

**Integrity Monitor Report
Category 3**

Integrity Monitor Firm Name: Vander Weele Group^{LLC} / Joseph A. DeLuca Advisory & Consulting Services^{LLC}
Quarter Ending: 03/31/2025
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 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 *ARP* 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 *ARP* 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 *ARP* CSFRF funding the NJDEP received for several different water infrastructure initiatives, including (a) CWSRF Projects and (b) 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 — \$38,995,381.53
 (2) Liberty State Park Revitalization Project — \$5,972,486.36
 (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):

[Planning, Design, and Construction Phase]

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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, as well as internal meetings with the IM's subcontractor, Joseph A. DeLuca Advisory & Consulting Services^{LLC}.
2. Requested and reviewed a list of up-to-date expenditures to determine whether they were aligned with procurements and whether procurements comply with applicable State and Federal regulations. The NJDEP continues to gather vendor specific documentation tied to expenditures selected for review.
3. Reviewed the documentation the NJDEP provided regarding the Greenway Acquisition invoices to facilitate the reconciliation of invoice payments for the selected disbursement reviews.
4. Updated the status schedule to track the progress of disbursement reviews.
5. Requested updated disbursement reports showing all payments made on each project through 05/01/2025.
6. Sent the disbursement samples currently under review to the NJDEP and requested the documentation needed to support the disbursement payments.
7. Ensured that areas of concern documented in the work paper aligned with regulatory requirements for the invoice reviews.

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8. Reviewed the documentation the NJDEP provided regarding the Greenway invoices to facilitate the reconciliation of invoice payments for the selected disbursement reviews.
9. Requested additional information as to how invoices tie to the disbursement report to ensure that all documentation reviewed aligns with disbursements selected for review on the comparative risk assessment.
10. Continued the procurement review and requested supporting documentation from the point of contact to substantiate contractor and subcontractor costs.
11. Requested from NJDEP and received documentation of an email sent to the New Jersey Department of Community Affairs (NJDCA) on the current expenditure projections for each project. Additionally, we continue to discuss the status of the project with NJDEP to determine if the project is aligned with the expense by date of December 2026 established in *ARPA*.
12. Drafted monthly reports for April, May, and June 2025.
13. Drafted the second quarterly report for 2025.

Liberty State Park Revitalization Project

1. Attended biweekly meetings with the NJDEP, as well as internal meetings with the IM's subcontractor, Joseph A. DeLuca Advisory & Consulting Services^{LLC}, and the NJDEP.
2. Requested and reviewed a list of up-to-date expenditures to determine whether they were aligned with procurements and whether procurements complied with applicable State and Federal regulations.
3. Reviewed the documentation the NJDEP provided regarding the Liberty State Park invoices to facilitate the reconciliation of invoice payments for the selected disbursement reviews.
4. Updated the status schedule to track the progress of disbursement reviews.
5. Requested updated disbursement reports showing all payments made on each project through 05/01/2025.
6. Sent the disbursement samples currently under review to the NJDEP and requested the documentation needed to support the disbursement payments.
7. Additional information requested on how invoices tie to the disbursement report to ensure that all documentation reviewed aligns with disbursements selected for review on the comparative risk assessment.
8. Ensured that areas of concern documented in the work paper aligned with regulatory requirements for the invoice reviews.
9. Continued the procurement review and requested supporting documentation from the point of contact to substantiate contractor and subcontractor costs.

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10. Sent documentation request lists to NJDEP for disbursement reviews.
11. Requested from NJDEP and received documentation of an email sent to the NJDCA on the current expenditure projections for each project. Additionally, we continue to discuss the status of the project with NJDEP to determine if the project is aligned with the expense by date of December 2026 established in *ARPA*.
12. Drafted monthly reports for April, May, and June 2025.
13. Drafted the second quarterly report for 2025.

Water Infrastructure Program

1. Attended biweekly meetings with the NJDEP, as well as internal meetings with the IM's subcontractor, Joseph A. DeLuca Advisory & Consulting Services^{LLC}, and the NJDEP.
2. Monitored loan applications and completed initial fiscal and compliance reviews of all loan applications.
3. Requested additional fiscal and compliance documentation based on our review of the loan applications and all documentation provided within the H2LOans system.
4. Utilized the integrity monitor-developed work paper to monitor expenditures.
5. Continued utilizing a developed status schedule to track the progress of loan reviews.
6. Provided the NJDEP with an updated status schedule on the loan reviews.
7. Requested from NJDEP and received documentation of an email sent to the NJDCA on the current expenditure projections for each project. Additionally, we continue to discuss the status of the project with NJDEP to determine if the project is aligned with the expense by the date of December 2026 established in *ARPA*. The largest concern related to the Water Infrastructure project remains that the total expended to date is minimal in comparison to the total allocation. However, NJDEP continues to concur that the largest expenditure amounts should occur in December of 2025 and June of 2026.
8. Drafted monthly reports for April, May, and June 2025.
9. Drafted the second quarterly report for 2025.

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:

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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 uses the Likert scale, which allows us to incorporate key areas of potential risk into program application sampling.
2. Reviewed documents provided to date for all three projects for the procurement review portion of the monitoring engagement to determine whether the invoice, payment, and procurement processes have complied with the standard regulations.
3. Held ongoing discussions regarding the Water Infrastructure Program with the NJDEP bureau chief to understand statuses of projects, both active and pending, including the use of *ARPA* funds to date.

