

**Integrity Monitor Report**  
**Category 3**

Integrity Monitor Firm Name: Vander Weele Group("VWG")  
Quarter Ending: 09/30/2022  
Expected Engagement End Date: 07/31/2022

**A. General Info**

1. Recovery Program Participant:

New Jersey Redevelopment Authority ("NJRA")

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

Coronavirus Relief Funds ("CRF") under Coronavirus Aid, Relief, and Economic Security ("CARES") Act

3. State Funding Source (if applicable):

N/A

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

Per the Third Amendment of the Memorandum of Understanding ("MOU") between the Treasurer of the State of New Jersey ("Treasurer") and NJRA, as well as CARES Act guidelines, all CRF monies are to be expended by December 31, 2021.

5. Accountability Officer:

Darryl Godfrey

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

Small Business Lease Emergency Assistance Grant ("SBLEAG")

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

Pursuant to E.O. 166, the Governor's COVID-19 Compliance and Oversight Taskforce ("Taskforce") has issued guidelines, which have been updated as of June 2021, regarding the appointment and responsibilities of COVID-19 Oversight Integrity Monitors ("Integrity Monitors") to help prevent,

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detect, and remediate inefficiency and malfeasance in the expenditure of COVID-19 Recovery Funds and provide expertise in Program and Process Management Monitoring; Financial Auditing and Grant Management; and Integrity Monitoring/Anti-fraud services.

NJRA entered into an MOU with the New Jersey Department of Treasury, which originally allocated \$6,250,000 to provide eligible businesses and property owners in NJRA eligible communities grant awards to be used toward monthly lease obligations under the Small Business Lease-Emergency Assistance Grant Program. Throughout the life of the program, three amendments were made to the program that allocated a total of \$25,700,000 (see breakdown below).

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

\$25,000,000 for the program  
\$700,000 for administrative costs as to the third amendment to the MOU

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

\$24,983,490 for the program  
\$700,000 for administrative costs.

Note: the disclosed amount in Q1 was an estimate resulting in a difference of \$1,510 higher than the actual amount provided.

10. Amount Provided to Other State or Local Entities:

[N/A]

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

Post Payment

12. Completion Status of Integrity Monitor Engagement:

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VWG has completed the assignment and all deliverables by the scheduled end date of July 31, 2022.

**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

Worked with NJRA staff to finalize risk assessment and reporting in previous quarterly report. In addition, formulated sampling and monitoring report to summarize testing and associated results as well as recommendations and followed up on open items related to payment batch testing.

b) Recovery Program Participant Comments

No comments

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

In addition to information previously provided by NJRA that described program background, eligibility, procedures, and application compliance,

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NJRA has continued to cooperate in providing examples and explanations to questions posed by VWG.

b) Recovery Program Participant Comments

No comments

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

a) IM Response

Substantive audit procedures were completed in the previous quarter; however, VWG worked with NJRA during the third quarter to finalize testing and close out remaining open items and inquiries.

b) Recovery Program Participant Comments

No comments

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

a) IM Response

No payment documentation was reviewed in conjunction with administrative allocations.

b) Recovery Program Participant Comments

No comments

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

a) IM Response

In the previous quarter, Q2 2022, VWG a) reviewed our selected sample against NJEDA disbursement data from multiple programs to determine no apparent duplicative payments were made to applicants and b) tested

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our sample against confirmed disbursements to ensure no duplicated or overpayments were apparent. During the third quarter, VWG worked with NJRA staff to close out open items and inquiries related to testing and documents obtained.

b) Recovery Program Participant Comments

No comments

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

a) IM Response

NJRA has since been able to recoup the full \$10,000 excess payment from the recipient identified in the previous quarter.

b) Recovery Program Participant Comments

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

a) IM Response

1. It was previously reported that NJRA enhanced its review of disbursements and communicated \$271,000 that require recoupment throughout the entire SBLEAG program. NJRA recovered \$267,750 and collected the remaining \$3,250 during July 2022. Early in the program, NJRA noted issues with its former software system which was used for Phase I. Apparently, the system performed inadequately in detecting duplicative applications and overpayments. Additionally, early in the program, NJRA stated they relied too heavily on the software system to identify duplicative applications and have since revised their methodology. Based on VWG's review of the recouped funds population data, it appears that the overpayments identified by NJRA occurred almost entirely in Phase I. NJRA switched systems before the start of Phase II. VWG has continued to monitor the overpayment process, including following up on

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open inquiries related to payment batch testing. In doing so, VWG noted two additional overpayments. One in the amount of exactly \$1,000 and the other in the amount of \$568, for a total of \$1,568. It should be noted that these overpayments both applied to Phase I and the old system. We discussed these amounts with NJRA, and recommended they recoup the overpaid amounts, to which they agreed. They have since collected \$568. They are in the process of collecting the remaining \$1,000, which they agreed to allow to be repaid in installments.

b) Recovery Program Participant Comments

NJRA's process for reviewing and reconciling program's funds was detailed and performed on a regular basis. When our review and reconciliation process revealed funds that need to be recouped for any reason, we quickly mobilized to contact the affected landlord/applicant. We also continuously modified and improved our processes and strengthened our controls to minimize risks and to maintain the integrity of the program. NJRA funded about \$25 million, helping around 2,500 small businesses located within our eligible New Jersey communities.

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

a) IM Response

No apparent findings of fraud, waste, and / or abuse noted in previous quarters within our sample testing.

b) Recovery Program Participant Comments

No comments

**C. Miscellaneous**

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

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a) IM Response

2. [Joseph DeLuca – 1.95
3. Maribeth Vander Weele – 0.00
4. Steven Pasichow – 3.75
5. Deb Wells – 0.00
6. Kevin Mullins – 43.00
7. Kristen Mokofisi – 6.20
8. Michael Dundas – 4.25
9. Kathleen Budreen – 0.00
10. Salvatore Ubaldini – 0.00
11. Matthew Gavin – 0.00
12. Gwendolyn Boston – 0.00
13. Linda Ressler – 3.00
9. Artecia Foster – 0.00]

b) Recovery Program Participant Comments

No comments

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

a) IM Response

[No additional items noted. ]

b) Recovery Program Participant Comments

No comments

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Name of Integrity Monitor: Vander Weele Group  
Name of Report Preparer: Kevin Mullins

Signature:  
Date:

[Sign Here]  
September 19, 2022

A handwritten signature in black ink, appearing to read "Kevin J. Mullins". The signature is written in a cursive style with a large initial "K".