

**Integrity Monitor Report
Category 3**

Integrity Monitor Firm Name: Vander Weele Group^{LLC} / Joseph A. DeLuca Advisory & Consulting Services ^{LLC}
Quarter Ending: 08/30/2024
Expected Engagement End Date: 06/30/2025

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 Resuce 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) The 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

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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 ARP CSFRF funding the NJDEP received for the acquisition, remediation, and development of the Greeway, converting an approximate 9-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 ARP CSFRF funding the NJDEP received to implement immediate upgrades to Liberty State Park, as well as to cover a portion of plannign and design costs for future upgrades.

(3) Water Infrastructure Program - The purpose of this engagement is to monitor the \$302,300,000 in ARP CSFRF funding the NJDEP received for several differencnt water infrastructure initiatives, including (a) Clean Water State Revolving Fund (CWSRF) Projects and (b) Drinking Water State Revolving Fund (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) and 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 Remediation and Redesign - \$52,500,000; and
(3) Water Infrastructure Program - \$302,300,000.]

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

(1) The Greenway Acquisition, Remediation and Development -
\$24,551,002.14
(2) Liberty State Park Revitalization Project - \$2,008,840.41
(3) Water Infrastructure Program - \$1,512,606.15

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10. Amount Provided to Other State or Local Entities:

[N/A]

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

[Planning, design, and construction phase]

12. Completion Status of Integrity Monitor Engagement:

[Planning and monitoring 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. Attended biweekly meetings with the NJDEP on 07/03/2024, 07/17/2024, 07/31/2024, 08/14/2024, 08/28/2024, and 09/11/2024.
2. Attended internal meetings with Joseph A. DeLuca Advisory & Consulting Services LLC (DeLuca Advisory) on 07/03/2024, 07/17/2024 and 07/31/2024, 08/14/2024, 08/28/2024, 09/11/2024, and 09/25/2024.
3. Drafted a retrospective review of the acquisition agreement

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report including on-site monitoring notes, images, and drone footage. This report included areas of concern and recommendations for the NJDEP to stay aware of during the construction phase. This was submitted to NJDEP on 9/11/24 with revisions provided from the NJDEP team on 9/24/24. We will incorporate NJDEP's revisions and provide a final version in the coming weeks.

4. Requested a list of up-to-date expenditures to determine whether procurements comply with applicable state and federal regulations.
5. Began developing a monitoring tool that ties findings back to specific contracts or project requirements.
6. Developed a risk sampling approach for vendor expenditures.
7. Began drafting a procurement summary review for recommendations and strategies to ensure compliance with applicable regulations.
8. Finalized the comparative risk assessment and methodology report for the selection of invoices.
9. Drafted monthly reports for July, August, and September 2024.
10. Drafted quarter three report for 2024.

Liberty State Park Revitalization Project

1. Attended biweekly meetings with the NJDEP on 07/03/2024, 07/17/2024, 07/31/2024, 08/14/2024, 08/28/2024, and 09/11/2024.
2. Attended internal meetings with Joseph A. DeLuca Advisory & Consulting Services LLC (DeLuca Advisory) on 07/03/2024, 07/17/2024, 07/31/2024, 08/14/2024, 08/28/2024, 09/11/2024, and 09/25/2024.
3. Finalized the on-site monitoring report and the draft version to NJDEP is forthcoming. The report will include recommendations and strategies to ensure compliance with applicable regulations.
4. Began developing a monitoring tool that ties findings back to specific contracts or project requirements.
5. Developed a risk sampling approach for vendor expenditures.
6. Began drafting a procurement summary review for recommendations and strategies to ensure compliance with applicable regulations.
7. Finalized the comparative risk assessment and methodology report for the selection of invoices.
8. Began utilizing the workpaper to review expenditures.
9. Drafted monthly reports for July, August, and September 2024.
10. Drafted quarter three report for 2024.

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Water Infrastructure Program

1. Attended internal and biweekly meetings with the NJDEP on 7/10/2024, 07/24/2024, 08/07/2024, and 08/21/2024.
2. Attended internal meetings with DeLuca on 7/10/2024, 07/24/2024, 08/07/2024, 08/21/2024, and 09/04/2024.
3. Drafted the Compliance Matrix and provided it to NJDEP on 6/25/24.
4. Drafted sample test selection of program applications (e.g., sponsors/borrowers) using a risk-scoring model.
5. Created the monitoring tool and finalized the comparative risk assessment to determine which loan applications will be reviewed.
6. Updated sample test selection of program applications and methodology report (e.g., sponsors/borrowers) using new information provided by the Bureau Chief - Bureau of Construction, Payments, and Administration.
7. Began testing with the selected loan applications. Reviewed various loan applications and borrowers' documents to ensure compliance with ARPA regulations and Uniform Guidance.
8. Drafted monthly report for July, August, and September 2024.
9. Drafted quarter three report for 2024

b) Recovery Program Participant Comments

Agree with IM Response[]

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. Received up-to-date workbooks containing approved program applicants (e.g., sponsors/borrowers) of the Water Infrastructure Program, reviewed and analyzed the data and applied the Likert Scale risk-scoring model, and selected applicants to assess further. Reviewed documents provided for the procurement reviews to ensure compliance with standard regulations.

