

**Integrity Monitor Report
Category 3**

Integrity Monitor Firm Name: Vander Weele Group^{LLC}/Joseph A. DeLuca Advisory & Consulting Services^{LLC}
Quarter Ending: 12/31/2025
Expected Engagement End Date: 10/31/2025

A. General Info

1. Recovery Program Participant:

[New Jersey Department of Environmental Protection (NJDEP)]

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:

[Stephen Matis]

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

(1) Greenway Acquisition, Remediation and Development
(2) Liberty State Park Revitalization Project
(3) Water Infrastructure Program [Clean Water State Revolving Fund (CWSRF) Projects and Drinking Water State Revolving Fund (DWSRF) Projects]

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

The State of New Jersey received \$6,244,537,955.50 in Coronavirus State Fiscal Recovery Funds (CSFRF) under *ARPA*. A description, purpose, and rationale for each of the three programs included within this integrity monitorship are as follows:

(1) Greenway Acquisition, Remediation, and Development—The purpose of this engagement is to monitor the \$67,000,000 in *ARPA* CSFRF funding the NJDEP

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received for the acquisition, remediation, and development of the Greenway. This project sees the conversion of an approximate nine-mile, 100-foot-wide blighted corridor into a thriving recreation and transportation corridor spanning eight municipalities in Essex and Hudson Counties. The NJDEP funding is budgeted as \$20 million towards the direct acquisition of the property, \$45 million for remediation and development costs, and \$2 million in NJDEP administrative costs.

(2) Liberty State Park Revitalization Project—The purpose of this engagement is to monitor the \$52,500,000 in *ARPA* CSFRF funding the NJDEP received to implement immediate upgrades to Liberty State Park, as well as to cover a portion of planning and design costs for future upgrades.

(3) Water Infrastructure Program—The purpose of this engagement is to monitor the \$302,300,000 in *ARPA* CSFRF funding the NJDEP received for several different water infrastructure initiatives, including CWSRF Projects and DWSRF Projects. The Water Infrastructure Program is a partnership between the NJDEP, the New Jersey Water Bank (NJWB), and the New Jersey Infrastructure Bank (I-Bank). It is budgeted to provide principal forgiveness loans to support communities.]

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

[(1) Greenway Acquisition, Remediation, and Development—\$67,000,000
 (2) Liberty State Park Revitalization Project—\$52,500,000
 (3) Water Infrastructure Program—\$302,300,000]

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

(1) Greenway Acquisition, Remediation, and Development—\$39,925,925.79
 (2) Liberty State Park Revitalization Project—\$15,605,920.17
 (3) Water Infrastructure Program—\$41,757.40

10. Amount Provided to Other State or Local Entities:

[N/A]

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

[Construction Phase]

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12. Completion Status of Integrity Monitor Engagement:

[Project Completion Phase]

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

Greenway Acquisition, Remediation, and Development

1. Finalized our review of the documentation the NJDEP provided regarding the Greenway invoices to facilitate reconciling invoice payments for the selected disbursement reviews.
2. Updated the status schedule to show potential findings. Overall, the risk of not spending the *ARPA allocation* by the established federal deadline of December 31, 2026, remains a concern.
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4. Updated the status schedule to show potential findings. Overall, the risk of not spending the ARPA allocation by the established federal deadline of December 31, 2026, remains a concern. Additionally, we noted finding types for certified payroll documentation.
5. Conducted the Exit Conference with the NJDEP on November 6, 2025.
6. Finalized and submitted the Project Completion Report.
7. Finalized and submitted the NJDEP Guidelines for Grant Programs Supporting Documentation.

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8. Drafted the monthly and quarterly reports for December 2025.

Liberty State Park Revitalization Project

1. Updated the status schedule showing potential findings. Overall, the risk of not spending the *ARPA* allocation by the established federal deadline of December 31, 2026, remains a concern. Additionally, we noted finding types for certified payroll documentation.
2. Finalized our review of the documentation the NJDEP provided regarding the Greenway invoices to facilitate reconciling invoice payments for the selected disbursement reviews.
3. Conducted the Exit Conference with the NJDEP on November 6, 2025.
4. Finalized and submitted the Project Completion Report.
5. Finalized and submitted the NJDEP Guidelines for Grant Programs Supporting Documentation.
6. Drafted the monthly and quarterly reports for December 2025.

Water Infrastructure Program

1. Conducted the Exit Conference with the NJDEP on November 6, 2025.
2. Finalized and submitted the Project Completion Report on November 6, 2025.
3. Drafted the monthly and quarterly reports for December 2025.

b) Recovery Program Participant Comments

DEP agrees with IM comments

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

1. Conducted procurement sampling and reviews across the Greenway, Liberty State Park, and Water Infrastructure programs. Our risk sampling approach to select expenditures for review used the Likert scale, which allowed us to incorporate key areas of potential risk into program application sampling.
2. Reviewed documents for all three projects to determine whether the invoice, payment, and procurement processes have complied with the standard regulations.

