not mutually agreed upon.

2.7 Estimated Schedule

The revised estimated start date for the program is August 23, 2021, or the issuance date of the State of New Jersey Purchase Order. The estimated completion date is June 30, 2022.

2.8 Charges

The total estimated value of this SOW based on a 10-month delivery is \$6,459,852.42. \$5,830,685.72 for CCaaS Managed Services and \$629,166.70 Watson Assistant – Virtual Agent.

2.8.1 Charges Detail

The monthly managed service fee is based on the estimated processing capacity model described in Section 2.9 Assumptions. The model can be adjusted based on consumption needs. The estimated hours and services fees associated to managing and operating the ARP arrearage program for NJDCA are provided in the table below.

Month ID	Est. Adjudication Processing Capacity	Est. Inbound & Outbound Call Handling Capacity	# of Resources Adjudicators/Call Center Professionals	Total Monthly Hours	Managed Services Monthly Costs
1	21,504	10,752	48	8,448	\$ 774,393.68
2	21,504	10,752	47	7,896	\$ 723,794.09
3	21,504	10,752	47	7,520	\$ 689,327.70
4	18,432	9,216	42	6,384	\$ 585,195.22
5	18,432	9,216	42	7,056	\$ 646,794.72
6	12,288	6,144	40	6,720	\$ 615,994.97
7	12,288	6,144	40	6,080	\$ 557,328.78
8	12,288	6,144	29	5,104	\$ 467,862.85
9	9,216	4,608	28	4,704	\$ 431,196.48
10	9,216	4,608	22	3,696	\$ 338,797.23
			TOTAL	63,608	\$ 5,830,685.72

The estimated charges by month results in a blended rate of \$91.67.

Watson Assistant – Virtual Agent:

Month ID	IBM Cloud Watson Enterprise Monthly Cost	SIP & SMS Services (Twilio) Monthly Cost	Phase 1 Services Cost	Phase 2 Services Cost	Total Monthly Costs
1	\$ 11,250.00	\$ 4,166.67	\$ 125,000.00	\$ 0.00	\$ 140,416.67
2	\$ 11,250.00	\$ 4,166.67	\$ 0.00	\$ 350,000.00	\$ 365,416.67
3	\$ 11,250.00	\$ 4,166.67	\$ 0.00	\$ 0.00	\$ 15,416.67
4	\$ 11,250.00	\$ 4,166.67	\$ 0.00	\$ 0.00	\$ 15,416.67
5	\$ 11,250.00	\$ 4,166.67	\$ 0.00	\$ 0.00	\$ 15,416.67
6	\$ 11,250.00	\$ 4,166.67	\$ 0.00	\$ 0.00	\$ 15,416.67
7	\$ 11,250.00	\$ 4,166.67	\$ 0.00	\$ 0.00	\$ 15,416.67
8	\$ 11,250.00	\$ 4,166.67	\$ 0.00	\$ 0.00	\$ 15,416.67
9	\$ 11,250.00	\$ 4,166.67	\$ 0.00	\$ 0.00	\$ 15,416.67
10	\$ 11,250.00	\$ 4,166.67	\$ 0.00	\$ 0.00	\$ 15,416.67
				Total	\$ 629,166.70

Any estimate given by IBM of any change whether for planning or any other purpose is only an estimate. As these are estimated amounts, actual charges may differ, and IBM may adjust the mix of hours and rates shown above without a PCR as described in Appendix A-1: Project Change Control Procedure, if the Total Estimated Services Charges are not exceeded.

Payment of invoices are in accordance with the State of New Jersey Prompt Payment Act.

2.9 Assumptions

The following operational assumptions were used to estimate staffing, pricing, and expected volumes. Should any of these assumptions prove to not be accurate, IBM will use the process outlined in the Appendix A to work with NJDCA to modify staffing, timelines, and/or pricing as mutually agreed.

No.	Description
1	Level 1 staff (adjudicators/call center professionals) will work no more than 40 hours/week, 8 hours/days within the allotted period Monday – Saturday (8:00am – 8:00pm ET).
2	NJDCA or designee will provide formal training at least one-week before IBM begins call handling. Formal training to include ARP arrearage program FAQs, available resources (i.e., program rules and policies) and other support program knowledge materials/references (i.e., LIHEAP, Rental Assistance, and Homelessness) and appropriate transfer reference to provide (.e., NJ 211 serv ces).
3	NJDCA or designee will provide ARP arrearage program platforms, available system and/or user training/knowledge materials at least one-week before adjudications activities begin.
4	The program will have a possible target population of 300,000 households. IBM assumes 50% of target population/households will apply for program.
5	IBM assumes distribution of work will be 80% of time spent on adjudication process and 20% of time spent on Inbound/Outbound call handling.

No.	Description
6	IBM assumes adjudication process of 10 mins per case (assuming determination is manually created).
7	IBM assumes 5 mins per outbound call for follow-up adjudication activities.
8	IBM assumes 5 mins per inbound call from claimants.
9	Any system-related (Non IVR) defects or enhancement requests identified by Level 2 Technical Support either through use by external users or IBM Adjudicators/Agents will be documented and submitted through the established process by the ARP Case Management Implementation Team for disposition and/or prioritization.
10	IBM assumes another communication channel is provided by the state for users (internal/external) to report system/application issues for appropriate disposition.
11	IBM assumes that the state will provide all required user licenses for the adjudication and call center activities on the ARP arrearage program platforms, so that we can manage and operate the ARP arrearage program for NJDCA.
12	IBM assumes 35% of the Level 1 staff (adjudicators/call center professionals) will be bilingual in both English and Spanish.
13	If the need for Spanish speaking Level 1 staff be more than 35% of available Level 1 staff or a need arises for any other language, IBM will leverage existing NJ 211 language line for translation services. NJDCA will provide IBM with appropriate language line access codes to use this service.
14	IBM has allocated 240 hours for IVR customization in this SOW.
15	Initial Virtual Agent in English language, and then will add Spanish language once configuration is accepted in English.
16	IBM Public Cloud will be used to deploy the Virtual Agent and approved data elements for authentication will not contain SPI subject to additional security requirements.
17	For the Virtual Agent, dialog flows will be approved by the NJDCA in a timely manner in keeping with the project plan to support project milestones.
18	NJDCA will reimburse IBM for any fees related to background checks required to provide the services described herein.
19	All claim application types (i.e. paper applications from local NJ offices) for the ARP utility arrearage program unless taken by phone via the IVR, will be made available to the adjudicators/CSR via the Case Management application for data entry, follow-up, and adjudication.

The below table provides details around how the application backlog, application adjudication capacity, and call handling capacity were estimated.

Description	Value
Total Households	300,000
Total Anticipated Applications (50% of Households)	150,000
Monthly Applications	12,500

Description	Value
Average Adjudication Handling Time (10 mins/claim)	10
Total Anticipated Adjudications Processed/Resource/Month	614.4
Total Anticipated Inbound/Outbound Call Contact (20% of Total Applications)	30,000
Average Inbound/Outbound Call Handling Time (5 mins/call)	5
Total Anticipated Inbound/Outbound Calls Handled/Resource/Month	307.2

The below table outlines how application count, adjudication processing capacity by month were estimated.

