



State of New Jersey
OFFICE OF THE STATE TREASURER
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Governor

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Lt. Governor

ANDREW P. SIDAMON - ERISTOFF
State Treasurer

MEMORANDUM TO: Cabinet Members

FROM: Andrew P. Sidamon-Eristoff *ASE*
State Treasurer

DATE: May 30, 2013

SUBJECT: **P.L. 2013, C.37 60 (A-60)** – Authorizes Deployment of Integrity Oversight Monitors for Certain Recovery and Rebuilding Projects

Building on his commitment to secure the responsible, transparent and accountable use of taxpayer dollars, Governor Christie recently signed into law Assembly Bill 60 (A-60)(P.L. 2013,c.37) ("Integrity Monitor Act" or "Act") which requires the deployment of integrity oversight monitors for certain recovery and rebuilding projects.

The Integrity Monitor Act requires the State Treasurer to establish a pool of qualified integrity oversight monitors and to make available such qualified integrity oversight monitors to certain contracts. The Integrity Monitor Act requires that a governmental entity that is a party to a recovery and rebuilding project contract shall notify the State Treasurer on a form prescribed by the State Treasurer of such contract, describing the project, the parties thereto, and the funding source for the project costs. Upon review of such notice, the State Treasurer shall procure the services of an integrity oversight monitor from the pool for any recovery and rebuilding project involving a contract that is for \$5 million or more unless this condition is waived by the State Treasurer upon a finding that there are sufficient funding recipient compliance controls already in effect. Additionally, the Act provides that the State Treasurer can require an integrity oversight monitor on contracts less than \$5 million if he believes such is required to alleviate potential or ongoing inefficiency or that the size or nature of the recovery and rebuilding project makes it prudent to engage a monitor.

The State Treasurer will assess risk associated with federally funded contracts, projects and programs related to the restoration and rebuilding of New Jersey as a result of Super Storm Sandy. If the State Treasurer determines that the projects warrant the hiring of an integrity oversight monitor, the Department of the Treasury will proceed to do so or instruct State agencies to do so.

Although the law requires integrity oversight monitors for contracts over \$5 million, it provides discretion to the State Treasurer for projects under \$5 million. As a result, the Department of the Treasury is requiring that all State agencies adhere to the following procedures.

- For any project in excess of \$2 million, please complete the attached Sandy Recovery and Rebuilding Contract Notification Form.

- Submit this form along with any documentation applicable to your program to:

Department of the Treasury
Office of the State Treasurer
PO Box 002
Trenton, NJ 08625
Attn: Dave Ridolfino, Associate Deputy State Treasurer

or email directly at David.Ridolfino@treas.state.nj.us

- To the extent your agency feels adequate controls are in place and that an integrity oversight monitor is not necessary, you may apply for a waiver to the statutory requirement. A process will be developed shortly and additional information provided. However, waivers, if granted, will not be provided except on a contract by contract basis.

The Department of the Treasury is creating a pool of integrity oversight monitors that will be published on the Department's website.

The term, "recovery and rebuilding project" means (1) the use of funds provided pursuant to federal legislation enacted by the 113th Congress of the United States which contains, but is not limited to, disaster assistance for Super Storm Sandy, or other major storms in New Jersey; (2) the use of funds disbursed by the State for undertakings to address the damage associated with the state of emergency identified in Executive Order No. 104 (Christie); and (3) the use of funds provided pursuant to federal legislation or disbursed by the State for undertakings to address the damage associated with any major storm or natural disaster.

The Department of the Treasury will continue to modify procedures and policies as we move forward. For example, we anticipate releasing more detailed standard operating procedures for implementing the Integrity Monitor Act and procuring the services of a consultant in the coming weeks. We have also included "frequently asked questions" as part of this packet to assist you in your compliance efforts.

If you have questions concerning this notice, please contact Dave Ridolfino at (609) 633-8185.

c: Marc Ferzan
Kevin O'Dowd
Charles McKenna