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3. Finalized the project completion reports per project, which note findings and recommend best practice. Our greatest concern to date is the total expenditure for each project.
4. Created a grant guidance document that supports gathering and maintaining expenditure-related documentation under federal funds, which the NJDEP will provide to all contractors and subcontractors.
5. Followed up with the NJDEP on current expenditure projections for each program. The NJDEP updated the NJDCA, stating the following for each project:

“Water Infrastructure – the entirety of the \$295m has been earmarked for Clean Water and Drinking Water Infrastructure projects, supported by loans through the Water Bank. The funds for these projects will be converted to expenditures at the time of long-term loan closings, scheduled for June 2026 and December 2026. To date, approximately \$168m of costs, earmarked to be supported by ARP funds, have been incurred. We are confident that the full amount of ARP funds allocated to the Water Infrastructure program will be used.”

Greenway – “The Greenway project broke ground in July 2025. NJDEP entered an MOU with the NJ Economic Development Authority (NJEDA), supported by the balance of the ARP funding for them to act as the delivery partner on the Greenway project. As construction has started, we anticipate that all ARP funds allocated to the Greenway project will be spent.”

Liberty State Park – “Design and planning activities continue in Liberty State Park, with construction in several areas of the Park expected to start in Fall 2025. Similar to the Greenway Project, NJDEP entered into an MOU with NJEDA, supported by \$20 million in ARP funding, for them to act as the delivery partner on the LSP Revitalization Project. Once construction begins, costs will start accumulating, and expenditures should start to increase significantly. Due to delays incurred by the Army Corps of Engineers, the previously referenced funding for their project has been repurposed for use on other projects at LSP in order to exhaust all ARP funding by the deadline.”

The NJDEP responded: “With respect to Liberty State Park, we no longer anticipate using ARP funding to make the \$20m payment to the US Army Corp of Engineers as their work has been delayed and is not expected to start until Spring 2027.” This has caused an additional concern to ensure

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ARPA funding is expended by December 31, 2026. Our findings and recommendations are included within the project completion report.

b) Recovery Program Participant Comments

DEP agrees with IM comments

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

a) IM Response

Reviewed documents for all three projects to determine whether the invoice, payment, and procurement processes have complied with the standard regulations. We noted no procurement compliance findings.

b) Recovery Program Participant Comments

DEP agrees with IM comments

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

a) IM Response

We finalized our review of the Greenway Acquisition, Liberty State Park, and Water Infrastructure Programs and submitted the final project completion reports.

b) Recovery Program Participant Comments

DEP agrees with IM comments

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

a) IM Response

We did not note any evidence of waste, fraud, and/or abuse for the Greenway, Liberty State Park, or Water Infrastructure projects.

b) Recovery Program Participant Comments

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DEP agrees with IM comments

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

a) IM Response

[We did not detect findings of waste, fraud, and/or abuse for the expenditures reviewed during the engagement. However, we are concerned that the NJDEP will not expend the total project allocation within the applicable time frame established through *ARPA*. As noted above, the NJDEP expects to fully expend the total allocations by December 31, 2026. Due to delays in total expenditures, we requested a no-cost modification to extend our engagement through October 31, 2025.]

The NJDEP stated the full \$295 million allocated for Clean Water and Drinking Water Infrastructure projects will be expended through long-term loan conversions via the Water Bank, with closings scheduled for June 2026 and December 2026.

The NJDEP has begun construction on the Greenway and Liberty State Park as of fall 2025, which is expected to significantly increase expenditures.

b) Recovery Program Participant Comments

DEP agrees with IM comments

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

a) IM Response

Throughout our assignment, we have received program expenditure reports for the three projects. As previously stated, the program expenditures have not kept up with originally anticipated program progress. Many factors have impacted program expenditures since the initiation of these programs. Some of these factors include, but are not limited to:

- Supply chain disruptions as the economy recovers from the impacts of COVID-19;
- Resource limitations by internal NJDEP staff and external general contractors, especially as it relates to administrative tasks;

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- Time necessary to collaborate across various divisions within the NJDEP, sometimes including both internal and external parties (for example, needing to collaborate with individuals from I-Bank for the Water Infrastructure Program); and
- Most significantly, the delays resulting from multiple stakeholders—including various agencies, the NJDEP, and the community—as it relates to the Greenway and Liberty State Park projects.

While we have noted this on previous quarterly reports, we collaborated with the NJDEP to review expenditures to date and extended the integrity monitorship to October 31, 2025, to ensure a well-rounded review of expenditures through September 2025.

b) Recovery Program Participant Comments

DEP agrees with IM comments

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

a) IM Response

1. While we noted the following in previous quarterly reports, it is important to reiterate due to the overall budgeted requirements for bridge and encroachment concerns. The NJDEP has been working with the New Jersey Office of Transactions and Public Land Administration (NJOTPLA) on encroachment issues and with police to resolve safety concerns. We have also conversed with the New Jersey Transportation Planning Authority (NJTPA) about budgeting concerns to address the safety issues regarding bridge upgrades. The NJDEP noted that, prior to the acquisition, an external evaluation of the bridges showed the necessary repairs, rebuilds, and cost estimates. These cost estimates are now out of date, but the NJDEP is working to address these concerns prior to the funding closeout.

b) Recovery Program Participant Comments

DEP agrees with IM comments

C. Miscellaneous

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

a) IM Response

Joseph DeLuca—5.50
Dr. Kristen Mokofisi—15.75
Kevin Mullins—4.00
Sophia Staveris—18.00
Cassy Good—6.00
Bianca Joseph—0.30

b) Recovery Program Participant Comments

DEP agrees with IM comments

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 & Consulting Services^{LLC}

Name of Report Preparer: Bianca Joseph

Signature:



Date:

1/13/2025