

**Integrity Monitor Report
Category 3**

Integrity Monitor Firm Name: Vander Weele Group^{LLC}/Joseph A. DeLuca Advisory and Consulting Services^{LLC}
Quarter Ending: 09 /30/2025
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:

Jeannine DeHart (Acting Accountability Officer)

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.

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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.

- \$7,934,801.52 for the SSB-NPFA (plumbing) program and \$172,065,198.48 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.

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

Administrative Costs	\$4,087,017.72
Small Business HVAC - Other Community	\$4,942,665.40
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	\$73,836,924.81
School HVAC - Underserved Community	\$54,045,009.54
School Plumbing - Other Community	\$3,475,079.35
School Plumbing - Underserved Community	\$3,325,185.78
Total Expended to Date	\$146,105,730.85

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:

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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 biweekly via Microsoft Teams with the NJBPU contract manager for the program.
- 2.) Finalized and submitted the second quarterly report for 2025.
- 3.) Learned TRC's invoicing practices related to the NJBPU programs. Overall, invoices are divided into two cost categories: a fixed monthly cost to run the plumbing and HVAC programs and a per-unit cost (i.e., per application activity).
- 4.) Reviewed the 07/08/2025 HVAC pipeline report and emailed TRC on 07/23/2025 with outstanding questions. TRC responded on 07/31/2025.
- 5.) Met with the NJBPU and TRC on 07/31/2025 to discuss spenddown options for unused funds due to projects being cancelled or expending under budget. Following this meeting, the NJBPU contacted the New Jersey Department of Community Affairs (NJDCA) regarding spenddown options. On 08/05/2025, the NJBPU informed us that the NJDCA stated the following:
 - The NJBPU can approve new projects for the program if they can be completed by 12/31/2026.
 - The NJBPU can meet the 75 percent match for projects that exceeded its original estimates if the projects comply with the original law and the MOU with the NJDCA.

TRC informed the NJBPU that one school district budgeted at \$5 million has been cancelled. With this cancellation and other unexpended funds from cancelled or under-budget projects, the NJBPU needs to reallocate or expend approximately \$11 million.

- 6.) Selected additional HVAC and plumbing projects to review for a final round of testing and have shared our risk assessment and methodology with the NJBPU.

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- 7.) Sent the final plumbing round two report to the NJBPU on 09/04/2025. The NJBPU reviewed the report and approved us sending it to TRC.
- 8.) Conducted the plumbing round two exit conference and shared the plumbing round two final report with TRC during the 09/18/2025 meeting with the NJBPU.
- 9.) Developed a listing of potential projects to conduct site visits and provided the list to NJBPU for its approval on 09/05/2025. We discussed the site visits with TRC and the NJBPU during the 09/18/2025 biweekly meeting.
- 10.) Developed and provided a written procedure and Excel testing worksheet for the NJBPU to use when reviewing TRC's invoices for HVAC program payments.
- 11.) Sent TRC the risk methodology report, the list of sample selections, and document requests for round three's HVAC and plumbing programs' testing on 09/12/2025.
- 12.) Reviewing the HVAC round two draft report.
- 13.) Drafted and finalized the monthly reports for July and August 2025.
- 14.) Drafted the monthly report for September 2025.
- 15.) Drafted the quarterly report for the period ending 09/30/2025.

b) Recovery Program Participant Comments

Staff continues to work with the IM in its efforts, including discussions about allocating the unexpected funding in the program. As noted above in #5, Staff was informed that they could allocate funding to new projects past the deadline of December 31, 2024. Staff has worked with the program administrator to allocate nearly all of the remaining \$11 million to new school HVAC projects.

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

On 09/12/2025, we sent TRC the risk methodology report, the list of sample selections, and document requests for round three's HVAC and plumbing programs' testing. TRC promptly provided the documentation requested.

The NJBPU provides us with the biweekly pipeline report, which details the status of the projects for the HVAC program.

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b) Recovery Program Participant Comments

Staff continues to work with both TRC and the IM to ensure that any documentation requested by the IM is delivered in a timely fashion.

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

a) IM Response

1. Finalized the report for plumbing round two.
2. Monitored HVAC program status and total project expenditure by reviewing biweekly pipeline reports.

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 09/17/2025 biweekly HVAC pipeline report and noted that:

- Unexpended funds from either canceled projects or completed projects whose incentive payments were less than the commitment amount will go toward projects on hold or new applications. Six projects are in the pre-approval process, per the pipeline report, with a total committed amount of \$11,499,444.66.
- A total of \$458,619.75 in incentives was paid for twenty-seven canceled HVAC programs.
- Forty-seven of 127 completed HVAC projects had unexpended funds totaling \$5,424,988.57.
- Fifty-two HVAC projects are in process. The most recent milestone for seven of the projects was in 2023, and for twenty-three of the projects, it was 2024.

b) Recovery Program Participant Comments

Staff notes the following:

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- These six projects are now approved.
- For HVAC projects, payments are issued in two installments for maintenance projects and three for replacement projects. These are issued after certain milestones are reached. Some projects that were accepted into the program ultimately cancelled after receiving some payments.
- Projects frequently came in under budget. These funds are placed back into the general pool and allocated to new projects on a first-come, first-serve basis
- Projects experience delays on a case-by-case basis. The program administrator is in contact with each, and justification is required for any extension request.

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

a) IM Response

Reviewed the 09/17/2025 biweekly HVAC pipeline report and noted that:

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- Forty-seven of 127 completed HVAC projects had unexpended funds totaling \$5,424,988.57.
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b) Recovery Program Participant Comments

Please see response to item #17.

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

a) IM Response

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Our primary concern regarding unexpended funds is currently being addressed by the NJBPU, including conversations between the NJDCA and NJBPU on potential opportunities for expenditure, and an achievable plan developed in tandem with TRC on full expenditure by the ARPA deadline of 12/31/2026. We will continue to document any details of integrity issues/findings, or potential findings of waste, fraud, and/or abuse if they arise.

b) Recovery Program Participant Comments

Staff continues to work with the program administrator and IM to ensure funds are allocated and expended prior to the APRA deadline of 12/31/2026.

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

a) IM Response

Curtis, Elvin, the previous Accountability Officer, is no longer employed with the NJBPU. Jeannine DeHart is the Acting Accountability Officer.

b) Recovery Program Participant Comments

None.

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

a) IM Response

We aided the NJBPU in the overall monitoring of program spending to date, including encumbrances and actual expenditures. We will continue to monitor and recommend best practice adjustments for the remediation of waste, fraud, and /or abuse.

b) Recovery Program Participant Comments

None.

C. Miscellaneous

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

a) IM Response

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Dr. Kristen Mokofisi – 39.75
Kathleen Budrean – 1.65
Sophia Staveris – 36.60
Rick Duran – 21.45
Bianca Joseph – 107.00
Kevin Mullins – 16.50
Salvatore Ubaldini – 40.25
Katherine Larson – 102.20

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 and Consulting Services ^{LLC}
Name of Report Preparer:	Sophia Staveris
Signature:	<i>Sophia Staveris</i>
Date:	10/14/2025