

**Integrity Monitor Report  
Category 3**

Integrity Monitor Firm Name: Regis & Associates, PC  
Quarter Ending: 9/30/2024  
Expected Engagement End Date: 9/30/2025

**A. General Info**

1. Recovery Program Participant:

New Jersey Schools Development Authority

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

American Rescue Plan Act (ARPA)

3. State Funding Source (if applicable):

Annual appropriation

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

December 31, 2026

5. Accountability Officer:

Manuel DaSilva, Chief Executive Officer,

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

Construction of the Union City Grade 7-9 Community School

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

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 signing of E.O. 166, the Taskforce issued guidelines, regarding the appointment and responsibilities of COVID-19 Oversight Integrity Monitors (Integrity Monitors). These guidelines have been updated as of June 2021. 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

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prevent, detect, and remediate inefficiencies and malfeasance in the expenditure of COVID-19 Recovery Funds. They also provide expertise in Program and Process Management Auditing, Financial Auditing and Grant Management, and Integrity Monitoring/Anti-Fraud services.

The New Jersey Schools Development Authority (SDA) received \$50 million from the US Treasury's Coronavirus Capital Projects Fund (CPF), to construct the Union City Grade 7-9 Community School, a six-story, 130,000 square-foot community school, valued at approximately \$75 million. The remaining funds are being appropriated from State funding sources. The construction of the school has been advanced, by utilizing the design-build project delivery method.

The purpose of this Integrity Monitoring engagement is to work with SDA's Accountability Officer, and with Other SDA staff, to monitor SDA's in-progress Design-Build construction project for the Union City Grade 7-9 Community School. The engagement includes: (1) conducting a risk assessment of SDA's exiting controls in place to prevent fraud, waste, or abuse in connection with the COVID-19 Recovery Program; (2) reviewing the validity and sufficiency of the design-builder's applications for payments and their supporting documentation for progress payments. This includes proper authorization of SDA's payments and proper documentation of any change orders; and (3) reviewing compliance with applicable federal and state laws.

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

\$75,000,000

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

\$41,708,059. The amount consists of \$3,481,074.51 from state, \$37,764,025.45 from Federal CPF, and \$462,959.45 from District

10. Amount Provided to Other State or Local Entities:

N/A

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

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Construction in progress

12. Completion Status of Integrity Monitor Engagement:

In progress

**B. Monitoring Activities**

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

a) IM Response

N/A

b) Recovery Program Participant Comments

N/A

14. Description of the services provided to the Recovery Program Participant during the quarter (i.e. activities conducted, such as meetings, document review, staff training, etc.):

a) IM Response

The following tasks were performed during the period from 7/1/2024 through 9/30/2024:

1. Submitted Q2 2024 Quarterly report to NJ Treasurer.
2. Conducted a walkthrough meeting on August 8, 2024, with the NJSDA team, to gain an understanding of the controls around the review and approval of the pencil copy invoices, Buy America Compliance, and Prevailing wage rate.
3. Requested the following supporting documents after the walkthrough meeting.
  - a. Copy of pencil copy invoices related to January 2023 through April 2024;
  - b. Prevailing wage rate for labor categories; and
  - c. Document demonstrating for compliance with the Buy of America requirements

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4. Tested the operating effectiveness of controls over the requested the change orders and sample selected invoices from the period that covers November 2022 through July 2024.
5. Requested a copy of the NJSDA safety Manual, March 2018 Edition.
6. Tested the operating effectiveness of controls over the project safety oversight.
7. Requested additional documentation and follow-up questions on August 23, 2024, and September 5, 2024.
8. On September 6, 2024, received additional copies of construction invoices for the months of June and July 2024.
9. Completed review and testing of a sample of sub-contractors on September 6, 2024, to determine whether they were debarred or suspended from receiving federal funds.
10. At the request of SDA, the Integrity Monitor met with SDA's Single Audit Auditors to discuss the scope of the Integrity Oversight Monitoring review, to determine whether there is any part of the IM's engagement scope that the Single Audit Auditors can leverage to prevent duplication of effort and streamline the audit process for NJSDA.
11. Met with the SDA team on September 18, 2024, to discuss follow-up questions regarding the payroll prevailing wage Act compliance testing.
12. On September 24, 2024, received additional supporting documentation regarding subcontractors' debarment and suspension from the SDA team. Review in progress.

b) Recovery Program Participant Comments

Confirmed.

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

IM compiled a list of documents needed to assess SDA's compliance with its policies, and federal and state requirements; and sent a

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request to SDA for policies and procedures, monitoring reports, pencil copy invoices, final invoices, change orders, safety inspection and job hazard analysis, and subcontractors' debarment and suspension review forms. IM received and reviewed the documents; and conducted a walkthrough, to gain an understanding of the safety oversight inspection and pencil copy invoices review and approval process. IM documented the safety oversight and invoice review process. IM has submitted follow-up requests, as needed, and SDA has been providing all requested support.

b) Recovery Program Participant Comments

SDA will continue to provide further support as needed.

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

a) IM Response

IM conducted a walkthrough, to gain an understanding of the subcontractors' selection process; and determined whether the subcontractors were debarred or suspended from receiving federal funds. IM documented a walkthrough narrative related to the debarment and suspension of subcontractors. IM also reviewed the supporting documents; and performed web research on SAM.gov, to determine whether the selected subcontractors were debarred or suspended from receiving federal funds.

b) Recovery Program Participant Comments

Confirmed

17. If payment documentation in connection with the contract/program has been reviewed, provide description.

a) IM Response

IM conducted a walkthrough, to gain an understanding of the internal controls surrounding the review of pencil copy invoices that are reviewed by NJSDA and its external construction manager prior to the

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contractor's submission of final invoices. IM tested a sample of pencil copy invoices, to determine the operating effectiveness of this key control activity.

b) Recovery Program Participant Comments

Confirmed

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

a) IM Response

See the response to Question 14

b) Recovery Program Participant Comments

Confirmed

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

a) IM Response

No integrity issues/findings have been identified.

b) Recovery Program Participant Comments

Confirmed

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

a) IM Response

N/A

b) Recovery Program Participant Comments

N/A

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

a) IM Response

N/A

b) Recovery Program Participant Comments

N/A

**C. Miscellaneous**

22. List of hours (by employee) and expenses incurred to perform quarterly integrity monitoring review:

a) IM Response

The total hours and employees for the period from 7/1/2024 through 9/30/2024 are as follows:

Staff	Hours
Alena Gonzalez	36.00 hrs
Edwin Kago	24.00 hrs
Fidel Wambura	39.50 hrs
Gwendolyn Thomas-Regis 2	14.00 hrs
Marwa Elsabie	18.00 hrs
Peter Regis	8.00 hrs
Ran Feng	1.00 hrs
Robin Campbell	3.25 hrs
Saidu Bangura	116.50 hrs
Samson Estifanos	33.00 hrs
(X) Xihua Xu	1.50 hrs
Youngju Cho	1.25 hrs
<b>Total</b>	<b>296.50 hrs</b>

b) Recovery Program Participant Comments

SDA will verify the hours of IM against the contract.

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

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a) IM Response

None

b) Recovery Program Participant Comments

N/A

Name of Integrity Monitor: Regis & Associates, PC

Name of Report Preparer: Regis & Associates, PC

Signature: *Regis & Associates, PC*

Date: 09/30/2024