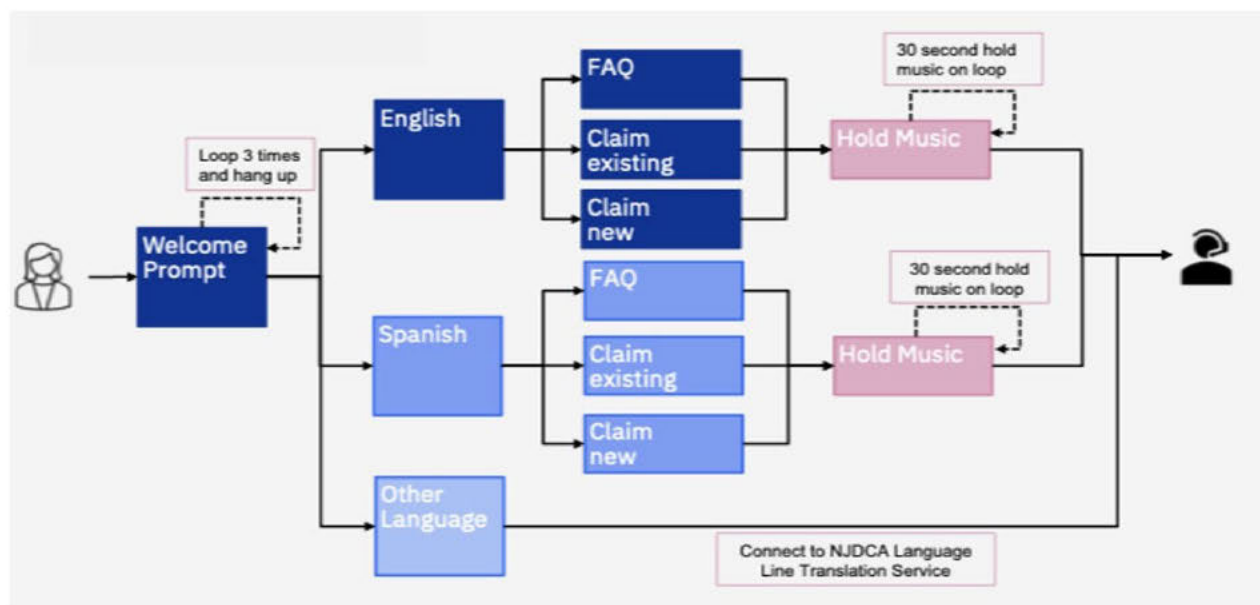
Month	Application Count	# of Resources	Adjudication Processing Capacity	Application Backlog
1	40000	48	21504	18496
2	30000	47	21504	26992
3	20000	47	21504	25488
4	10000	42	18432	17056
5	10000	42	18432	8624
6	10000	40	18,432	6,336
7	10000	40	18,432	4,048
8	7500	29	11,674	0
9	7500	28	11,674	0
10	5000	22	7,987	0
Total Applications	150000	Total Capacity	169574	

The below table outlines how inbound & outbound call volume and call handling capacity by month were estimated.

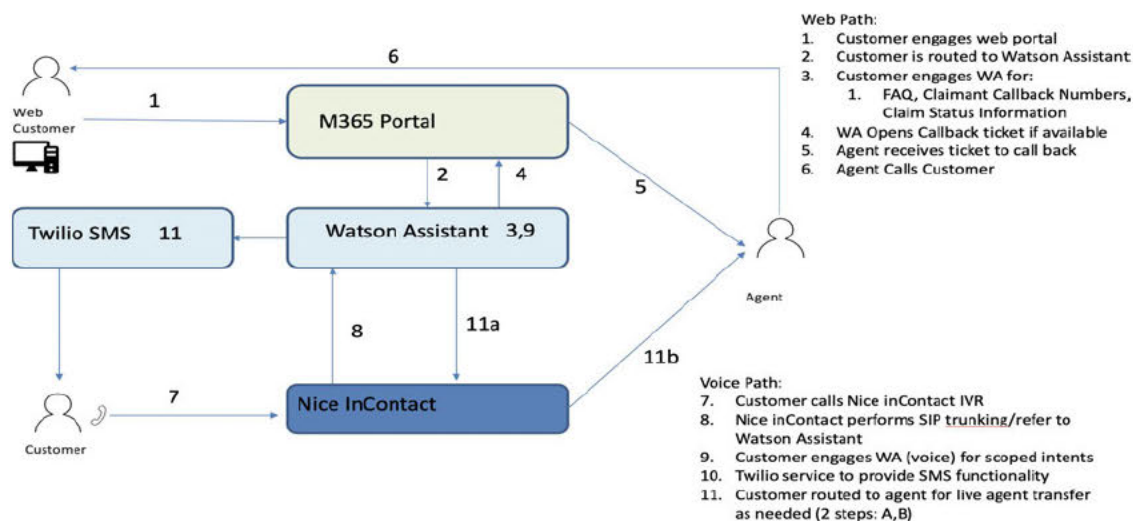
Month	Inbound & Outbound Call Contacts	# of Resources	Inbound & Outbound Call Handling Capacity	Inbound & Outbound Call Backlog
1	8000	48	10752	0
2	6000	47	10752	0
3	4000	47	10752	0
4	2000	42	9216	0
5	2000	42	9216	0
6	2000	40	9,216	0
7	2000	40	9,216	0
8	1500	29	5,837	0

Month	Inbound & Outbound Call Contacts	# of Resources	Inbound & Outbound Call Handling Capacity	Inbound & Outbound Call Backlog
9	1500	28	5,837	0
10	1000	22	3,994	0
Total Contacts	30000	Total Capacity	84787	

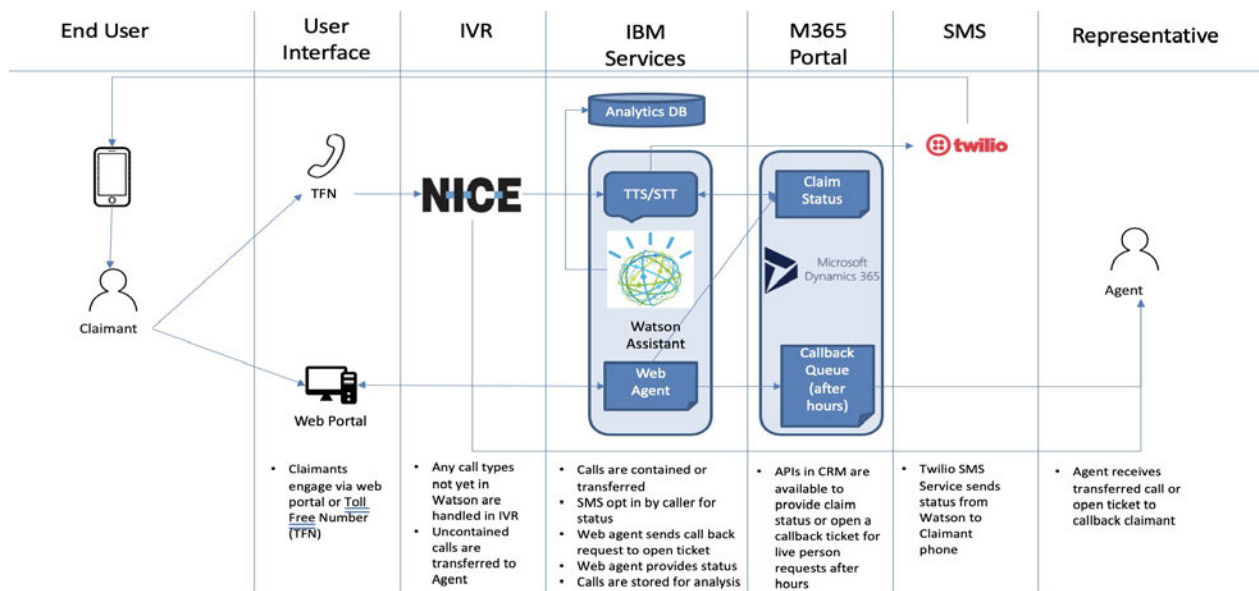
2.9.1 IVR Flow



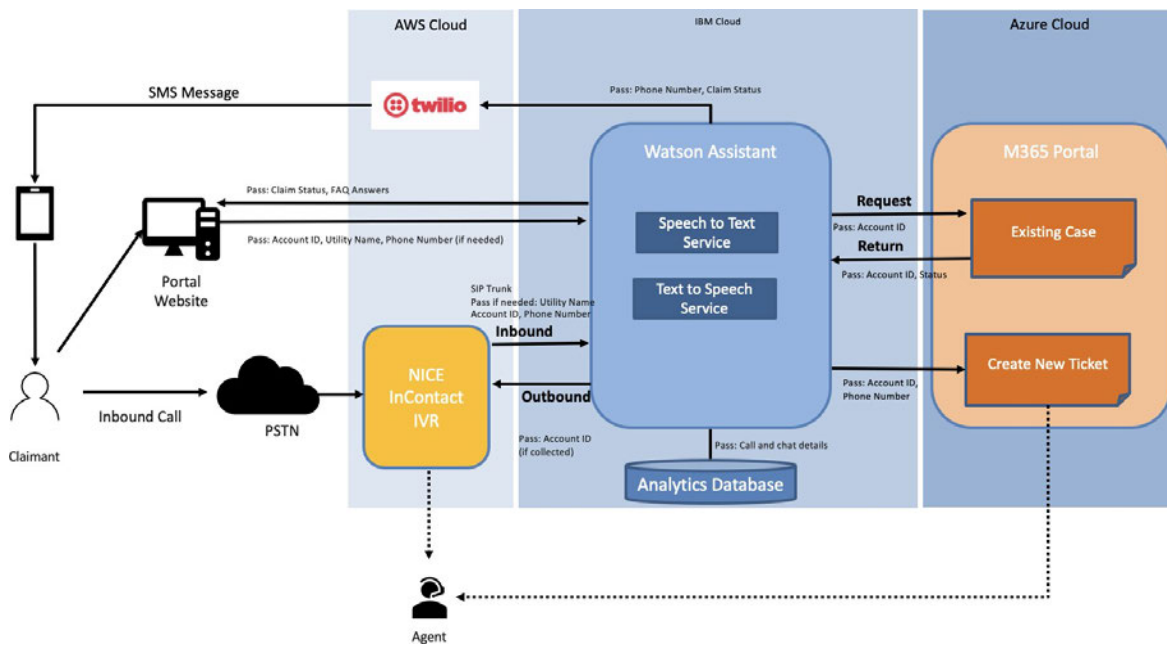
2.9.2 Claimant Process Flow



2.9.3 Watson Assistant Logical Architecture



2.9.4 Watson Assistant Physical Architecture



2.10 Additional Terms and Conditions

IBM and NJDCA agree to the following changes to the Waivered Contracts Supplement to the State of New Jersey Standard Terms and Conditions, Part D Section 4.1 Indemnification and Limitation of Liability to replace sub-section 3(a)(ii) Limitation of Liability in whole with the following language:

