

**Integrity Monitor Report
Category 3**

Integrity Monitor Firm Name: Regis & Associates, PC
Quarter Ending: 3/31/2025
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:

Gregory Voronov, Managing Director - Planning & Program Operations

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 the 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 \$56.8 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, which 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:

\$58,803,386.50. This amount consists of \$3,732,150.64 from the State, \$54,418,518.28 from Federal CPF, and \$652,717.58 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 1/1/2025 through 3/31/2025:

1. IM submitted Q4, 2024 Quarter report to NJ Treasurer.
2. IM coordinated with SDA for a construction site visit at the beginning of January 2025. In advance of the site visit, the IM prepared the agenda, discussion topics, and questions; to discuss with various SDA stakeholders, Safety Inspection team, and representatives from Dobco, Inc. (Contractor) and Anser Advisory Management, LLC (Construction Manager).
3. IM conducted a construction site visit from January 7, 2025, through January 8, 2025:
 - a. IM visited the construction project site located in Union City, New Jersey, to observe the project's progress. During the visit, IM met with the NJSDA Director and other representatives, SDA's Safety Inspector, and the Contractor; as well as representatives from the Construction Manager. We discussed the progress of the

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construction project and assessed whether it was on schedule. IM documented the minutes of meetings.

4. IM requested and received the following supporting documents:
 - a. Cumulative Expenditure Report for Q4, 2024 and Q1, 2025.
 - b. Owner Controlled Insurance Program (OCIP III) Insurance Procedures and Enrollment Manual
 - c. Job Hazard Analysis – US Department of Labor, Occupation Safety and Health Administration (OSHA) 3071 2002 (Revised).
 - d. Dobco, Inc.'s responses on the status of completion of the construction project, based on the questionnaires submitted during the site visit.
 - e. Amendment to the Agreement between NJ Department of Community Affairs (DCA) and SDA, for the Union City School Program.
 - f. Safety Inspection Reports for Q1, 2025.
 - g. Monthly Progress Report for the Union City-New Grade 7-9 School, for October 2024 through January 2025.
 - h. Design Build Invoice packages for the period ended November 30, 2024 (Invoice #24); December 31, 2024 (Invoice #25); and January 31, 2025 (Invoice # 26). IM also received the relevant payment documentation for invoices 24 and 25.
 - i. Pencil Copy invoices for November 2024, December 2024, and January 2025.
 - j. Change Order (No.3) for design services related to additional outdoor fitness equipment.
 - k. Educational Facilities Construction and Financing Act, Section 13B Local Share Agreement
5. IM conducted ongoing review of the invoice packages, safety inspection oversight, prevailing wage rate compliance, change orders, and subcontractor's debarment and suspension records. The purpose of the review was to determine the effectiveness of the review and approval process over invoices and change orders, as well as to ensure compliance with prevailing wage rates and OSHA safety regulations.
6. IM prepared the Q1, 2025 progress report for submission to the NJ Treasurer.

b) Recovery Program Participant Comments

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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 an additional list of documents needed for the ongoing monitoring activities, to assess SDA's compliance with its policies and Federal and State requirements. IM visited the Union City project construction site, and documented the minutes of meetings with the SDA Director and representatives from Anser Advisory Management, LLC and Dobco, Inc. IM received and reviewed requested documents; and tested the operating effectiveness of controls over of the invoicing and change order processes, and compliance with prevailing wage rates and OSHA safety regulations.

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 reviewed the monthly invoice packages for new subcontractors, to determine whether the subcontractors were debarred or suspended from receiving Federal funds. 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. Additionally, the IM also reviewed the new change order, for compliance with SDA's policies and procedures. No exceptions were noted.

b) Recovery Program Participant Comments

No comments

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

a) IM Response

IM tested a sample of the design build contractor's invoice packages, as described in question 14 item a) 4h., including payments, to ensure that payments are adequately supported and that there was proper review and approval. No exception was noted.

b) Recovery Program Participant Comments

No comments

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

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N/A

b) Recovery Program Participant Comments

N/A

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

a) IM Response

N/A

b) Recovery Program Participant Comments

N/A

C. Miscellaneous

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

a) IM Response

The total hours and employees for the period from 1/1/2025 through 3/31/2025 are as follows:

Staff Name	Position	Ongoing Monitoring	Risk Assessment	Workplan Development	Reporting	Total Hours
Gwendolyn Thomas-Regis	Partner	3.00			0.00	3.00
Edwin Kago	Senior Manager	4.75			0.25	5.00
Samson Estifanos	Audit Manager	22.00			2.50	24.50
Saidu Bangura	Senior Auditor	31.75			4.00	35.75
Marwa Elsie	Audit Associate	42.00			0.00	42.00
Grand Total		103.50			6.75	110.25

b) Recovery Program Participant Comments

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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:

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:



Date: 3/31/2025