

**Integrity Monitor Report
Category 3**

Integrity Monitor Firm Name: Regis & Associates, PC
Quarter Ending: 6/30/2025
Expected Engagement End Date: 6/30/2025

A. General Info

1. Recovery Program Participant:

New Jersey Schools Development Authority

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

American Rescue Plan Act (ARPA)

3. State Funding Source (if applicable):

Annual appropriation

4. Deadline for Use of State or Federal Funding by Recovery Program Participant:

December 31, 2026

5. Accountability Officer:

Manuel DaSilva, Chief Executive Officer

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

Construction of the Union City Grade 7-9 Community School

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). Pursuant to signing of E.O. 166, the Taskforce issued guidelines regarding the appointment and responsibilities of COVID-19 Oversight Integrity Monitors (Integrity Monitors). These guidelines have been updated as of June 2021. 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

Integrity Monitor Report
Category 3

prevent, detect, and remediate inefficiencies and malfeasance in the expenditure of COVID-19 Recovery Funds. They also provide expertise in Program and Process Management Auditing, Financial Auditing and Grant Management, and Integrity Monitoring/Anti-Fraud services.

The New Jersey Schools Development Authority (SDA) received \$50 million from the US Treasury's Coronavirus Capital Projects Fund (CPF), to construct the Union City Grade 7-9 Community School; a six-story, 130,000 square-foot community school, valued at approximately \$75 million. The remaining funds are being appropriated from State funding sources. The construction of the school has been advanced, by utilizing the design-build project delivery method.

The purpose of this Integrity Monitoring engagement is to work with SDA's Accountability Officer, and with Other SDA staff, to monitor SDA's in-progress Design-Build construction project for the Union City Grade 7-9 Community School. The engagement includes: (1) conducting a risk assessment of SDA's exiting controls in place to prevent fraud, waste, or abuse in connection with the COVID-19 Recovery Program; (2) reviewing the validity and sufficiency of the design-builder's applications for payments, and their supporting documentation for progress payments, which includes proper authorization of SDA's payments and proper documentation of any change orders; and (3) reviewing compliance with applicable Federal and State laws.

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

\$75,000,000

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

\$62,696,924 - This amount consists of \$5,084,680 from the State, \$56,826,150 from Federal CPF, \$345,089 from Federal CPF Grant "Interest", and \$714,005 from Local Government

10. Amount Provided to Other State or Local Entities:

N/A

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

**Integrity Monitor Report
Category 3**

Construction in progress

12. Completion Status of Integrity Monitor Engagement:

Completed

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 following tasks were performed during the period from 4/1/2025 through 6/30/2025:

1. IM submitted the Q1 2025 Quarter report to NJ Treasurer.
2. IM requested and received the following supporting documents:
 - a. Project field status reports for the month of April 2025.
 - b. Subcontractors' payroll certification, project monitoring reports and safety inspection reports.
 - c. Monthly Design Build Invoices packages for the month of April, 2025.
 - d. Pencil copy invoices associated with the final copy of invoices for April 2025.
3. IM conducted ongoing reviews of the invoice packages, safety inspection oversight, prevailing wage rate compliance, change orders, and subcontractors' debarment and suspension. The

**Integrity Monitor Report
Category 3**

purpose of the reviews is to determine the effectiveness of the invoice and change order review and approval process, as well as to ensure compliance with prevailing wage rates and OSHA regulations.

4. IM also reviewed the reconciliation of funding expended between BD contract total, and funding sources such as state appropriation, federal CPF Grant, federal CPF interest earned, and local government contribution to determine the total funding spent to date.
5. IM prepared the Q2 2025 report and project completion report for submission to the NJ Treasurer.
6. **Other Matters:** SDA informed IM that Federal funding ended in April 2025, resulting in the termination of IM's contract as of June 30, 2025.

b) Recovery Program Participant Comments

Confirmed

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 received and reviewed the documents, tested the operating effectiveness of the invoice and change order reviews and approvals; and compliance with prevailing wage rate and OSHA regulations.

b) Recovery Program Participant Comments

SDA to complete

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

**Integrity Monitor Report
Category 3**

a) IM Response

IM reviewed the monthly invoice package for new subcontractors, to determine whether the subcontractors were debarred or suspended from receiving Federal funds. IM also reviewed the supporting documents and performed web research on SAM.gov, to determine whether the selected subcontractors were debarred or suspended from receiving Federal funds.

b) Recovery Program Participant Comments

No comments

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

a) IM Response

IM tested a sample of the design contractor's invoice packages, including payments, to ensure that payments were adequately supported and that there was proper review and approval. IM also reviewed the reconciliation of funding expended, to verify the adequacy of the funding source expended to date. IM noted that the Federal CPF Grant earned \$345,089 in interest. The SDA team confirmed that, as of April 30, 2025, the total Federal CPF funds of \$57,171,239 received for the project, including interest, are now fully expended.

b) Recovery Program Participant Comments

No comments

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

a) IM Response

See the response to Question 14

b) Recovery Program Participant Comments

**Integrity Monitor Report
Category 3**

Confirmed

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

Confirmed

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

**Integrity Monitor Report
Category 3**

The total hours and employees for the period from 4/1/2025 through 6/30/2025 are as follows:

Staff Name	Position	Ongoing Monitoring	Risk Assessment	Reporting	Total Hours
Gwendolyn Thomas-Regis	Partner	11.00		4.50	19.50
Peter Regis	Partner	6.00		1.00	7.00
Edwin Kago	Senior Manager	4.75		0.75	5.50
Samson Estifanos	Audit Manager	4.50		11.00	15.50
Saidu Bangura	Senior Auditor	7.50		3.00	10.50
Marwa Elsabie	Senior Auditor	14.50			14.50
Grand Total		48.25	0.00	24.25	72.50

b) Recovery Program Participant Comments

SDA will verify the hours of IM against the contract

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

N/A

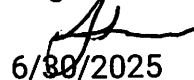
Name of Integrity Monitor:

Regis & Associates, PC

Name of Report Preparer:

Regis & Associates, PC

Signature:



Date:

6/30/2025