"ii. The contractor's misappropriation, contractor's misuse, or contractor's intentional disclosure of State Confidential Information in breach of its obligations of confidentiality described in Section 5.17 of this Supplement; and."

2.10.1 Information Security

In addition to NJDCA and IBM (the "Parties") obligations under this SOW and the Agreement, the following provisions apply in the event that one Party makes Sensitive Personal Information and/or Business Sensitive Information available to the other, which the providing Party agrees are appropriate security measures to protect the information:

"Sensitive Personal Information" (SPI) refers to an individual's name in conjunction with that individual's social security number, driver license number, state identification number, medical information, date of birth, electronic signature or mother's maiden name. "Business Sensitive Information" (BSI) refers to information the parties agree is due special handling as a result of its content and which is marked as "sensitive" by the owning Party.

- a) The Parties will agree in advance prior to providing the other any SPI or BSI.
- b) If the Party providing the SPI or BSI requires additional security measures beyond those specified in this SOW and the Agreement, the Parties will mutually agree to them pursuant to the Project Change Control Procedure in Appendix A – Project Procedures. These security measures will be set forth in an additional Appendix. For example, the providing party may require that "real" or "live" SPI will be masked, scrambled or otherwise de-identified to mitigate risks in providing this information to the other Party.
- c) Each Party agrees not to use or disclose SPI and/or BSI other than as permitted or required by this SOW and the Agreement or as required by laws and regulations ("Laws"). 5
- d) Each Party agrees to implement the security measures specified in this SOW and the Agreement, and security measures agreed pursuant to b., above, if any, which the Party providing the information has determined are appropriate security measures to protect their information.
- e) Each Party agrees to communicate, manage and mitigate risk by implementing the security measures to protect SPI and/or BSI specified in this SOW and the Agreement. Additional or different services will be deemed a request for new services and managed through the Project Change Control Procedure in Appendix A – Project Procedures.

- f) Each Party agrees to inform the other of cases where it learns that an unauthorized third party has accessed or acquired the other Party’s SPI or BSI.
- g) Each Party agrees that prior to providing any agent, including a subcontractor, SPI or BSI received from the other Party, the disclosing Party will enter an agreement with the agent containing the same restrictions and conditions that apply to this SOW and the Agreement.
- h) Each Party agrees to promptly return to the other or destroy all SPI and/or BSI belonging to the other Party which is no longer necessary to fulfill the purpose(s) for which it was made available, unless otherwise instructed by the other Party or as required by Laws.
- i) Client agrees that no Client personal data that is subject to i) the European General Data Protection Regulation (E/2016/679) (GDPR); or ii) other data protection laws identified at <http://ibm.com/dpa/dpl> will be provided to IBM for processing on behalf of the Client under this transaction.
- j) The following data elements are identified for API integration for NICE inContact, Watson Assistant – Virtual Agent, and Microsoft 365 Portal.

Solution Component	Data Element
Watson Assistant API	Claimant telephone number
Watson Assistant API	Utility/Case Account ID
Watson Assistant API	Utility Name
Watson Assistant API	Call status
Nice InContact Admin API	Claimant telephone number
Nice InContact Admin API	Utility/Case Account ID
Nice InContact Admin API	Utility Name
SMS API	Claimant telephone number
Microsoft 365 Portal API	Claimant telephone number
Microsoft 365 Portal API	Utility/Case Account ID
Microsoft 365 Portal API	Utility Name
Microsoft 365 Portal API	Claim status

2.11 Each party agrees the complete agreement between the parties for these Services consists of,

- 1) The referenced Statement of Work above executed with NJDCA,
- 2) Waivered Contracts Supplement to the State of New Jersey Standard Terms and Conditions,
- 3) State of New Jersey Standard Terms and Conditions (Revised 2/1/2021), and
- 4) IBM's American Rescue Plan Utility Arrearage Program Case Management Consulting Services RFQ response

In the event of any inconsistencies between above documents, the terms of the Statement of Work shall take precedence over Waivered Contracts Supplement to the State of New Jersey Standard Terms and Conditions. Waivered Contracts Supplement to the State of New Jersey Standard Terms and Conditions shall take precedence over State of New Jersey Standard Terms and Conditions (Revised 2/1/2021). State of New Jersey Standard Terms and Conditions (Revised 2/1/2021) shall take precedence over IBM's RFQ response, and IBM's RFQ response shall take precedence over the RFQ to the extent the RFQ is included within the RFQ response.

Agreed to:

**State of New Jersey
Department of Community Affairs**

**International Business Machines
Corporation**

By: John Harrison

By: Yong Pak

(Signature)

(Signature)

John Harrison

Yong Pak

(print name)

(print name)

Date: 9/2/2021

Date: 9/2/2021

Agreement name: **American Rescue Plan Utility Arrearage Program Case Management Consulting Services RFQ**

Agreement number/date: Please see referenced RFQ / 09/02/2021

Appendix A: Project Procedures

A - 1: Project Change Control Procedure

The following provides a detailed process to follow if a change to this Statement of Work (SOW) is required.

- A Project Change Request (PCR) will be the vehicle for communicating changes. The PCR must describe the change; the rationale for the change and the effect the change will have on the project. PCR's must be approved in advance by both the Client and IBM and include a New Jersey State Purchase Order.
- The designated individual of the requesting Party will review the proposed change and determine whether to submit the request to the other Party.
- Both parties will review the proposed change and approve it for further investigation or reject it. The investigation will determine the effect that the implementation of the PCR will have on price, schedule and other terms and conditions of the Agreement. PCR's must be approved in advance by both the State of New Jersey and IBM and include a New Jersey State Purchase Order.
- A written Change Authorization and/or Project Change Request (PCR) must be signed by both parties to authorize implementation of the investigated changes. PCR's must be approved in advance by both the State of New Jersey and IBM and include a New Jersey State Purchase Order.

A – 2: Escalation Procedure

The following procedure will be followed to resolve a conflict arising during the performance of this SOW.

- a. When a conflict arises between the Client and IBM, the project team member(s) will first strive to work out the problem internally.
- b. Level 1: If the project team cannot resolve the conflict within two business days, your Project Manager and the IBM Project/Operations Manager will meet to resolve the issue.
- c. Level 2: If the conflict is not resolved within three business days after being escalated to Level 1, your Executive Sponsor will meet with the IBM Project Executive to resolve the issue.
- d. If the conflict is resolved by either Level 1 or Level 2 intervention, the resolution will be addressed in accordance with the Project Change Control Procedure set forth in Appendix A-1.
- e. If the conflict remains unresolved after Level 2 intervention, then the State Contract Manager should be notified to assist in resolution. At this point, either party may terminate this SOW.
- f. During any conflict resolution, IBM agrees to provide Services relating to items not in dispute, to the extent practicable pending resolution of the conflict.