4. Received various expenditure and invoice documentation for the Greenway and Liberty State Park projects to determine allowability and alignment with applicable regulation. Followed up with NJDEP on current expenditure projections for each program. NJDEP provided the following: NJDEP provided an update to 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 2025, December 2025, June 2026, and December 2026. To date, approximately \$65m of costs, earmarked to be supported by ARP funds, have been incurred. At the first closing in June 2025, there is only one ARP associated loan scheduled to convert to long-term, for about \$700k, so you won’t see a huge expense then either. We will work on preparing a schedule to identify the amounts at the remaining closings. We are confident that the full amount of ARP funds allocated to the Water Infrastructure program will be used.”

“Greenway – We anticipate to break ground on the Greenway in July. As such, construction costs will start accumulating and expenditures should start to increase significantly.”

“Liberty State Park – construction in several areas of the Park are expected to start in Spring/Summer 2025. As such, constructions costs

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will start accumulating and expenditures should start to increase significantly. Additionally, we will be making a \$20m payment to US Army Corp of Engineers.”

5. Sent the selected disbursement samples that are currently under review to the NJDEP. In addition, the IM needs the relevant documentation to substantiate the disbursement payments and ensure that all necessary information is provided for a thorough review process. The IM continues to work with the NJDEP to gather documentation and provide best practice recommendations to continue the work related to *ARPA* through December of 2026.

b) Recovery Program Participant Comments

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 now not expected to start until Spring 2027.

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

a) IM Response

1. 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 12/31/2026 for obligating *ARPA* funds, and understanding what efforts, if any, can be applied to remediate.
2. The NJDEP continues to gather and provide procurement documentation. We have not noted instances of concern related to procurement compliance to date.

b) Recovery Program Participant Comments

Agree with IM Response

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

a) IM Response

We are currently reviewing payment documentation for the Greenway and Liberty State Park projects, which includes reviewing expenditure

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documentation attached to disbursements received from the NJDEP for various vendors. We are finalizing our review of loan documentation for the Water Infrastructure Program through the H2LOans system and expect to close the review by mid-August.

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

We have not yet noted evidence of waste, fraud, and/or abuse for the Greenway, Liberty State Park, or Water Infrastructure projects. We will continue to monitor evidence of waste, fraud, and/or abuse throughout the remainder of the engagement. We hold discussions with the NJDEP about the total expenditure amounts for each project remaining low. The NJDEP updates us on the status of expenditures for each project and their support to expend within the applicable project period for ARPA.

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

[There are currently no findings of waste, fraud, and/or abuse to date. However, we have expressed concern with the total expenditure amount per project to ensure that each project allocation is expended within the applicable time frame established through ARPA. The NJDEP continues to keep us involved in conversation regarding expected spend down and applicable timeframes. As indicated above, the NJDEP has followed up the NJDCA on their current expended progress for the spring and summer of 2025. We have requested a no-cost modification to extend the integrity monitorship through October of 2025. However, as this has just been submitted, this request is currently under review and has not yet been approved. We are continuing to review expenditures to date.]

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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 in June 2025, December 2025, June 2026, and December 2026. So far, \$65 million in costs have been incurred, but only one ARP-supported loan for \$700K is set to convert in June 2025, resulting in minimal expenses at that time. A schedule is being prepared for future closings, and all allocated ARP funds are expected to be fully utilized.

The NJDEP anticipates they anticipate commencing construction on the Greenway in July 2025, which will significantly increase the expenditures.

The NJDEP initially stated that construction for Liberty State Park will start in Spring or Summer 2025, which will significantly increase the expenditures.

b) Recovery Program Participant Comments

Agree with IM Response

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

a) IM Response

1. Throughout our assignment, we have received program expenditure reports for the three projects. We should note, however, that program expenditures have not kept up with originally anticipated program progress. For example, there are still large amounts of obligated but unexpended dollars across the three programs. 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 is still recovering from the impacts of COVID-19;
- Resource limitations by internal NJDEP staff and external general contractors, especially as it relates to administrative tasks; and
- 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).

While this has been noted on previous quarterly reports, we are working the NJDEP to review expenditures to date and have extended the integrity

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monitorship to October 31, 2025, to ensure a well-rounded review of projected expenditures through the summer of 2025.

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 Program 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. While this was previously noted outside of this quarter, it is important to the overall estimated additional costs to the project. 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 the New Jersey Transportation Planning Authority (NJTPA) have also been held about budgeting concerns to address the safety issues regarding bridge upgrades. The 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. The NJDEP acknowledged that these cost estimates were 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 ways 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, was 12/31/2024.

b) Recovery Program Participant Comments

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Agree with IM Response

C. Miscellaneous

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

a) IM Response

Joseph DeLuca — 1.00
Dr. Kristen Mokofisi — 27.00
Kevin Mullins — 47.25
Sophia Staveris — 76.45
Cassy Good — 51.50
Bianca Joseph — 106.75
Salvatore Ubaldini — 112.50

b) Recovery Program Participant Comments

Agree with IM Hours

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:

07/11/2025