

Integrity Monitor Report
Category 3

Integrity Monitor Firm Name: Vander Weele Group^{LLC}/Joseph A. DeLuca Advisory and Consulting Services^{LLC}
Quarter Ending: 12/31/2025
Expected Engagement End Date: 12/31/2026

A. General Info

1. Recovery Program Participant:

New Jersey Board of Public Utilities (NJBPU)

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:

Jeannine DeHart (Acting Accountability Officer)

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

1.) School and Small Business Ventilation and Energy Efficiency Verification and Repair (SSB-VEEVR) Program

2.) School and Small Business Noncompliant Plumbing Fixture and Appliance (SSB-NPFA) Program

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

The purpose of this engagement is to review the SSB-VEEVR and SSB-NPFA programs for compliance with the School and Small Business Energy Efficiency Stimulus Program Fund (*P.L. 2021, c. 200*) and the Coronavirus State Fiscal Recovery Fund (CSFRF) Interim and Final Rule, as applicable.

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

The NJBPU earmarked approximately \$180 million for the two programs and an additional \$5 million for administrative expenses.

- Of the \$180 million, \$7,934,801.52 is for the SSB-NPFA (plumbing) program and \$172,065,198.48 is for the SSB-VEEVR (HVAC) program.
- Of the total \$5 million set aside for administrative costs, \$3,778,262.88 is obligated to TRC, the program administrator, and \$1,221,737.12 is obligated to the integrity monitor.

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

Administrative Costs	\$4,235,383.54
Small Business HVAC - Other Community	\$5,005,665.50
Small Business HVAC - Underserved Community	\$1,407,403.11
Small Business Plumbing - Other Community	\$729,004.99
Small Business Plumbing - Underserved Community	\$257,440.05
School HVAC - Other Community	\$81,908,887.84
School HVAC - Underserved Community	\$55,772,845.45
School Plumbing - Other Community	\$3,475,079.35
School Plumbing - Underserved Community	\$3,325,185.78
Total Expended to Date	\$156,116,895.61

10. Amount Provided to Other State or Local Entities:

N/A

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

Subrecipient sampling and application review

12. Completion Status of Integrity Monitor Engagement:

Programmatic review process

B. Monitoring Activities

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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

- 1.) Met with the NJBPU via Microsoft Teams on 10/09/2025, 11/13/2025 and 12/11/2025.
- 2.) Completed the initial reviews for the final round of testing and have selected a second set of programs for testing.
- 3.) Reviewed HVAC project #68273 and found that it was canceled after receiving \$307,494 from the first two incentive payments. The recipient, Lakou Kitchen, was evicted from the Mount Laurel location listed on the program's initial application and had told the contractor, Vanguard Building Solutions, and TRC that it had found a new location in Medford. Lakou Kitchen acquired the new property on 03/01/2024. Since a new location was anticipated, the application was updated to reflect the new location's address. The contractor conducted multiple site visits to the new location and designed and developed the project from 03/06/2024 to 11/01/2024. The contractor logged all work performed, including the time and dollar amounts, as well as all attempts to communicate with Lakou Kitchen. From 11/06/2024 to 12/03/2024, both the contractor and TRC attempted contact with Lakou Kitchen, but received no response. Subsequently, TRC canceled the project. The second incentive payment, \$299,994, was for materials. Although the contractor canceled the materials order, TRC stated that the advance deposit was not refundable.
- 4.) Finalized the HVAC round 2 draft report and submitted to the NJBPU for review on 12/18/2025. Initial findings and recommendations were included for review by both TRC and NJBPU. Upon approval from NJBPU, the report will be sent to TRC for administrator response. Initial concerns include unexpended amounts from completed and cancelled projects, as well as

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incentive payments made with no claw-back policy for projects that proceed with cancelation.

- 5.) Conducted HVAC program site visits accompanied by TRC: four sites on 12/03/2025 and three on 12/04/2025. The IM will summarize the results of the visits and include them in the next report.
- 6.) Finalized and submitted the third quarterly report for 2025.
- 7.) Drafted and finalized the monthly reports for October and November 2025.
- 8.) Drafted the monthly report for December 2025.
- 9.) Drafted the quarterly report for the period ending 12/31/2025.

b) Recovery Program Participant Comments

Staff continues to support the IM in its efforts.