Integrity Monitor Engagement Query Response

Contract G4018 – Integrity
Oversight Monitoring –
Category 3 Services

New Jersey Department of Community Affairs – Utility Arrearage Program

December 21, 2022
3:00 p.m. EST

Submitted by:

CohnReznick LLP
101 Crawford's Corner Road
Suite 2316
Holmdel, NJ 07733

Frank Banda, CPA, CFE, CGMA, PMP
Managing Partner – Public Sector

CohnReznick 
ADVISORY • ASSURANCE • TAX



CohnReznick is an independent
member of Nexia International

CohnReznick LLP | 101 Crawford's Corner Road | Suite 2316 | Holmdel, NJ 07733-1980
Main: 732.578.0700 | Fax: 732.578.1711 | cohnreznick.com

Transmittal Letter

Dear Mr. Giordano and Ms. Cartwright:

On behalf of CohnReznick, I am pleased to present our proposal to provide the New Jersey Department of Community Affairs (NJDCA) with Category 3: Integrity and Anti-Fraud Oversight Monitoring services to support the compliant use of the Utility Arrearage Program. We are confident you will find our response to be the most efficient and economical solution to work with NJDCA to achieve its overall goals. Choosing CohnReznick offers the following advantages:



Process for understanding and accounting for risks associated with utility arrears programs. NJDCA will benefit from selecting an integrity monitor who has proven success preventing fraud, waste, and abuse in programs that offer utility arrear assistance. CohnReznick has worked with housing divisions just like the Division of Housing and Community Resources (DHCR) to protect the integrity of utility arrear payments on behalf of hundreds of thousands taxpayers across the U.S. Most recently, CohnReznick identified and corrected a \$185,000 overpayment to the State of Louisiana's primary utility provider in time to recoup the funds and correct customer accounts. In another rental and utility assistance program, we identified \$50 million of fraudulent applications for the State of Texas.



People who excel at providing New Jersey State and U.S. Department of the Treasury Program guidance. NJDCA needs the support of a firm that can provide immediately available, highly-qualified staff to perform program monitoring. CohnReznick is proposing a team of monitors that includes individuals who have supported NJDCA on other similar assistance programs, as well as individuals who have successfully overseen compliance on programs that are funded by the U.S. Treasury and provide utility arrear relief. This blend of experience allows us to provide quality service while being responsive to NJDCA's turnaround times and reporting deadlines.



New Jersey-centric lens from our experience in the state. CohnReznick provided compliance and oversight monitoring services for NJDCA's Sandy Recovery Division for its Superstorm Sandy recovery program, resulting in the creation, implementation and monitoring of 19 programs – the largest of which was valued at \$1 billion. Our monitoring was built on "real-time" mechanisms to track, quantify and evaluate performance and mitigate risk at the contractor and program levels. We bring that model to Day 1 of this engagement.

Our team has been carefully selected to provide a flexible, effective, efficient, and economical approach to the Utility Arrearage Program. It will be my honor to once again mobilize my team to help New Jersey maximize recovery outcomes while protecting the use and application of taxpayer dollars. Please do not hesitate to contact me via email Frank.Banda@CohnReznick.com or by telephone 301-280-1856.



Frank Banda, CPA, CFE, CGMA, PMP
Managing Partner, CohnReznick Government and Public Sector Advisory



Ms. Mona Cartwright, Fiscal Manager
New Jersey Department of the Treasury
Via email: [REDACTED]

Copy to:
Mr. Anthony Giordano, Agency Contract Manager
New Jersey Department of Community Affairs
Via email: [REDACTED]

December 21, 2022



RE: Integrity Monitor Engagement Query – Contract G4018 – Integrity Oversight Monitoring: Program and Performance Monitoring, Financial Monitoring and Grant Management and Anti-Fraud Monitoring for COVID-19 Recovery Funds and Programs for the New Jersey Department of Community Affairs Utility Arrearage Program

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Section 1 | Plan to Accomplish Scope of Work Requirements

Integrity Monitor Engagement Query Response

Contract G4018 – Integrity
Oversight Monitoring – Category
3 Services

New Jersey Department of
Community Affairs –
Utility Arrearage Program





Plan to Accomplish Scope of Work Requirements

CohnReznick's team of professionals is prepared to support NJDCA Division of Housing and Community Resources (DHCR) on this engagement to perform a review of the Utility Arrearage Program (UAP) and its compliance with DHCR policies and federal regulations. For this engagement, CohnReznick is ready to assist DHCR in achieving its compliance goals by:

- ✓ Conducting a risk assessment of the UAP to evaluate conformance with documented program guidelines, federal and state statutes and guidance, and award agreements/MOUs;
- ✓ Developing a work plan using industry-accepted best practices and Generally Accepted Government Auditing Standards (GAGAS), and incorporating methodologies developed according to Circular A-133, Compliance Audits, as published by the American Institute of Certified Public Accountants (AICPA);
- ✓ Swiftly reviewing and monitoring applicant files for eligibility, accuracy, and completeness in relation to UAP guidance; and
- ✓ Submitting periodic quarterly and monthly reports, and a final Project Completion Report to provide a summary of findings and to outline recommendations to mitigate against future risks of fraud, waste, and abuse.

CohnReznick tailors its approach to engagements in a unique and strategic manner to best support the needs and challenges of government agencies. The below project plan outlines our comprehensive and holistic methodology to performing each component of the scope as outlined in the Engagement Query (EQ). Our extensive experience successfully supporting numerous New Jersey state agencies with their monitoring of substantial, complex grant programs provides us with a keen understanding of the challenges and obstacles facing recipients and program administrators. Our team will meet the expectations set forth in the EQ and within the time frame specified in this response, and we are confident our plan presents the most efficient, effective means of monitoring the Utility Arrearage Program.

Planning



Project Launch Meeting(s)

Kickoff Meeting

- 1) Conduct an engagement kickoff meeting with DHCR within 5 business days of letter of engagement being provided to IM;
- 2) Review and confirm engagement scope and objectives;
- 3) Confirm level of coordination between CohnReznick and DHCR personnel to include communications protocols, etc.;
- 4) Schedule Entrance Conference with key Program personnel;
- 5) Coordinate bi-weekly meeting schedule and confirm attendees;



Entrance Conference

- 1) Conduct entrance conference with key DHCR's UAP personnel;
- 2) Conduct overview of the Utility Arrearage Program and confirm points of contact for monitoring areas;
- 3) Request copies of policies, procedures, operational workflow, and organization charts;
- 4) Establish protocol for contacting internal and external staff to request documents, interviews, and process walkthroughs;
- 5) Confirm the system of record for each process area and the existence of any external systems/databases used to maintain Program data;
- 6) Confirm risk assessment template(s) with DHCR.

Risk Assessment and Work Plan

Risk Assessment

- 1) Coordinate with DHCR to perform a risk assessment to evaluate, at a minimum, organizational structure, internal controls, and policies and procedures implemented to manage program risk in administering the UAP;
- 2) Interview DHCR staff or other stakeholders, as necessary and conduct virtual processes walkthrough;
- 3) Review provided responses and documents;
- 4) Assess the risk of each associated process and identify potential areas of high risk;
- 5) Review internal controls assessment and evaluate existing controls are in place to satisfy program requirements;
- 6) Document any gaps and conduct follow-up meetings to discuss risk assessment and responses;
- 7) Complete and submit Risk Assessment;
- 8) Recommend best practices based on the results of the programs' internal controls review and assessment of risks;
- 9) Provide fraud awareness instruction for DHCR and/or utility companies as needed, and provide recommendations for effective means of reporting, mitigating against, and ameliorating instances of fraud, waste, and abuse using available resources;
- 10) Document and immediately report any potential areas of fraud, waste, and abuse.

Work Plan Development

- 1) Verify federal and state regulatory requirements for incorporation into Work Plan;
- 2) Based on the risk assessment, develop a Work Plan for monitoring the UAP;
- 3) Coordinate with the Accountability Officer regarding work plan;
- 4) Finalize work plan for conducting monitoring activities.



Monitoring of the Utility Arrearage Program

Applicant Reviews

- 1) Draw a random sample of applications reasonably expected to be representative of the applicant population, using a methodology in accordance with Circular A-133, Compliance Audits, as published by the American Institute of Certified Public Accountants (AICPA);
- 2) Develop testing procedures by considering Program risks identified during the risk assessment;
- 3) Review selected sample of applicant files for eligibility, application of payments to customer accounts, and proper documentation;
- 4) Review application data to identify potential instances of fraud, waste, and abuse using our proven data analytics tools to identify anomalies, patterns, and discrepancies;
- 5) Review program and/or applicant data to cross-check, or validate, against other available data sources to perform activities such as reviewing for duplication of benefits;
- 6) Review program files to ensure compliance with DHCR policies and federal regulations;
- 7) Conduct interviews and follow-up as necessary;
- 8) Evaluate whether onsite monitoring is appropriate based on results of risk assessment and ongoing monitoring;
- 9) Document evaluation and conclusions related to the decisions regarding onsite monitoring to DHCR.

