

State of New Jersey
Department of Treasury
Integrity Oversight Monitoring Reporting Model

Firm Name: Navigant Consulting Inc.
Engagement: EQ2014-002-P3-DCA Sandy Contracts
For Quarter Ending: 6/30/2017

Reports required under A-60 will be submitted by Integrity Monitors on the first business day of each calendar quarter to the State Treasurer and will contain detailed information on the projects/contracts/programs funded by the Disaster Relief Appropriations Act.

No.	Recipient Data Elements	Response	Comments
A. General Info			
1.	Recipient of Funding	The New Jersey Department of Community Affairs ("DCA"), Sandy Recovery Division ("SRD"), is the direct recipient of funding from the United States Department of Housing and Urban Development ("HUD"), Community Development Block Grant, Disaster Recovery Program ("CDBG-DR") to address the massive property damage inflicted by Superstorm Sandy. DCA retained several contractors, who fall under the purview of the New Jersey Integrity Oversight Monitor Act ("A-60"), to assist it in managing various programs designed to distribute CDBG-DR funds to eligible New Jersey residents and businesses. These Contractors include the Gilbane Building Company ("Gilbane"), CB&I Shaw ("CB&I"), and the URS Group, which were retained to manage the Rehabilitation, Reconstruction, Elevation and Mitigation Program ("RREM"); Gilbane, which was retained to manage the Landlord Rental Repair Program ("LRRP"); CGI Federal ("CGI"), which was retained to create and manage the Sandy Integrated Recovery Operations and Management System ("SIROMS"), an information technology solution to assist DCA in managing its SRD programs; Hammerman & Gainer ("HGI"), which was retained to manage the housing application process for the SRD's various housing programs; ICF, Inc., which was retained to provide subject matter expertise and staffing augmentation services to DCA; and Cohn Reznick, which was retained to serve as DCA's internal integrity monitor.	
2.	Federal Funding Agency? (e.g. HUD, FEMA)	HUD	
3.	State Funding (if applicable)	None	
4.	Award Type	HUD CDBG-DR Award	
5.	Award Amount	Gilbane (RREM): \$75,624,764; Gilbane (LRRP): \$12,472,580 CB&I/Shaw: \$92,010,521 CGI: \$91,445,901 ICF: \$99,170,934	
6.	Contract/Program Person/Title	RREM and LRRP: David Mazzuca, Assistant Director, Housing Recovery Programs, DCA; Terrie Quintero, Senior Contracting Manager, DCA SIROMS and Sandy Grant Manager Module ("SGM"): Joyce Paul, SIROMS Manager. ICF: Elizabeth Mackay, Assistant Director, Procurement & Legal	

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No.	Recipient Data Elements	Response	Comments
7.	Brief Description, Purpose and Rationale of Project/Program	RREM provides CDBG-DR awards of up to \$150,000 to eligible homeowners to restore homes damaged by Superstorm Sandy. LRRP provides CDBG-DR awards of up to \$50,000 per unit to owners of rental properties with between 1 and 25 units that require rehabilitation as a result of Superstorm Sandy. SIROMS, developed and administered by CGI, manages all of DCA's Superstorm Sandy funding requests from State agencies, local governments and school districts, as well as all HUD reporting obligations. SGM, a grant tracking system, was developed by CGI. It has replaced the eGrant system developed by HGI. ICF provides strategic advice, program implementation, subject matter expertise and staff augmentation services to DCA. Superstorm Sandy Housing Incentive Program ("SSHIP") covered the completion and processing of housing program applications, and the determination of eligibility and disbursement of funds under the Resettlement Incentive Program, and the RREM and LRRP Programs. HGI was the original contractor selected to manage SSHIP, but prior to the beginning of Navigant's monitorship, DCA and HGI, by mutual agreement, terminated HGI's role as the SSHIP contractor. In May 2015, DCA and HGI entered into a mutually agreed settlement to resolve HGI's performance issues and the amounts billed by HGI and unpaid by DCA. DCA assumed responsibility over HGI's duties at the Superstorm Sandy Housing Recovery Centers, and CGI assumed responsibility for migrating applicant data from HGI's eGrants system to CGI's SGM system. CGI has completed the migration of data from eGrants to SGM, and is managing the data for the RREM and LRRP programs going forward.	
8.	Contract/Program Location	Trenton, New Jersey	
9.	Amount Expended to Date	Amounts are based on current invoice totals as of June 30, 2017: Gilbane (RREM): \$66,045,308; Gilbane (LRRP): \$10,302,760 CB&I/Shaw: \$74,938,574 CGI Federal: \$69,596,029 ICF: \$74,976,571	
10.	Amount Provided to other State or Local Entities	N/A	
11.	Completion Status of Contract or Program	Completion Status based on contract values and invoiced amounts as of June 30, 2017: RREM (Gilbane/CB&I Shaw): approximately 84% LRRP (Gilbane): approximately 83% SIROMS/SGM (CGI): approximately 76% ICF: approximately 76%	
12.	Expected Contract End Date/Time Period	RREM (Gilbane & CB&I Shaw): May 22, 2018 LRRP (Gilbane): June 30, 2018 CGI: May 24, 2018 ICF: May 24, 2018	