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

TRC helped the IM schedule and conduct seven HVAC program site visits: four on 12/03/2025 and three on 12/04/2025.

b) Recovery Program Participant Comments

None.

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

a) IM Response

Monitored HVAC program status and total project expenditure by reviewing biweekly pipeline reports.

b) Recovery Program Participant Comments

None.

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

a) IM Response

Reviewed the 12/09/2025 biweekly HVAC pipeline report and noted that:

- The report contains 126 completed projects; however, six other projects that were completed and paid out were re-opened for post inspections. In total 132 projects were completed.
- Forty-seven of the 132 completed HVAC projects had unexpended funds totaling \$5,424,988.57.
- Unexpended funds from either canceled projects or completed projects whose incentive payments were less than the commitment have gone toward on hold projects and new applications.
- A total of \$467,807.25 in incentives was paid for 28 canceled HVAC programs.
- Fifty HVAC projects are in process. The most recent milestone for six of the projects was in 2023, and for nine of the projects, it was in 2024.

b) Recovery Program Participant Comments

Staff notes that, as the IM identified in their third bullet point above, unexpended funds from projects that cancelled or finished under budget were reallocated to newer projects.

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

a) IM Response

Reviewed the 12/09/2025 biweekly HVAC pipeline report and noted that:

- The report contains 126 completed projects; however, six other projects that were completed and paid out were re-opened for post inspections. In total 132 projects were completed.
- Forty-seven of the 132 completed HVAC projects had unexpended funds totaling \$5,424,988.57.

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- Unexpended funds from either canceled projects or completed projects whose incentive payments were less than the commitment have gone toward on hold projects and new applications.
- A total of \$467,807.25 in incentives was paid for 28 canceled HVAC programs.
- Fifty HVAC projects are in process. The most recent milestone for six of the projects was in 2023, and for nine of the projects, it was in 2024.

b) Recovery Program Participant Comments

Staff is working closely with the Program Administrator to ensure that the remaining HVAC projects are completed on time.

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

a) IM Response

The NJBPU is addressing our primary concern of unexpended funds. The NJBPU and the NJDCA are discussing opportunities for expenditure and an achievable plan, developed in tandem with TRC, for full expenditure by the ARPA deadline of 12/31/2026. We will document any details of integrity issues/findings, or potential findings of waste, fraud, and/or abuse if they arise.

The IM reviewed HVAC project #68273 and found that it was canceled after receiving \$307,494 from the first two incentive payments. The recipient, Lakou Kitchen, was evicted from the Mount Laurel location listed on the program's initial application and had told the contractor, Vanguard Building Solutions, and TRC that it had found a new location in Medford. Lakou Kitchen acquired the new property on 03/01/2024. Since a new location was anticipated, the application was updated to reflect the new location's address. The contractor conducted multiple site visits to the new location and designed and developed the project from 03/06/2024 to 11/01/2024. The contractor logged all work performed, including the time and dollar amounts, as well as all attempts to communicate with Lakou Kitchen. From 11/06/2024 to 12/03/2024, both the contractor and TRC attempted contact with Lakou Kitchen multiple times but received no response. Subsequently, TRC canceled the project. The second incentive, \$299,994, was for materials. Although the contractor canceled the materials order, TRC stated that the advance deposit was not refundable.

b) Recovery Program Participant Comments

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Staff continues to work with both the IM and the Program Administrator to ensure all project funds are expended prior to the ARPA deadline of 12/31/2026.

Staff further continues to support the IM in their investigation of project #68723 and notes the complexity of the situation.

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

We aided the NJBPU in the overall monitoring of program spending to date, including encumbrances and actual expenditures. We will continue to monitor and recommend best practice adjustments to remediate waste, fraud, and /or abuse.

b) Recovery Program Participant Comments

None.

C. Miscellaneous

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

a) IM Response

Dr. Kristen Mokofisi—27.75

Kathleen Budrean—1.25

Joseph DeLuca—3.50

Sophia Staveris—63.05

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Rick Duran–30.15
Bianca Joseph–125.05
Kevin Mullins – 42.75
Katherine Larson–88.25

b) Recovery Program Participant Comments

None.

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 and Consulting Services ^{LLC}
Name of Report Preparer:	Sophia Staveris
Signature:	<i>Sophia Staveris</i>
Date:	01/13/2026