Reporting

Deliverables / Closeout

Please see **Section 2: Deliverables for Scope of Work** for the reporting and deliverables CohnReznick will provide during this engagement.



CohnReznick Starts Day 1 with Tools and Job Aids.

Throughout the course of our work under Contract G4018, we have developed a series of tools and job aids that have proven to make our work more efficient while maintaining quality output. NJDCA will receive the best value by selecting CohnReznick to monitor the Utility Arrearage Program.

Section 2 | Reporting and Deliverables for Scope of Work

Integrity Monitor Engagement Query Response

Contract G4018 – Integrity
Oversight Monitoring – Category
3 Services

New Jersey Department of
Community Affairs –
Utility Arrearage Program





Utility Arrearage Program Phases and Timeline

CohnReznick is committed to providing quality services and deliverables within NJDCA's desired timeframe. CohnReznick will provide the following reports to DHCR based on the agreed-upon schedule:

Risk Assessment



- ▶ Initial – No later than 30 days from the issuance of the PO
- ▶ Final – No later than 10 days prior to the Project Completion date

Work Plan



- ▶ Within thirty (30) days of the Engagement date

Monthly Report(s)



- ▶ 5 business days after the end of each month, in tandem with bi-weekly meetings

Draft Quarterly Report(s)



- ▶ On or before the last day of every calendar quarter

Final Quarterly Report(s)



- ▶ 15 business days after the end of each calendar quarter

Project Completion Report



- ▶ No later than 6/30/23



CohnReznick Has Never Missed a Deadline.

We have never missed a report or deliverable deadline in the history of our support of New Jersey and Contract G4018. We will deliver the above reports and deliverables in a timely manner without sacrificing the quality our clients have come to expect.

Section 3 | New Jersey and National Utility Arrearage Experience

Integrity Monitor Engagement Query Response

Contract G4018 – Integrity
Oversight Monitoring – Category
3 Services

New Jersey Department of Community Affairs – Utility Arrearage Program





Valuable Experience Supporting Compliance of Similar Programs

CohnReznick will leverage our knowledge of NJDCA, New Jersey, and national COVID-19 compliance efforts to be a true, strategic advisor to you.

CohnReznick has been chosen time and again as the Integrity Monitor of choice across multiple competitive solicitations by New Jersey state agencies. Since 2020, CohnReznick has been selected to monitor seven (7) New Jersey engagements pertaining to the use of COVID-19 Relief Funds, assisting agencies in achieving defensible, successful program outcomes. To date these programs have been awarded over \$6 Billion in relief funds. The below graphic shows a summary of our experience supporting New Jersey under Contract G4018.



CohnReznick’s COVID-19 Monitoring Experience in New Jersey

5 New Jersey Agencies Supported

- ▶ New Jersey Department of Community Affairs (NJ DCA)
- ▶ New Jersey Department of Corrections
- ▶ New Jersey Department of Health
- ▶ New Jersey Department of Education (NJDOE)
- ▶ New Jersey Treasury Office of Management and Budget

\$6B+

Federal Funds Monitored

19 Unique Programs

- CVERAP
- LGEF
- CVERAP Phase II
- County Jail Reimbursements
- Long Term Care Testing
- Testing Expansion
- Direct Care Salary
- Survey Program
- 25% FEMA Match
- Psyc. Hospital Emergency Rate
- DR4488PA CORONAVIRUS PANDEMIC (FEMA)
- ELC COVID 19 Enhancing Detection
- ELC COVID 19 Enhancing Detection-Laboratory
- COVID 19 Immunization and Vaccines
- Digital Divide
- ESSER I
- ESSER II
- ESSER III
- PR for Public Safety EE's (JJC, DSP, DOH, MAVVA)

Nationally, multiple states have also turned to and depend on CohnReznick for the delivery of successful, billion-dollar assistance programs, giving us a unique perspective on the principal modern challenges NJDCA may encounter. For example, CohnReznick is the integrity monitor for the State of Florida’s allocation of the Emergency Solutions Grant – Coronavirus (ESG-CV). In this role, we coordinated with Continuums of Care to ensure funding is serving its purpose of stemming homelessness as a result of the pandemic. Additionally, we are the integrity monitor for Texas’ Homeowner Assistance Fund program and Louisiana’s Emergency Rental Assistance and Homeowner Assistance Funds Programs, where we work to ensure funding is compliantly being distributed to residents who need it. CohnReznick has also been an implementer of processing utility arrear applications for the States of Texas and Connecticut. Finally, CohnReznick is the sole grant monitor for \$16 billion of U.S. Treasury funding allocated to a southwestern state’s

These are just a few of the national COVID-19 recovery programs we monitor. In the case studies we have provided, we demonstrate our specific experience monitoring utility arrear payments as part of these assistance programs.

In summary, we are well-versed in how to effectively monitor COVID-19-related grant programs to help ensure relief programs stay on track with their intended recovery missions.

Our experience allows us to provide NJDCA with the following benefits:

- ✓ Increased effectiveness to focus attention on trends and patterns.
- ✓ Increased efficiencies and reduced costs over time.
- ✓ Increased protection against fraud, waste, and abuse.



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS | ERAP SUPPORT



CLIENT

Texas Department of Housing and Community Affairs

PROJECT

Emergency Rental Assistance and Homeowner Assistance Fund Programs

SCOPE OF WORK

The Texas Rent Relief Program (TRRP) is administered by the Texas Department of Housing and Community Affairs (TDHCA). Congress established the Emergency Rental Assistance Program to make funding available to assist households that are unable to pay rent or utilities. The program provides rental and utility assistance to qualifying applicants to prevent housing instability, potential eviction, and financial hardship for tenants and landlords because of the COVID-19 pandemic.

PROJECT DESCRIPTION

CohnReznick provided Application Eligibility Review services to TDHCA. Our team supported tenants and landlords who seek assistance for rent and/or utility costs for past, current, and prospective future months. Approximately \$2.0b was allocated to the State of Texas for implementation of this program. CohnReznick performed application reviews, moved applications through the entire review cycle, including initial eligibility reviews; communicating with tenants, landlords, and utility providers to confirm eligibility information and determine eligible award amounts; setting up draw requests; placing applications into final disposition; and processing appeals.

UTILITY ARREARS ENGAGEMENT HIGHLIGHTS

- ▶ Performed **130,000** Application Eligibility Reviews.
- ▶ Processed **4,355** appeals.
- ▶ Reviewed nearly **\$105 million** of utility expenses requested by tenants, including **\$80.8 million** in arrearage, and related to approximately **100 distinct utility providers**.
- ▶ Implemented machine learning model to identify **235,024** potential duplicate cases out of the **1.1 million** created rent relief applications.
- ▶ Created analytics to identify and correctly distinguish between the approval of arrears and future months to ensure rent and utility months approved did not exceed program limits.
- ▶ Implemented machine learning model for anti-fraud detection to identify **2,377** potentially fraudulent cases totaling **\$51,219,134** in requested assistance.
- ▶ Implemented machine learning model to associate **51,020** tenant applicants to corresponding landlord applications.



CONNECTICUT DEPARTMENT OF HOUSING | ERAP SUPPORT



CLIENT

Connecticut Department of Housing

PROJECT

Emergency Rental Assistance Program

PROJECT SUMMARY

Acting through its Department of Housing (DOH), the State of Connecticut (CT) developed an emergency rental assistance program - UniteCT. This \$235 million program provided rental and utility payment assistance to qualified CT households financially impacted by the COVID-19 pandemic. The intention of UniteCT was to help stabilize CT's rental housing market while serving households at or below 80% of HUD's Area Median Income.

PROJECT DESCRIPTION

CohnReznick provided program design and implementation services for Connecticut's Emergency Rental Assistance Program, UniteCT. The program assisted Connecticut's low- and moderate-income (LMI) tenants with rental assistance and utility payments.

UTILITY ARREARS ENGAGEMENT HIGHLIGHTS

As part of our assistance to the state, we worked with the State's utility providers and grants management vendor to design and execute a utility batch payment process in order to address utility accounts in arrears. We designed the process to reconcile information provided by the utility companies against applications and information received by the State for tenant accounts in arrears, to make bulk payments against the LMI tenants' outstanding utility bills. We worked with multiple utility companies and co-ops throughout the state to streamline and reconcile these payments for over **10,000** utility accounts in arrears. In total, over **20,000** applications were processed and funded by the CohnReznick team.

