Integrity Monitor Report
Category 3

Integrity Monitor Firm Name: Vander Weele Group[LLC]/Joseph A. DeLuca Advisory and Consulting Services[LLC]
Quarter Ending: 06/30/2026
Expected Engagement End Date: 12/31/2026

A. General Info

1. Recovery Program Participant:

   New Jersey Board of Public Utilities (NJBPU)

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

   American Rescue Plan Act (ARPA)

3. State Funding Source (if applicable):

   N/A

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

   December 31, 2026

5. Accountability Officer:

   Priya Nambiar

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

   1.) School and Small Business Ventilation and Energy Efficiency Verification and Repair (SSB-VEEVR) Program

   2.) School and Small Business Noncompliant Plumbing Fixture and Appliance (SSB-NPFA) Program

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

   The purpose of this engagement is to review the SSB-VEEVR and SSB-NPFA programs for compliance with the School and Small Business Energy Efficiency Stimulus Program Fund (*P.L. 2021, c. 200*) and the Coronavirus State Fiscal Recovery Fund (CSFRF) Interim and Final Rule, as applicable**.**

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

   The NJBPU earmarked approximately $180 million for the two programs and an additional $5 million for administrative expenses.

   - Of the $180 million, $7,934,801.52 is for the SSB-NPFA (plumbing) program and $172,065,198.48 is for the SSB-VEEVR (HVAC) program.

   - Of the total $5 million set aside for administrative costs, $3,778,262.88 is obligated to TRC, the program administrator, and $1,221,737.12 is obligated to the integrity monitor.
   - On June 15, 2026, an MOU was signed between NJDCA and NJBPU, reducing the total administrative allocation by $235,947.40 and the total programmatic allocation by $500,000.00. This brings the total administrative allocation to $4,764,052.60 and the total programmatic allocation to $179,500,000.00. A copy of the MOU was provided to the integrity monitor for review on 06/18/2026.

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

Administrative Costs	$4,484,988.02
Small Business HVAC - Other Community	$5,005,665.50
Small Business HVAC - Underserved Community	$1,407,403.11
Small Business Plumbing - Other Community	$729,004.99
Small Business Plumbing - Underserved Community	$257,440.05
School HVAC - Other Community	$89,029,662.50
School HVAC - Underserved Community	$57,817,153.95
School Plumbing - Other Community	$3,475,079.35
School Plumbing - Underserved Community	$3,325,185.78
Total Expended to Date	**$165,531,583.25**

10. Amount Provided to Other State or Local Entities:

    N/A

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

    Subrecipient sampling and application review

12. Completion Status of Integrity Monitor Engagement:

Programmatic review process

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

1.) Met with the NJBPU via Microsoft Teams on 04/16/2026, 05/14/2026 and 06/11/2026.

2.) Completed Round 3 testing; currently summarizing the results.

3.) Conducted site visits for projects 68286 and 68287 on 06/04/2026; these visits were originally scheduled for December 2025 but were canceled due to inclement weather and the roof's inaccessibility.

The results of the site visits are listed under Question 18 below.

4.) Requested the NJBPU to review and approve the proposed list of HVAC and plumbing projects we selected for Round 4's testing on 06/09/2026. The NJBPU emailed the IM its approval on 06/10/2026.

5.) Sent TRC the NJBPU-approved list of selections for Round 4 on 06/10/2026. On 06/11/2026, TRC responded that it anticipates providing the requested documentation in the first week of July 2026.

6.) Commenced Round 4's review.

7.) Met with the NJBPU on 06/11/2026. The NJBPU stated that it will grant extensions for projects that require them until 09/30/2026 to allow sufficient time to process and complete the projects by December 2026. It will not grant extensions beyond this date.

The NJBPU let us know at the beginning of June that a board order was in progress to have the NJBPU return $235,947.40 in unused administrative funds and approximately $500,000 in unused grant funding to the New Jersey Department of Community Affairs, with plans to update reporting once the board approves the return. A signed MOU was in effect as of 06/15/2026 and provided for our record on 06/18/2026, confirming the total reductions above.

The NJBPU announced it appointed Priya Nambiar as the new fiscal manager and accountability officer.

8.) Reviewing the status of projects with delayed milestones.

9.) Conducting data analytics to determine project anomalies or areas of concern.

10.) Finalized and submitted the first quarterly report for 2026.

11.) Drafted and finalized the monthly reports for April and May 2026.

12.) Drafted the monthly report for June 2026.

13.) Drafted the quarterly report for the period ending 06/30/2026.

b) Recovery Program Participant Comments

Staff continues to support the IM in its efforts

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

1. The NJBPU has provided bi-weekly pipeline reports for the HVAC program. The IM uses these reports to conduct data analytics and follow-up on the status of programs with delayed milestones.
2. TRC has provided documentation the IM requested for Round 3 of testing. The IM is summarizing the results of Round 3's testing.

b) Recovery Program Participant Comments

None.

