

**Integrity Monitor Report
Category 3**

Integrity Monitor Firm Name: Rumph & Associates, P.C.
Quarter Ending: 09/30/2022
Expected Engagement End Date: 09/01/2022

A. General Info

1. Recovery Program Participant:

[New Jersey Department of Transportation]

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

[Coronavirus Response and Relief Supplemental Appropriations Act
2021(CRRSAA)]

3. State Funding Source (if applicable):

Not Applicable

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

HIP-CRRSAA funds available for obligation through September 30, 2024,
for expenditure or adjustment against obligations through September 30,
2029.

5. Accountability Officer:

Lewis Daidone, CFO

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

[Highway Infrastructure Program (HIP) - CRRSSA]

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

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.

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

Not applicable – The Integrity Monitor is not reviewing disbursements.

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

Not applicable – The Integrity Monitor is not reviewing disbursements.

10. Amount Provided to Other State or Local Entities:

Not applicable – The Integrity Monitor is not reviewing disbursements.

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

Not applicable – The Integrity Monitor is not reviewing disbursements.

12. Completion Status of Integrity Monitor Engagement:

[In Progress]

B. Monitoring Activities

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

a) IM Response

Not Applicable

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

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Rumph & Associates, P.C has completed the review of the following policies and procedures: (1) Construction Procedures Handbook, (2) Change Control Board Procedures, and (3) Disadvantaged and Small Business Programs Unit, Civil Rights/Affirmative Action, Doing Business for potential fraud, corruption and cost abuse issues by contractors directly related to the policies. Rumph & Associates, PC has also completed and submitted the Final Report which summarizes the results of the review.

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

Rumph & Associates, P.C has completed the review of the following policies and procedures: (1) Construction Procedures Handbook, (2) Change Control Board Procedures, and (3) Disadvantaged and Small Business Programs Unit, Civil Rights/Affirmative Action, Doing Business for potential fraud, corruption and cost abuse issues by contractors directly related to the policies. Rumph & Associates, PC has also completed and submitted the Final Report which summarizes the results of the review.

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

Rumph & Associates, P.C has completed the review of the following policies and procedures: (1) Construction Procedures Handbook, (2) Change Control Board Procedures, and (3) Disadvantaged and Small

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Business Programs Unit, Civil Rights/Affirmative Action, Doing Business for potential fraud, corruption and cost abuse issues by contractors directly related to the policies. Rumph & Associates, PC has also completed and submitted the Final Report which summarizes the results of the review.

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

Not applicable

b) Recovery Program Participant Comments

[Type Here]

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

a) IM Response

Held meetings including Exit Conference with key stakeholders, Project Manager and the Deputy Chief of Capital Projects to discuss the results of the review and recommendations to further strengthen controls in the policy and procedure documents .

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

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Finding #1: No provisions related to the disclosure of related parties and/or potential conflicts of interest between prime contractors and subcontractors.

Improvement Opportunity #1: Include more details related to the cost breakdowns of proposed changes.

Improvement Opportunity #2: Policies related to certain fraud risk categories, as defined in our approach, were not included within the in-scope documents.

Improvement Opportunity #3: Construction Procedures Handbook includes references to nonfunctional hyperlinks.

b) Recovery Program Participant Comments

Finding #1: No provisions related to the disclosure of related parties and/or potential conflicts of interest between prime contractors and subcontractors.

Recommendation:

We recommend NJDOT update policies and/or other documents to require bidding contractors to disclose instances where proposed subcontractors are related parties to the bidding contractor.

NJDOT Response:

State contract law is very specific in this regard. The State's contractual obligation is with the prime contractor, therefore NJDOT has no legal authority to intercede on the behalf of a subcontractor. Attached for your information is a copy of form DC-18-19, NJDOT's Subcontractor Agreement and Code of Ethics for Vendors.

Improvement Opportunity #1: Include more details related to the cost breakdowns of proposed changes.

Recommendation:

We recommend NJDOT consider updating relevant procedure documents to require specificity in cost changes proposed, similar to detail breakdowns noted in the description section herein.

NJDOT Response:

Based on the recommendation made within the report, the Department revised the DC-150, Design Change During Construction Phase to require specific cost breakdown information (DC-55A). The level of detail required for cost breakdown is specified with the Specifications.

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Improvement Opportunity #2: Policies related to certain fraud risk categories, as defined in our approach, were not included within the in-scope documents.

Recommendation:

We recommend NJDOT consider updating the Construction Procedures Manual to reference additional Policies and Procedure documents as relevant to each area.

NJDOT Response:

Staff is currently reviewing the specific policies and procedures referenced within the report and will consider incorporating these policies and procedures into the Department's Construction Procedures Handbook.

Improvement Opportunity #3: Construction Procedures Handbook includes references to nonfunctional hyperlinks.

Recommendation:

We recommend NJDOT update the 34 non-functioning hyperlinks contained within the Handbook to the intended current website address (See Appendix).

NJDOT Response:

A review was conducted of the hyperlinks referenced in the report and edits were made where required. Note, however, in certain instances that the link was operational but inaccessible to the user because they did not have access to the Department's intranet or have the specific software necessary to access a document.

[Type Here]

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

a) IM Response

None

b) Recovery Program Participant Comments

[Type Here]

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

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a) IM Response

Not applicable

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

For the period ending September 30th, the following individuals have expended a total of 72 hours:

Jamaal Bushara – 45 hours

Matthew Blondell – 15 hours

Marisa Doras – 12 hours

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

[None]

b) Recovery Program Participant Comments

[Type Here]

Name of Integrity Monitor:	[Rumph & Associates, P.C.]
Name of Report Preparer:	[Marisa Doras]
Signature:	<i>Marisa Doras</i>
Date:	10/14/2022