This quote from U.S. Treasury Deputy Secretary Wally Adeyemo speaks to the quality of the services we provided: *"I'll walk away from today realizing that here in Connecticut you have found a way to use the flexibility provided by the federal government in a way that assures people get the resources they need... I will be referring people to the State of Connecticut when they ask me how we can do this, when I'm talking to other governors, when I'm talking to other mayors, when I'm talking to housing commissioners."*



LOUISIANA OFFICE OF COMMUNITY DEVELOPMENT | ERAP SUPPORT



CLIENT

Louisiana Office of Community Development – Disaster Recovery Unit (LA OCD-DRU)

PROJECT

Emergency Rental Assistance and Homeowner Assistance Fund Programs

PROJECT SUMMARY

The Louisiana Housing Corporation (LHC), in partnership with the State of Louisiana Office of Community Development (OCD), is administering the emergency rental and utility assistance program included in the Coronavirus Response and Relief Supplemental Appropriations Act in 57 parishes. The CohnReznick team is providing Quality Assurance and Quality Control (QA/QC) services in support of the State of Louisiana's Emergency Rental Assistance Program (ERAP).

PROJECT DESCRIPTION

The Compliance and Monitoring team reviewed a sample selection (approximately 20%) of utility payments made directly to providers for eligible utility expenses (up to 12 months of arrears and current charges) for tenants already approved for rental assistance. Review of rental assistance determinations was previously performed by the Compliance and Monitoring team and established basic eligibility for this additional program. Where practical, programs should rely on existing welfare or subsidy programs to identify an eligible applicant population and streamline the process for utility payment support. Additionally, the Program established data sharing agreements with some providers to facilitate accurate payment amounts and application to the appropriate account. The Compliance and Monitoring teams review consisted of appropriateness of expense (service address, customer name and expense type), accuracy of payment amount and eligible period and review of supporting documentation if not already validated via information received from providers via the data sharing agreement.

UTILITY ARREARS ENGAGEMENT HIGHLIGHTS

The team validated the accuracy of third-party data from utility providers and identified an issue in which an import from the State's largest utility provider was not performed appropriately and resulted in an overpayment of more than **\$185,000**. This error was identified by CohnReznick's Compliance and Monitoring team in a timely manner and was clearly documented such that the program was able to coordinate with the utility provider to expeditiously return the funds and correct customer accounts.



TEXAS OFFICE OF THE GOVERNOR | ARPA SUPPORT



CLIENT

Texas Office of the Governor

PROJECT

Emergency Rental Assistance and Homeowner Assistance Fund Programs

PROJECT SUMMARY

CohnReznick is Texas' sole vendor performing statewide grant oversight and monitoring administration services for the Coronavirus Relief Fund, the Consolidated Appropriations Act of 2021, the Coronavirus State Fiscal Recovery Fund Program, and the Infrastructure Investment and Jobs Act.

PROJECT DESCRIPTION

CohnReznick provides federal grant oversight and monitoring services for the state's entire portfolio of programs and projects funded by the Infrastructure Investment and Jobs Act (IIJA), the American Rescue Plan Act (ARPA), the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), and the Consolidated Appropriations Act of 2021 (CAA). CohnReznick delivers comprehensive grant administration activities, including monitoring financial and programmatic compliance with state and federal requirements, providing technical assistance to subrecipients and beneficiaries, validating project-level expenditures, reviewing and processing applications for federal assistance, advising on systems development, and leveraging programmatic data to mitigate against fraud, waste, and abuse. Highlights include:

- ▶ Reconciled final financial reports to U.S. Treasury for CARES Act funded Coronavirus Relief Fund (CRF) program.
- ▶ Provided team of 10 to perform application eligibility review services for the Texas Tourism Industry Recovery (TTIR) Grant Program.



National Recognition for Our Successes with High-Profile U.S. Treasury-Funded Programs

Our extensive subject matter expertise of U.S. Treasury program requirements positions CohnReznick to be the best line of support for monitoring the Utility Arrearage Program. CohnReznick is proud of several pandemic relief programs we have supported that have received recognition from industry leaders, the U.S. Treasury, and beneficiaries.

Data-Driven Approach Helps Texas Lead the Nation

CohnReznick was initially engaged by TDHCA to perform a QA/QC review of Texas’s Rent Relief Program. However, in March 2021, TDHCA was under immense scrutiny to accelerate the distribution of funds as third-party technology failures were resulting in significant delays in program delivery. **TDHCA engaged CohnReznick to help overcome a backlog of applications** by expediting application reviews and disbursements to Texas’s landlords, utility providers, and tenants. CohnReznick provided over 500 staff, deployed machine-learning technology, provided advanced data analytics, and developed process improvements to help TDHCA leadership as well as the agency’s other vendors. With this support, **Texas quickly eliminated its backlog of applications and became the first state to disburse \$1B in funding.**



Community Advocate Recognition

It’s amazing to see how much more advanced Texas’s program is than in other states. It’s just been a very good, coordinated effort, so that everybody knows how and what to do, when to apply, how the process works. Other states, it’s just not as clear.”

Chris Akbari, President of Texas Affiliation of Affordable Housing

CohnReznick’s Program Design Recognized by the U.S. Department of the Treasury

CohnReznick contracted with CTDOH to serve as the program manager for its ERAP, UniteCT. Our engagement team worked with CTDOH and the Governor’s Office of Policy Management to develop the State’s policies and program requirements and execute on them. **Connecticut has received significant recognition for its program design, including high praise from the U.S. Treasury itself.**



U.S. Treasury Recognition

I’ll walk away from today realizing that here in Connecticut you have found a way to use the flexibility provided by the federal government in a way that assures people get the resources they need... I will be referring people to the State of Connecticut when they ask me how can we do this, when I’m talking to other governors, when I’m talking to other mayors, when I’m talking to housing commissioners.”

Deputy Treasury Secretary Wally Adeyemo

Section 4 | Staff Experience and Team Structure

Integrity Monitor Engagement Query Response

Contract G4018 – Integrity
Oversight Monitoring – Category
3 Services





New Jersey Department of
Community Affairs –
Utility Arrearage Program





Engagement Team Structure

CohnReznick has structured our team of professionals based on the requirements of this EQ as well as our direct experience providing compliance and oversight monitoring services for projects of similar size, scope, and turnaround time. Our team brings experience in the three areas crucial to compliant outcomes for the Utility Arrearage Program:

			
AFFORDABLE HOUSING LEADERSHIP & EXPERIENCE SERVING AGENCIES SIMILAR TO DHCR	NEW JERSEY EXPERIENCE & EXPERIENCE WITH NJDCA	UTILITY ARREARAGE COMPLIANCE EXPERIENCE AND PROVEN SUCCESS	DATA ANALYTICS EXCELLENCE FOR OVER \$55 BILLION IN FEDERAL FUNDS

COHNREZNICK OFFERS THE RIGHT EXPERIENCE TO MONITOR THE UTILITY ARREARAGE PROGRAM

The selected **Program Manager** for this engagement is **Ron Frazier, JD, PMP**, who has 15+ years of experience and specializes in providing integrity oversight monitoring services for state and regulatory agencies. Mr. Frazier is a Senior Manager who has worked with the State of New Jersey on multiple engagements including NJDCA in monitoring Coronavirus Relief Funds in the State's response to COVID-19.

The **Project Managers** for this engagement are **Anna Fomina, CPA, CGMA** and **David Solomon**.

- **Anna Fomina, CPA, CGMA** has 18+ years of financial management, audit and advisory consulting experience with specific expertise in compliance and monitoring, fraud prevention and detection, assessment of internal controls, disaster recovery and grant management. A Manager with CohnReznick, Ms. Fomina has supervised integrity oversight and anti-fraud monitoring for Coronavirus Relief Funds (CRF) pursuant to the CARES Act for NJDCA and multiple other NJ state agencies.
- **David Solomon** has 6+ years of experience in project management relating to business systems implementation, auditing and reporting, and previously performed and managed compliance and integrity oversight monitoring for NJDCA, NJDOC, NJDOH and NJDCA, specific to the use of Coronavirus Relief Funds (CRF) pursuant to the CARES and Consolidated Appropriations Acts. He has also worked in the public sector for the Florida Division of Emergency Management (FDEM) and the Florida Department of Financial Services in the Bureau of Auditing (DFS) and has expertise auditing state- and federally procured contracts and payments, and leading business systems process mapping and process improvement.
- **Jake Hetherly** has 7+ years of experience in performing expert compliance monitoring services. Jake is an expert at developing innovative solutions to enhance the value of our compliance services; for the states of both Texas and Massachusetts, Jake has been instrumental to deploying CohnReznick's proprietary automation platform to detect compliance issues in an accelerated manner.