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

a) IM Response

1. Reviewed biweekly pipeline report to monitor HVAC program status and total project expenditure.
2. Reviewed projects with delayed milestones and canceled projects that received incentive payments.
3. Summarizing Round 3 testing results.
4. Commenced Round 4 testing.
5. Conducting data analytics to determine project anomalies or areas of concern.
6. Conducted site visits for projects 68286 and 68287 on 06/04/2026; these visits were originally scheduled for December 2025 but were canceled due to inclement weather and the roof's inaccessibility.

b) Recovery Program Participant Comments

None.

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

a) IM Response

Reviewed the 06/23/2026 biweekly HVAC pipeline report and noted that:

- The report contains 157 complete projects.
- Forty-nine of the 157 completed HVAC projects had unexpended funds totaling $5,884,773.57.
- Unexpended funds from either canceled projects or completed projects whose incentive payments were less than the commitment have gone toward on hold projects and new applications.
- A total of $1,288,344.25 in incentives was paid for 30 canceled HVAC programs.

- Twenty-three HVAC projects are in process. The most recent milestone for five of the projects was in 2023, 2024 for three projects, 2025 for four projects, 2026 for eleven projects

b) Recovery Program Participant Comments

Staff notes that, as the IM identified in their third bullet point above, unexpended funds from projects that cancelled or finished under budget were reallocated to newer projects.

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

a) IM Response

1.) Reviewing the status of projects with delayed milestones.
2.) Conducting data analytics to determine project anomalies or areas of concern.
3.) Conducted site visits for projects 68286 and 68287 on 06/04/2026; these visits were originally scheduled for December 2025 but were canceled due to inclement weather and the roof's inaccessibility. The results of the site visits are as follows:

A. <u>Project 62826</u>

The property manager and HVAC subcontractor accompanied the Integrity Monitor (IM) team during the site visit. The site visit team (team) observed rooftop units and all other installed units on the invoice, except for one ventilator unit included in a storefront. This unit was occupied by a spa. The spa employees the team encountered did not speak English and would not let the team see the unit located in a backroom. The team was told to come back at another time but persisted.

The spa's employees called their boss using a translation app on the phone to explain the matter. The team was told they could not enter the room, even after offering to let the employees take a picture of the unit for them. Eventually, the boss told the team that the unit had been removed and allowed an employee to take a picture for them, which confirmed the unit was no longer installed. The team is waiting to receive a picture of the unit from when the HVAC contractor installed it.

The rooftop units were listed on the invoice as "Carrier" brand, but the team observed "York" brand units. The team was told the contractor's order had been updated, and the team was referencing an outdated invoice. The team is awaiting an updated invoice. TRC informed the IM that the "verification report" lists the proper units (including "York") and shared the report with the IM. TRC will research the IM's questions about the substitution, including the reasoning, approval, similarities in performance and price, and substantiating documentation. The contractor's verification report does not suffice as complete audit support. The IM is waiting for responses.

B. Project 62827

The team observed all units, noting that the invoice did not list the specific brand but did mention "Ultra Low Leak Vertical Economizer X," which indicates the brand is "Carrier;" however, Daikin units were installed. The team was informed that their copy of the invoice may be outdated, and that the verification report lists the correct items. The IM is waiting for an updated invoice.

The team observed the thermostats installed in all the units except one occupied by a childcare facility, which was unaware of the site visit. Since the children were napping, the employees took pictures for the team, mainly of the thermostats. The team was able to observe the exterior of the units, but not the furnace inside, as the employees were unsure where to access it. The invoice lists the thermostats as "Carrier," but the team observed "Honeywell" thermostats. TRC is following up on the rationale for the substitution and whether the two are similar in performance and price. The IM is waiting for TRC's responses.

b) Recovery Program Participant Comments

Staff is aware of the issues with the site visits and is working with the IM and TRC on resolutions.

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

a) IM Response

The SSB-VEEVR and SSB-NPFA programs lack claw back procedures due to the rapid program rollout and legal limitations, especially with school districts. The NJBPU should implement procedures to address this issue for future programs, particularly for small businesses. (A total of $1,288,344.25 in incentives was paid for 30 canceled HVAC programs.)

b) Recovery Program Participant Comments

Staff is working to address this issue.

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

    a) IM Response

        N/A

    b) Recovery Program Participant Comments

        N/A

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

    a) IM Response

        We helped the NJBPU monitor overall program spending to date, including encumbrances and actual expenditures. We will continue to monitor and recommend best practice adjustments to remediate waste, fraud, and /or abuse.

    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

        Dr. Kristen Mokofisi —31.00
        Kathleen Budrean —.70
        Joseph DeLuca —.25
        Sophia Staveris —71.15
        Bianca Joseph —63.00
        Peter Holland —14.00
        Kevin Mullins —17.75
        Katherine Larson —69.75

    b) Recovery Program Participant Comments

None.

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

    a) IM Response

        N/A

    b) Recovery Program Participant Comments

        N/A

Name of Integrity Monitor:	Vander Weele Group LLC/Joseph A. DeLuca Advisory
Name of Report Preparer:	Sophia Staveris
Signature:	*Sophia Staveris*
Date:	07/13/2026