

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

Firm Name: **EisnerAmper LLP**

Work Authorization No. 2 Hudson-Bergen Light Rail (HBLR) Repair and Recovery and Locally Prioritized Resilience (NJ-44-X003)

Engagement: **Integrity Oversight Monitoring Contract 14-033B**

For Quarter Ending: **06/30/2017**

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	New Jersey Transit Corporation	
2.	Federal Funding Agency? (e.g. HUD, FEMA)	Federal Transit Administration	
3.	State Funding (if applicable)	Not applicable	
4.	Award Type	FTA-Public Transportation Emergency Relief Program	
5.	Award Amount	Total Project: \$44,904,852	
6.	Contract/Program Person/Title	Jignasa Desai-McCleary, Chief, Procurement & Support Services	
7.	Brief Description, Purpose and Rationale of Project/Program	<p>The Hudson-Bergen Light Rail Repair and Recovery and Locally Prioritized Resilience is comprised of the following scope of work:</p> <ul style="list-style-type: none"> - Sandy DMG. 05 HBLR 4 Track & Row: Repair/replacement of damaged track components (rail resurfacing, lubricators, heaters, drainage swales, inlets, culverts and ballast washout and related activities. - Sandy DMG. 05 HBLR 4 Vehicle Base Facility: Replacement of damaged yard switch machines, installation of storage container for critical parts, auxiliary power repairs, and switch heater repairs, purchase of Wheel Truing Machine and installation of VBF, and the purchase of off site wheel truing services. - Sandy DMG. 05 HBLR 4 Signals and Communications: Replacement of mainline switches, impedance bond boxes, repairs at grade crossings, replacement of communication components, installation of Mill Creek CIH and testing and replacement of signal cable. - Sandy DMG. 05 HBLR 4 Traction Power/Station Dist. Power: Testing and replacement of Auxiliary Power Cable, repair Traction Power Cables and associated costs for design, project administration, construction, the purchase of necessary equipment and materials, and other related costs. 	
8.	Contract/Program Location	HBLR Line - Jersey City/Hudson County	
9.	Amount Expended to Date	Total: \$17,105,279	
10.	Amount Provided to other State or Local Entities	None	
11.	Completion Status of Contract or Program	In progress	
12.	Expected Contract End Date/Time Period	12/31/2019	

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B. Monitoring Activities			
13.	If FEMA funded, brief description of the status of the project worksheet and its support.	Not applicable	
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)	Conducted a site visit to observe work being performed for the Auxiliary Cable Power Pilot Program located at Essex Street. Noted two TFC personnel (Project Manager and QA/QC) and nine Matrix electricians. Held a meeting with NJT Principal Contract Specialist. Conducted preliminary background investigations on entities and personnel involved in the HBLR Sandy work.	
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.	Obtained and reviewing TFC invoices for a sample of NPCs. Obtained procurement files for various NPCs; reviewing a selection of NPCs to determine if files are complete and in compliance NJT Procurement Manual (January 2012 Revision 5).	
16.	Description of quarterly auditing activities that have been conducted to ensure procurement compliance with terms and conditions of the contracts and agreements.	EisnerAmper continues its review of a selection of NPC procurement files to determine if files include appropriate documentation (e.g., PM Memo, independent cost estimates ("ICE"), cost analysis reviews ("CAR").	
17.	Have payment requisitions in connection with the contract/program been reviewed? Please describe	EisnerAmper continues its review of a selection of invoices to determine if appropriate approval and supporting documentation has been obtained and maintained.	
18.	Description of quarterly activity to prevent and detect waste, fraud and abuse.	Conducted a site visit and attended one meeting with NJT Principal Contract Specialist. Continued review of TFC invoices and NJT procurement files. Drafted preliminary DBE monitoring plan.	

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19.	Provide details of any integrity issues/findings	None noted	
20.	Provide details of any work quality or safety/environmental/historical preservation issue(s).	None noted	
21.	Provide details on any other items of note that have occurred in the past quarter	None noted	
22.	Provide details of any actions taken to remediate waste, fraud and abuse noted in past quarters	Not applicable	
C. Miscellaneous			
23.	Attach a list of hours and expenses incurred to perform your quarterly integrity monitoring review	See attached hours summary.	

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24.	Add any item, issue or comment not covered in previous sections but deemed pertinent to monitoring program.	<p>Executive Order 125 ("EO 125") required the appointment of an "Accountability Officer" to oversee the responsible disbursement and utilization of federal reconstruction resources and to serve as liaison to the Governor's Office of Recovery and Rebuilding and the State Comptroller's Office. EisnerAmper became aware that the Chief Capital Compliance, Budget and Admin within the Capital Planning & Programs Department (the department responsible for managing the HBLR project) had been designated as the Accountability Officer. In her role as Accountability Officer, the Chief Capital Compliance, Budget and Admin reports to the Deputy Executive Director. EisnerAmper questioned the dual reporting responsibility of the Chief Capital Compliance, Budget and Admin. Although NJ TRANSIT does not view the prior structure as an issue, as of 9/30/17, EisnerAmper has been informed that the position of Accountability Officer will be transitioned to the NJT Chief Compliance Officer, who reports to the Executive Director.</p> <p>On July 19, 2017, NJT Internal Audit ("IA") informed EisnerAmper that NJT Capital Planning & Programs ("CP&P") requested a meeting to discuss our March 2017 requests for megger testing results and lab reports related to the auxiliary power cables. On August 1, 2017 EisnerAmper met with CP&P to discuss the request for auxiliary power cable megger testing and lab reports. During the meeting, CP&P communicated its position that EisnerAmper is not entitled to receive the lab testing and megger testing reports, however, CP&P agreed to research and provide documentation supporting this position.</p> <p>On August 28, 2017 CP&P responded by providing the March 29, 2013 FTA Grant Circular, FTA Sandy Grant Application NJ-44-X003-03 and a NJT spreadsheet titled "NJT Hurricane Sandy Damage Assessment Update – Repair-Recovery 2015-08-14." Based on a review of these documents, it is unclear to EisnerAmper how this documentation supports CP&P's position that EisnerAmper is not entitled to the lab testing and megger testing reports. On September 19, 2017, based on the information provided by CP&P, EisnerAmper requested the complete FTA Superstorm Sandy Damage Assessment Report and lab test reports and megger testing results for traction power cable and signal cable projects, as well as reiterated the request for lab test reports and megger testing results for the auxiliary power cable project.</p> <p>As of October 5, 2017, CP&P has agreed to provide whatever documents it has, subject to the understanding that CP&P continues to maintain that this is not within scope.</p>	

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Name of Integrity Monitor:

EisnerAmper LLP

Name of Report Preparer:

Elliott Lee

Signature:



Date:

10/5/2017

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Department of Treasury
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Attachment for Question #23

Professional	Hours
David A. Cace	3.10
Elliott Lee	20.40
Timothy Van Noy	8.90
Maureen Egan	4.30
Nicole Podendorf	0.00
Adam Karasick	0.00
Nicole Griffin	57.85
Marisol Gonzalez	10.35
Robert Bright	0.00
Ken Brzozowski	4.50
Justin Levin	8.50
Tariq Boston	4.00
Frederick Mitchell	6.50
Stephanie Blue	0.00
Michael Mitrione	27.30
Ina Xhoxhaj	49.00
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