Our **Subject Matter Experts (SMEs)** for this Engagement are **Rochell Cottingham, PMP, CIA, CISA, CFE, CCSA, CGAP, CRMA** and **Shih-Hsien Yang**.

- **Rochell Cottingham, PMP, CIA, CISA, CFE, CCSA, CGAP, CRMA** is a Senior Manager with 29+ years of experience in audit, compliance, performance monitoring, revenue assurance, quality assurance, fraud prevention and detection, risk management, system development and project management, and 21 years of experience as an Internal Auditor. He has conducted integrity monitoring






of CARES Act funding for the New Jersey Department of Education (NJDEA), managed compliance and monitoring efforts for the Cancer Prevention and Research Institute of Texas (CPRIT) and has provided internal audit support to the New York Governor’s Office of Storm Recovery (GOSR) and the City of New Orleans (CNO). Rochell also been integral to providing the States of Texas, Connecticut, and Louisiana with compliant outcomes for their rental and utility assistance programs.

- **Shih-Hsien Yang** is a Data Analytics Manager, accomplished data scientist and fraud detection SME who brings 8+ years of data science expertise to this engagement with proven success in implementing and deploying machine learning (ML) algorithms into production environments. Mr. Yang has investigated potential fraud rings using data science and has presented his findings to authorities for data-driven decision-making.

Staff Experience

The *Key Personnel* chart we have developed (below) is included to familiarize NJDEA with our engagement team and highlight their relevant IOM and compliance experience. Our team is fully staffed with professionals experienced in performing the work as outlined in this EQ, and the team structure is designed to be flexible and efficient in order to adhere to the turnaround times and completion deadline requirements of this EQ for NJDEA.

Member	Role	Experience
TOTAL PARTNER HOURS: EXECUTIVE OVERSIGHT PROVIDED AT NO CHARGE TO NJDEA – 32 HOURS		
 <p>Frank Banda, CPA, CFE, CGMA, PMP Partner</p>	Partner	Frank is the leader of CohnReznick’s Government and Public Sector Advisory Practice and will serve as Lead Engagement Partner for NJDEA. Frank’s position as Lead Engagement Partner signifies our firm’s commitment to aligning our best resources to work with DHCR under this contract. Having served as Project Manager for CohnReznick’s support of NJDEA’s Hurricane Sandy recovery efforts, Frank is personally invested in the continued success of the State of New Jersey and its Utility Arrearage program.
TOTAL PROGRAM MANAGER HOURS: 92 HOURS		
 <p>Ron Frazier Senior Manager</p>	Program Manager	Ron specializes in providing grants management services for state and local agencies. Ron is a Senior Manager who has worked with the State of New Jersey on multiple engagements including NJDEA and NJDEA in monitoring CRF funds in the State’s response to COVID-19. Ron is well-versed in working on task-order engagements for the State and is excited about the opportunity to bring his exceptional customer service mindset to local entities.
TOTAL SUBJECT MATTER EXPERT HOURS: 67 HOURS		
 <p>Rochell Cottingham, PMP, CIA, CISA, CFE,</p>	Subject Matter Expert	Rochell is a leader of CohnReznick’s efforts to provide comprehensive quality management and grant compliance monitoring services to local entities across the U.S. Rochell brings a passion for helping state agencies achieve their goals with long-term improvements to their financial and operational policies and procedures. Rochell has proven success supporting the successful use of federal funding in the State of New Jersey, having served as



Member	Role	Experience
CCSA, CGAP, CRMA Senior Manager		an integral resource for the NJDCA and its utilization of CARES Act funding. Rochell has also been integral to providing the States of Texas, Connecticut, and Louisiana with compliant outcomes for their rental and utility assistance programs. Overall, Rochell has over 25 years of experience supporting the efficient and effective use of federal funding by state and local agencies alike.
 Shih-Hsien Yang Manager	Subject Matter Expert - Data Scientist	Shih-Hsien is an experienced data analytics manager with proven success in helping government clients make near-real time, data-driven decisions. Much of his work is focused on safe-guarding financial payments and direct deposit transactions made by the federal government. He held an instrumental role in developing Machine Learning algorithms for fraud detection and duplicate detection to combat fraud, waste and abuse for rental and utility assistance programs in the States of Texas and Connecticut. He has investigated potential fraud rings using data science and has presented the findings for data-driven decision-making.
TOTAL PROJECT MANAGER HOURS: 876 HOURS		
 Anna Fomina, CPA Manager	Project Manager	Anna holds her <i>Certified Public Accountancy (CPA)</i> from the New Jersey Board of Accountancy, and she is also a <i>Certified Global Management Accountant (CGMA)</i> . Anna has broad experience in financial accounting and reporting, auditing, SOX 404 compliance, internal controls, integrity oversight monitoring, and more. Her profound experience from her monitoring assignments in the State of New Jersey (CRF funds, New Jersey Transit Emergency Operations Center, Port Authority of New York and New Jersey programs) will — without doubt — be regularly drawn upon.
 David Solomon Manager	Project Manager	David has 6+ years' experience in government auditing and emergency management in the public sector, most recently with the Florida Division of Emergency Management, assisting with the State's implementation of the CARES and ARPA (SLFRF) programs. He performed and managed compliance and integrity monitoring services for the State of New Jersey - DOC, DOH, DOE, and DCA, specific to the use of Coronavirus Relief Funds (CRF) pursuant to the CARES and Consolidated Appropriations Acts.
 Jake Hetherly Manager	Project Manager	Jake is a bona fide expert in compliance monitoring services, having done so for over 7 years. His specific expertise includes internal controls, process management improvement, process creation, and program management. Jake has served as the Compliance Manager for both the States of Massachusetts and Texas where he creates workbooks, reports, SOPs, compliance processes, and develops documentation requirements. His knowledge of 2 C.F.R. 200 is hard to rival.



Member	Role	Experience
TOTAL CONSULTANT HOURS: 1826 HOURS		
 Stuart Stovall, CPA Senior Consultant	Consultant	A CPA, Stuart brings 8 years of finance, accounting, and compliance monitoring experience to this engagement. In addition to bringing expert guidance on federal procurement requirements, policies and procedures, and contract management, Stuart is adept at “making something out of nothing,” as he did when he engaged with fire departments throughout the State of Texas to coordinate the Texas Intrastate Fire Mutual Aid System (TIFMAS) reimbursement process.
 Lindsay Calvert, CPA Senior Consultant	Consultant	A CPA, Lindsay is a compliance and audit specialist with 5 years of federal grants monitoring under her belt. Outside of CohnReznick, Lindsay brings a decade of combined emergency management and financial background. Lindsay is an expert at “boots on the ground” having worked with everything from local businesses to state governments, to federal-level grant programs. Lindsay will bring substantial empowerment for the goals we are trying to accomplish in New Jersey, especially when it comes to working with SLFRF subgrantees.
 Viktoria Barrett, CIA Manager	Consultant	Viktoria has 5+ years’ experience providing audit and attest services to construction, financial services and real estate clients. For the State of New Jersey, she has worked on projects related to use of Coronavirus Relief Funds (CRF) for staffing, vaccination, construction programs and activities. She has monitored contractor compliance with legal, regulatory and contractual obligations and provided integrity monitoring services for NJDOE, NJDOH and NJDCA. She previously served as Assistant Inspector General for Health & Hospitals, NYC Department of Investigation –participated in development and implementation of OIG’s audit, investigative and field operations.
 Noah Zagelbaum, CPA, CIA Senior Consultant	Consultant	Noah has 12+ years of experience providing provides process improvement, data analytics and risk advisory solutions to clients in diverse industries such as financial services, manufacturing and government entities. He excels at his role providing compliance consulting services as he previously served 8 years as an Internal Auditor. He is experienced with ensuring SOX compliance as well as performing fraud investigations and data analysis to capture cost savings and improve control environments for clients.
 Andrew Barchenko Senior Consultant	Consultant	Andrew has 3+ years of experience providing internal audit support, Sarbanes-Oxley compliance, system selection and implementation, and process improvement supporting clients in the commercial real estate, financial services, retail and consumer products, healthcare and not-for-profit industries. He is experienced in identifying control gaps and operational inefficiencies and developing recommendations for gap remediation and process improvement. He performs business consulting services including policy and procedure development, and system selection and implementation.