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B. Monitoring Activities			
13.	If FEMA funded, brief description of the status of the project worksheet and its support.	N/A	
14.	Quarterly Activities/Project Description (include number of visits to meet with recipient and sub recipient, including who you met with, and any site visits warranted to where work was completed)	Navigant's integrity oversight monitoring activity for the Second Quarter 2017 focused principally on completing our review of a sampling of homeowner draw requests. During this quarter, we conducted five (5) meetings or teleconferences with the State of NJ Department of Treasury, DCA, Gilbane, and CB&I/Shaw. Navigant's contract term concludes in August 2017. Navigant provided a workplan for an additional year as the RREM and LLRP programs are not complete. Navigant will commence with the new workplan once it is approved by NJ Treasury. The proposed workplan involves the continuation of Navigant's review of Contractor payments and homeowner draw requests through Contractor submittal of the final draw requests for each applicant, focusing on any issues indicating fraud, waste, abuse, or risk of de-obligation of funds to the State of New Jersey.	
		Draw Request Review	
		Navigant reported in the prior Quarter's report that we were continuing our detailed review of draw requests submitted by homeowner applicants that were recommended for approval by the RREM contractors resulting in payments made to the applicants. During the quarter, Navigant selected a random sampling of approximately 600 RREM applicants and reviewed all approved draw requests for those RREM applicants. The review identified both potential draw specific related issues, and process related issues that required follow-up with Gilbane, CB&I and DCA. Some of the potential draw specific issues included missing supporting documentation for the draw request and discrepancies with supporting documentation. Supporting documentation discrepancies included paperwork for multiple RREM applicants mistakenly assembled within one RREM applicant 'folder', incorrect dates on invoices or forms, and differing values on invoices and approved payments. Some of the potential process specific issues included file organization and file naming in the SIROMS system, data on SIROMS summary tabs missing or not consistent with the backup documentation, and missing key dates in certain SIROMS files.	

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No.	Recipient Data Elements	Response	Comments
		Navigant summarized its findings from the draw request review and met with Gilbane and DCA, then CB&I and DCA to review the findings. Each of the contractors acknowledged the findings and requested the detailed files with RREM numbers so that they could review internally and provide any response or disposition to Navigant. Following the meeting, Navigant provided the list of follow-up items based on our file review. Both Gilbane and CB&I reviewed our follow-up items, revisited their files and provided responses to DCA. DCA consolidated Gilbane's and CB&I's responses and provided any necessary comments and transmitted back to Navigant. Navigant reviewed the consolidated set of comments provided and concluded that the resolution or disposition provided by Gilbane, CB&I and DCA adequately addressed each of the potential issues identified from our review. It should be noted that Navigant also understands that DCA's RREM closeout process is designed specifically to identify discrepancies, missing documentation or errors similar to those identified by Navigant's draw request review, and therefore those issues that may exist in any Contractor submittal of approved applicant draw requests.	
15.	Brief Description to confirm appropriate data/information has been provided by recipient and what activities have been taken to review in relation to the project/contract/program.	Navigant obtained SIROMS data related to our homeowner draw request review. This data and information was utilized in the analyses described in paragraph 14 above.	
16.	Description of quarterly auditing activities that have been conducted to ensure procurement compliance with terms and conditions of the contracts and agreements.	As described in paragraph 14 above, during this Quarter, Navigant completed our review of a sampling of homeowner draw requests.	
17.	Have payment requisitions in connection with the contract/program been reviewed? Please describe	As described in paragraph 14 above, during this Quarter, Navigant completed our review of a sampling of homeowner draw requests.	

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No.	Recipient Data Elements	Response	Comments
18.	Description of quarterly activity to prevent and detect waste, fraud and abuse.	As described in paragraph 14 above, during this Quarter, Navigant completed our review of a sampling of homeowner draw requests.	
19.	Provide details of any integrity issues/findings	As described in paragraph 14 above, during this Quarter, Navigant did not identify any integrity issues or findings that were not properly addressed during our follow-up meetings.	
20.	Provide details of any work quality or safety/environmental/historical preservation issue(s).	N/A	
21.	Provide details on any other items of note that have occurred in the past quarter	N/A	
22.	Provide details of any actions taken to remediate waste, fraud and abuse noted in past quarters	N/A	
C. Miscellaneous			
23.	Attach a list of hours and expenses incurred to perform your quarterly integrity monitoring review	For the Quarter Ending June 30, 2017: Total hours incurred: 211.30 hours Total fees incurred: \$56,708 Total expenses incurred: \$0	

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No.	Recipient Data Elements	Response	Comments
24	Add any item, issue or comment not covered in previous sections but deemed pertinent to monitoring program.	N/A	

Name of Integrity Monitor: Navigant Consulting Inc.

Name of Report Preparer: Daniel F. Gill



Signature:

Date: October 16, 2017

Appendix A
Meetings Conducted
For Quarter Ending 6/30/17

I. New Jersey Department of Community Affairs

A	David Mazzuca	Assistant Director Housing Recovery
B	Samuel Viavattine	Deputy Commissioner
C	Elizabeth Mackay	Assistant Director of Procurement and Legal
D	Michael Simon	Compliance
E	Terri Quintero	Sr. Contracting Officer- Procurement/Legal- Sandy Recovery Division
F	Anthony Giordano	Auditor -3

II. Gilbane Building Company

A.	Deborah Perriera	VP, Program CEO, LEED BD+C
B	Samir Patel	Senior Project Executive
	Adrienne Franklin	Senior Project Engineer

III. CB&I Shaw

A.	Ben Garcia	Community Outreach Coordinator
B.	Roger Clifford	Program & Project Manager