

**Integrity Monitor Report
Category 3**

Integrity Monitor Firm Name: Regis & Associates, PC
Quarter Ending: 3/31/2025
Expected Engagement End Date: 12/31/2026

A. General Info

1. Recovery Program Participant:

New Jersey Department of Treasury, Division of Property Management and Construction

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

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:

Mona Cartwright – Assistant Director, Treasury Fiscal

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

DPMC Project A1383-00, Richard Hughes Justice Complex building - Air Handler Units (AHU) Replacement

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).

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Pursuant to E.O. 166, the Taskforce 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 or IM). 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. They also provide expertise in Program and Process Management Auditing, Financial Auditing and Grants Management, and Integrity Monitoring/Anti-Fraud services. An integrity monitor (Category 3: Integrity Monitoring/Anti-Fraud) is required for projects that receive \$20 million or more in COVID-19 Recovery Funds.

The Division of Property Management and Construction (DPMC) received \$25,200,000 from the ARPA State Fiscal Recovery Fund (SFRF), for DPMC Project A1383-00. This funding is allocated for the HVAC Replacement of 27 Air Handler Units, which benefit the 23,000 Agency Employees assigned to the R.J.H. Justice Complex at 25 Market Street in Trenton, New Jersey.

The purpose of the Integrity Monitoring Engagement is to work collaboratively with DPMC, to monitor the DPMC project, A1383-00, Justice AHU Replacement. The engagement includes:

1. Conducting a risk assessment of DPMC's existing controls in place to prevent fraud, waste, or abuse in connection with the COVID-19 Recovery Program;
2. Developing and submitting a Work Plan for monitoring the COVID-19 Recovery Program, for fraud, waste, or abuse; including a review of relevant risk factors specific to the Program being monitored;
3. Performing program reviews; reviewing documents retention policies and procedures; performing fraud prevention/detection and data analytics; performing fraud awareness instruction for DPMC, contractors, and/or vendors; construction project monitoring reviews; procurement/expenditure reviews; and payment and wage reviews; and
4. Reviewing Compliance with applicable federal and state laws.

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

\$25,200,000 – ARPA SFRF

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

\$1,811,654.63 – ARPA SFRF

10. Amount Provided to Other State or Local Entities:

N/A

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

Design phase

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 Integrity Monitor (IM) performed the following tasks, for the period 1/1/2025 through 3/31/2025:

1. IM submitted Q1, 2025 Quarter report to the NJ Treasurer.

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2. IM submitted the monthly reports on fraud prevention, waste, and abuse; for January and February 2025, to the NJ Treasurer. No fraud, waste, or abuse was noted.
3. During Q1, 2025, IM received the following additional supporting documents:
 - a. Hearing Regulations for DPMC website, amended 12/19/2016
 - b. Selection Committee Confidential Ethics Agreement
 - c. DPMC Statutory Authority, Design and Construction
 - d. Policy and Procedure for Consultant Selection
 - e. Prequalification and Classification Regulation
 - f. Design Invoice packages from August 2, 2024, to December 15, 2025; payment confirmation; Contract/Financial Transaction Report
 - g. NJ Department of Community Affairs (DCA) plan review Approval notification
 - h. Memorandum from Department of Treasury, for the Current Work Estimate (CWE).
4. IM conducted ongoing review of DPMC's policies and procedures manuals, as well as the regulations, to verify that the policies comply with the governing regulations. No issues of concern were noted.
5. IM reviewed the design invoices packages for the period from August 2, 2024, to December 15, 2024, including vendor billings for design work, to verify compliance with DPMC's policies and procedures. IM cross-checked the invoices with the payment confirmations and contracts, to verify whether the funds were disbursed appropriately. No discrepancies were found between the billed amounts and payments made.
6. IM requested and subsequently followed up with the project team, to assess the progress of the project, and to obtain an updated status regarding the approval of the DCA plan review. IM received notification that the construction project received DCA plan approval and was currently in the process of bid clearance; and that compilation of bid documents were near completion. The Comptroller's office submission, and review and approval were still pending, but would follow shortly.
7. IM reviewed a memorandum from Department of Treasury, Division of Administration, Fiscal and Resources, stating that the project's CWE was \$31,899,399 for the AHU replacements project, per the cost analysis dated December 3, 2024. IM inquired of DPMC's management, whether funding had been secured, the breakdown of

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the funding source, and whether there had been any modifications to the project funding. DPMC's management noted that the total funding for the project CWE had not been secured. The anticipated cost will not change until DPMC receives the bids. Funding is considered reserved and will be secured immediately upon receiving the bids, and once the full funding amount is confirmed.

b) Recovery Program Participant Comments

No Comment

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 received the outstanding supporting documents listed in the documents request and additional design invoice packages. IM reviewed these documents and reconciled the invoices with the payment confirmations and contracts. Additionally, IM tested the operating effectiveness of the invoice review and approval processes. IM also examined the approval notification for the DCA plan review.

Furthermore, IM inquired of the project team about the progress of the bid clearance, the compilation of bid documents, and whether the bid had been submitted to the Comptroller's Office for approval. IM was informed that the bid submission is still pending.

b) Recovery Program Participant Comments

No Comment

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

a) IM Response

DPMC submitted the Policies and Procedures for Consultant Selection, and Prequalification and Classification regulations. IM reviewed

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DPMC's policies and procedures; to ensure that the policies adequately support fair and open competitive bidding, segregation of duties, and review and approval

b) Recovery Program Participant Comments

No Comment

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

a) IM Response

IM received and reviewed the design contractor's invoices; and payment confirmation to/and/or from Contract/Financial Transaction Report Treasury Fiscal, to ensure that payments were adequately supported and that there was proper review and approval.

IM reconciled the payments, verified the payments in the Financial Transaction Report, and reconciled them with design invoice packages; to determine the total amount expended to date. IM confirmed with Treasury Fiscal for accuracy of the total expended to date.

b) Recovery Program Participant Comments

No Comment

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

a) IM Response

See the responses to Question 14.

b) Recovery Program Participant Comments

No comment

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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

No comment

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

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

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

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Staff Name	Position	Ongoing Monitoring	Risk Assessment	Workplan Development	Reporting	Total Hours
Gwendolyn Thomas-Regis	Partner	1.00		1.00	2.00	4.00
Edwin Kago	Senior Manager	0.25	1.25		2.00	3.50
Samson Estifanos	Audit Manager		0.50		5.00	5.50
Saidu Bangura	Senior Auditor	8.75			6.25	15.00
Grand Total		10.00	1.75	1.00	15.25	28.00

b) Recovery Program Participant Comments

No Comment

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

No comment

Name of Integrity Monitor: Regis & Associates, PC.

Name of Report Preparer: Regis & Associates, PC.

Signature: *Regis & Associates, PC*

Date: 3/31/2025