Member	Role	Experience
 Thomas Mammen Consultant	Consultant	Thomas has 5+ years of industry experience in accounting and finance, reconciliation, internal control and audit. His experience includes performing compliance monitoring, project oversight, reporting, procurement, and other necessary technical assistance for the State of Louisiana's Emergency Rental Assistance and Homeowner Assistance Fund programs, two programs that provide significant utility arrearage assistance.
 Charlissa Laws Consultant	Consultant	Charlissa has 5+ years of experience in public audit, program compliance, performance monitoring, system analysis and implementation, process improvement, fraud risk management, quality management, and audit and consulting services to state and federal government clients, public audit, supporting multiple Federal agencies in auditing, compliance and consulting engagements. Her expertise is in audit and compliance, quality control and assurance, client communication, system implementation, process improvement, compliance reviews, and policy and procedure development and documentation. She served as a Quality Assurance/Quality Control reviewer for the State of Texas' Emergency Rental Assistance Program and the State of Louisiana's Homeowner Assistance Fund Program, two programs that provide significant utility arrearage assistance.
 Cindy Chiang Senior Consultant	Consultant	Cindy is an experienced data analytics senior consultant with proven success in helping government clients make near-real time, data-driven decisions. Much of her work is focused on safe-guarding financial payments and direct deposit transactions made by the federal government. Cindy currently assists in developing and implementing Machine Learning algorithms for fraud detection and duplicate detection to combat fraud, waste and abuse for housing and tourism programs in the State of Texas.

Section 5 | Budget to Perform Scope of Work

Integrity Monitor Engagement Query Response

Contract G4018 – Integrity
Oversight Monitoring – Category
3 Services

New Jersey Department of
Community Affairs –
Utility Arrearage Program





Budget to Perform Scope of Work

Our staff will complete all tasks pursuant to the Monthly, Quarterly, and Final Report deadlines, and the project deliverables will be completed and submitted to NJDCA based on those requirements in the EQ.

With this response CohnReznick believes it has shown it is more than qualified and capable of providing the services as outlined in the EQ. Our experience helping numerous states monitor and administer utility arrear assistance programs along with our proven track record of providing industry-leading audit and advisory services, demonstrates how CohnReznick is uniquely suited in aiding NJDCA.

CohnReznick has repeatedly shown that our approach to compliance and monitoring recovery programs is focused on partnering with our clients to ensure successful program outcomes, and we look forward to working with NJDCA and continuing to offer expert advisory support to the State of New Jersey.

Integrity Monitoring - Price Sheet

	Staffing Category	Hourly Billing Rate (\$)	Hours	Amount (\$)	Total Cost (\$)	Hourly Discounted Billing Rate (\$)	Amount (\$)	Total Cost (discounted) (\$)
Risk Assessment	Partner/Principal/Director	\$ 295.00	8	\$ 2,360.00	\$56,230.00	\$ -	\$ 0.00	\$53,870.00
	Program Manager	\$ 275.00	10	\$ 2,750.00		\$ 275.00	\$ 2,750.00	
	Project Manager	\$ 252.00	120	\$ 30,240.00		\$ 252.00	\$ 30,240.00	
	Supervisory/Sr. Consultant	\$ 204.00	0	\$ 0.00		\$ 204.00	\$ 0.00	
	Consultant	\$ 153.00	120	\$ 18,360.00		\$ 153.00	\$ 18,360.00	
	Associate/Staff	\$ 133.00	0	\$ 0.00		\$ 133.00	\$ 0.00	
	Subject Matter Expert	\$ 252.00	10	\$ 2,520.00		\$ 252.00	\$ 2,520.00	
	Administrative Support	\$ 76.00	0	\$ 0.00		\$ 76.00	\$ 0.00	
			268					
Work Plan Development	Partner/Principal/Director	\$ 295.00	4	\$ 1,180.00	\$23,100.00	\$ -	\$ 0.00	\$21,920.00
	Program Manager	\$ 275.00	10	\$ 2,750.00		\$ 275.00	\$ 2,750.00	
	Project Manager	\$ 252.00	60	\$ 15,120.00		\$ 252.00	\$ 15,120.00	
	Supervisory/Sr. Consultant	\$ 204.00	0	\$ 0.00		\$ 204.00	\$ 0.00	
	Consultant	\$ 153.00	10	\$ 1,530.00		\$ 153.00	\$ 1,530.00	
	Associate/Staff	\$ 133.00	0	\$ 0.00		\$ 133.00	\$ 0.00	
	Subject Matter Expert	\$ 252.00	10	\$ 2,520.00		\$ 252.00	\$ 2,520.00	
	Administrative Support	\$ 76.00	0	\$ 0.00		\$ 76.00	\$ 0.00	
			94					
On-going Monitoring	Partner/Principal/Director	\$ 295.00	10	\$ 2,950.00	\$421,160.00	\$ -	\$ 0.00	\$418,210.00
	Program Manager	\$ 275.00	50	\$ 13,750.00		\$ 275.00	\$ 13,750.00	
	Project Manager	\$ 252.00	560	\$ 141,120.00		\$ 252.00	\$ 141,120.00	
	Supervisory/Sr. Consultant	\$ 204.00	0	\$ 0.00		\$ 204.00	\$ 0.00	
	Consultant	\$ 153.00	1680	\$ 257,040.00		\$ 153.00	\$ 257,040.00	
	Associate/Staff	\$ 133.00	0	\$ 0.00		\$ 133.00	\$ 0.00	
	Subject Matter Expert	\$ 252.00	25	\$ 6,300.00		\$ 252.00	\$ 6,300.00	
	Administrative Support	\$ 76.00	0	\$ 0.00		\$ 76.00	\$ 0.00	
			2325					
Reports	Partner/Principal/Director	\$ 295.00	10	\$ 2,950.00	\$51,264.00	\$ -	\$ 0.00	\$48,314.00
	Program Manager	\$ 275.00	22	\$ 6,050.00		\$ 275.00	\$ 6,050.00	
	Project Manager	\$ 252.00	136	\$ 34,272.00		\$ 252.00	\$ 34,272.00	
	Supervisory/Sr. Consultant	\$ 204.00	0	\$ 0.00		\$ 204.00	\$ 0.00	
	Consultant	\$ 153.00	16	\$ 2,448.00		\$ 153.00	\$ 2,448.00	
	Associate/Staff	\$ 133.00	0	\$ 0.00		\$ 133.00	\$ 0.00	
	Subject Matter Expert	\$ 252.00	22	\$ 5,544.00		\$ 252.00	\$ 5,544.00	
	Administrative Support	\$ 76.00	0	\$ 0.00		\$ 76.00	\$ 0.00	
			206					
	Allowance for Travel Expenses and Reimbursement if on-site monitoring required			\$10,000.00				
	Total Cost (non-discounted)				\$551,754.00			
	Total Cost (if discounted)							\$542,314.00

Section 6 | Identification of Any Potential Conflicts of Interest

Integrity Monitor Engagement Query Response

Contract G4018 – Integrity Oversight
Monitoring – Category 3 Services

New Jersey Department of Community Affairs – Utility Arrearage Program





Identification of Any Potential Conflicts of Interest

Per the requirements outlined in the New Jersey Treasury's Engagement Query to retain a Category 3: Integrity Monitoring/Anti-Fraud Integrity Monitor for NJDCA to conduct virtual desk monitoring of the NJDCA and the Utility Arrearage Program, this is our written notification to New Jersey Treasury and NJDCA that CohnReznick has conducted internal conflicts check and that it produced no known conflicts at this time.

If selected as the vendor of choice for this Integrity Monitoring engagement, CohnReznick will monitor for potential conflicts of interest that may arise throughout contract performance, disclose any conflicts that may arise to NJDCA, and work with New Jersey Treasury and NJDCA to effectively resolve such conflicts.



CohnReznick Has No Conflicts.

Within the State of New Jersey, CohnReznick is currently only providing Integrity Monitoring services to the New Jersey Department of Education under Contract G4018. This puts us in the best position to monitor the Utility Arrearage Program and uphold the integrity of the program throughout.

Section 7 | Engagements Under G4018 with Other State Agencies

Integrity Monitor Engagement Query Response

Contract G4018 – Integrity
Oversight Monitoring – Category
3 Services

New Jersey Department of
Community Affairs –
Utility Arrearage Program





List of Current G4018 Engagements

Below is a listing of CohnReznick existing engagements under NJ Treasury Contract G4018, as requested.

	State Agency	Commencement Date	Expiration Date
CohnReznick LLP	NJ Department of Education (DOE)	1/31/2022	9/20/2024

Thank you!

CohnReznick 
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