

**Integrity Monitor Report
Category 3**

Integrity Monitor Firm Name: Regis & Associates, PC
Quarter Ending: 12/31/2025
Expected Engagement End Date: 12/31/2026

A. General Info

1. Recovery Program Participant:

New Jersey Department of Treasury, Division of Property Management and Construction

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

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:

Mona Cartwright – Assistant Director, Treasury Fiscal

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

DPMC Project A1383-00, Richard Hughes Justice Complex building - Air Handler Units (AHU) Replacement

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

On July 17, 2020, Governor Murphy signed Executive Order 166 (E.O.166), which established the COVID-19 Compliance and Oversight Task Force (Taskforce) and the Governor's Disaster Recovery Office (GDRO).

Integrity Monitor Report Category 3

Pursuant to E.O. 166, the Taskforce issued guidelines, which have been updated as of June 2021 and are attached hereto, regarding the appointment and responsibilities of COVID-19 Oversight Integrity Monitors (Integrity Monitors or IM). Integrity Monitors are intended to serve as an important part of the State's accountability infrastructure; while working with Using Agencies in developing measures to prevent, detect, and remediate inefficiency and malfeasance in the expenditure of COVID-19 Recovery Funds. They also provide expertise in Program and Process Management Auditing, Financial Auditing, and Grants Management; and Integrity Monitoring/Anti-Fraud services. An integrity monitor (Category 3: Integrity Monitoring/Anti-Fraud) is required for projects that receive \$20 million or more in COVID-19 Recovery Funds.

The Division of Property Management and Construction (DPMC) received \$25,200,000 from the ARPA State Fiscal Recovery Fund (SFRF), for DPMC Project A1383-00. This funding is allocated for the HVAC Replacement of 27 Air Handler Units, which benefit the 23,000 Agency Employees assigned to the R.J.H. Justice Complex at 25 Market Street in Trenton.

The purpose of the Integrity Monitoring Engagement is to work collaboratively with DPMC, to monitor the DPMC project, A1383-00, Justice AHU Replacement. The engagement includes:

1. Conducting a risk assessment of DPMC's existing controls in place to prevent fraud, waste, or abuse in connection with the COVID-19 Recovery Program;
2. Developing and submitting a Work Plan for monitoring the COVID-19 Recovery Program, for fraud, waste, or abuse; including a review of relevant risk factors specific to the Program being monitored;
3. Performing program reviews; reviewing documents retention policies and procedures; performing fraud prevention/detection and data analytics; performing fraud awareness instruction for DPMC, contractors, and/or vendors; construction project monitoring reviews; procurement/expenditure reviews; and payment and wage reviews; and
4. Reviewing Compliance with applicable federal and state laws.

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

\$25,200,000 – ARPA SFRF

**Integrity Monitor Report
Category 3**

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

\$1,821,889.63 – ARPA SFRF

10. Amount Provided to Other State or Local Entities:

N/A

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

Design phase

12. Completion Status of Integrity Monitor Engagement:

In progress

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

The Integrity Monitor (IM) performed the following tasks, for the period from 10/1/2025 through 12/31/2025:

1. IM submitted final Q3 2025 Quarter report to the NJ Treasurer.

Integrity Monitor Report Category 3

2. IM submitted the monthly reports on fraud prevention, waste, and abuse; for September, October, and November 2025, to the NJ Treasurer. No fraud, waste, or abuse was noted.
3. During Q4, 2025, IM submitted monthly requests for documents for ongoing monitoring. IM received a partial set of the requested supporting documents, and is currently reviewing the documents provided. Additionally, IM resubmitted a list of outstanding documents that were requested.
4. IM received notification that the bidding for a construction project that had initially resulted in a contractor being selected, had later been canceled and no award was made. DPMC re-advertised the bid and the new deadline for submitting bids was December 18, 2025; with a contract award anticipated on January 15, 2026.
5. IM reviewed the solicitation cancellation letter, dated October 14, 2025, addressed to all bidders; and noted that DPMC cancelled the bid proposals, due to a potential ambiguity in the bid documents.
6. IM followed-up to clarify the ambiguity, and noted that the HVAC comprises over 90% of the value of the project, thus violating Section IB 5.2 of the Instructions to Bidders (IB) and General Conditions Manual, which require bidders to complete at least 35% of the contract work. As a result, DPMC deemed the IB requirements to be unduly restrictive, and opted to re-advertise the project and waive the relevant section of the IB.
7. IM downloaded the re-bid sign-in sheet and bid results from the DPMC website; and noted that five (5) contractors were evaluated. Of the contractors that were evaluated, Preferred Mechanical, Inc. had the lowest bid. Additionally, IM followed up with the DPMC team and received notification confirming that the winning bidder was Preferred Mechanical, Inc., which submitted a bid in the amount of \$21,200,000. The project is awaiting Notice to Proceed (NTP) from Legal and Contract Administration, to begin construction in early January, 2026.
8. IM is currently preparing a documents request list for the new bid award.
9. IM reviewed the consulting firm's invoice submitted in October 2025, related to the work performed on the canceled bid. Additionally, IM reviewed the Contract/Financial Transaction Report as of December 31, 2025, for completeness and accuracy; and compared it with the prior quarter, to verify that any changes in the current quarter were due to the invoice payment and was related to the project cost.

**Integrity Monitor Report
Category 3**

b) Recovery Program Participant Comments

No Comment

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

IM reviewed the documentation provided to date, along with section IB 5.2 the Instructions to Bidders and General Conditions Manual; and has not identified any issues. However, IM has requested additional supporting documentation from the project team to further assess compliance. Additionally, IM requested and update of the status of the project.

b) Recovery Program Participant Comments

No Comment

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

a) IM Response

As stated in the responses to Question 14 above, DPMC tabulated the re-bid results. IM will submit a documents request list for new bid documents, to determine whether the contractor was selected through a fair and open competitive bidding process.

b) Recovery Program Participant Comments

No Comment

**Integrity Monitor Report
Category 3**

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

a) IM Response

IM reviewed the Contract/Financial Transaction Report Treasury Fiscal, to ensure that payments were adequately supported, and that there were proper review and approval.

IM noted that the invoice payment was related to the project cost.

b) Recovery Program Participant Comments

No Comment

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

a) IM Response

See the responses to Question 14.

b) Recovery Program Participant Comments

No comment

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

a) IM Response

No integrity issues/findings have been identified.

b) Recovery Program Participant Comments

No comment

**Integrity Monitor Report
Category 3**

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

a) IM Response

N/A

b) Recovery Program Participant Comments

N/A

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

a) IM Response

N/A

b) Recovery Program Participant Comments

N/A

C. Miscellaneous

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

a) IM Response

Total hours and employees for the period from 10/1/2025 through 12/31/2025 are as follows:						
Staff Name	Position	Ongoing Monitoring	Risk Assessment	Workplan Development	Reporting	Total Hours
Gwendolyn Thomas-Regis	Partner				3.50	3.50
Edwin Kago	Senior Manager	11.75			1.50	13.25
Samson Estifanos	Audit Manager	2.50			6.00	8.50
Saidu Bangura	Senior Auditor	21.50			4.50	25.75
Grand Total		35.50			15.50	51.50

**Integrity Monitor Report
Category 3**

b) Recovery Program Participant Comments

No Comment

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

a) IM Response

None

b) Recovery Program Participant Comments

No comment

Name of Integrity Monitor: Regis & Associates, PC
Name of Report Preparer: Regis & Associates, PC

Signature:

Date: 12/31/2025