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2. Regarding the Water Infrastructure Program, we held ongoing discussions with the NJDEP bureau chief to understand statuses of projects, both active and pending, including the use of *ARPA* funds to date.
3. Received various expenditure and invoice documentation for the Greenway and Liberty State Park Projects. We are currently reviewing.

b) Recovery Program Participant Comments

Agree with IM Response

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

a) IM Response

1. Reviewed documents provided by NJDEP for the procurement reviews to ensure compliance with the standard regulations. Incorporated details of the procurement review into the On-Site Monitoring Report for Greenway and Liberty State Park. We also drafted a monitoring report for the site visits, including images and drone footage references. The draft version of the report for Greenway was provided on 9/11/24 with comments provided back from NJDEP on 9/24/24. The final report will be provided to NJDEP upon completion. The Liberty State Park draft on-site monitoring report was provided to NJDEP on 9/30/24.
2. Regarding the Water Infrastructure Program, we held ongoing discussions with the NJDEP bureau chief to assist in identifying applications that may not meet the deadline of 12/31/2024 for obligating *ARPA* funds, and understanding what efforts, if any, can be applied to remediate.

b) Recovery Program Participant Comments

Agree with IM Response

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

a) IM Response

As we are in the beginning stages of the monitoring review, payment documentation is currently being reviewed for Greenway and Liberty State Park. We are reviewing expenditure documentation attached to invoices received by NJDEP. Loan documentation for the Water Infrastructure program is currently being reviewed through the H2LOans system.

b) Recovery Program Participant Comments

Agree with IM Response

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

a) IM Response

No evidence of waste, fraud, and/or abuse has been noted yet as we are in the beginning stages of reviewing expenditure level data. We will continue to monitor for evidence of waste, fraud, and/or abuse throughout the remainder of the engagement.

b) Recovery Program Participant Comments

Agree with IM Response

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

a) IM Response

[As the IM is currently in the beginning stages of the monitoring review phase, there are currently no findings of waste, fraud, and/or abuse to date.]

b) Recovery Program Participant Comments

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Agree with IM Response

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

a) IM Response

1. During the Greenway on-site visit, we noted areas of concern regarding encroachments, waste, debris, and dilapidated railroads and bridges. We are also concerned for the safety of residents who can access the property. NJDEP is currently taking the necessary steps to ensure the project is moving forward safely including the additions of additional fencing to secure the area. NJDEP is also aware of the encroachments, waste, debris, and dilapidated railroads and bridges and is working toward ensuring a successful completion of the project. These areas of concern have been noted in the retrospective review and on-site monitoring report. The final version of this report will be provided to NJDEP in the coming weeks inclusive of their revisions following receipt of the draft version on 9/11/24.
2. Regarding the Water Infrastructure Program, our discussions and collaboration with the NJDEP bureau chief, the chief financial officer, and other senior management representatives of I-Bank have provided us with a broader understanding of the database known as "H2LOans." H2LOans is a database, owned by the NJDEP but administratively run by I-Bank, which contains all Water Infrastructure project sponsor application data and forms; I-Bank provides both short- and long-term funding, which the required NJDEP personnel then review and approve.

b) Recovery Program Participant Comments

Agree with IM Response

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

a) IM Response

1. The NJDEP is working with the New Jersey Office of Transactions and Public Land Administration (NJOTPLA) on encroachment issues and with police to resolve safety concerns. Preliminary conversations with

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the New Jersey Transportation Planning Authority (NJTPA) have also been held about budgeting concerns to address the safety issues regarding bridge upgrades. NJDEP has noted that an external evaluation of the bridges was done prior to the acquisition which showed the suggested repairs or rebuilds necessary as well as cost estimates. NJDEP acknowledges that these cost estimates are out of date as this report was completed prior to the acquisition.

2. Regarding the Water Infrastructure Program, our ongoing efforts and testing thus far have not indicated instances of fraud, waste, or abuse. We will discuss way to mitigate and/or reduce instances of waste if they arise. The deadline to obligate ARPA funds towards active or pending "project sponsors," who provide supporting documentation to substantiate progress, is 12/31/2024.

b) Recovery Program Participant Comments

Agree with IM Response

C. Miscellaneous

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

a) IM Response

Maribeth Vander Weele – 4.35
Joseph DeLuca – 2.25
Dr. Kristen Mokofisi – 58.80
Stephen Pasichow – 10.75
Kevin Mullins – 43.00
Sophia Staveris – 48.40
Cassy Good – 30.75
Bianca Joseph – 120.25
Salvatore Ubaldini – 78.25
David Galajda – 0.25

b) Recovery Program Participant Comments

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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:

10/10/24