

**Integrity Monitor Report  
Category 3**

Integrity Monitor Firm Name: Vander Weele Group<sup>LLC</sup>/Joseph A. DeLuca Advisory and Consulting Services<sup>LLC</sup>  
Quarter Ending: 09/30/2024  
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:

Curtis Elvin

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

- School and Small Business Ventilation and Energy Efficiency Verification and Repair (“SSB-VEEVR”) Program
- School and Small Business Noncompliant Plumbing Fixture and Appliance (“SSB-NPFA”) Program

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

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

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

The NJBPU earmarked approximately \$180 million for the two programs, with an additional \$4.5 million earmarked for administrative expenses.

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

\$73,583,442.50

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:

In process

**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

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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.) Held bi-weekly Microsoft Teams meetings with the NJBPU.
- 2.) Finalized and submitted the second quarterly report for 2024.
- 3.) Began summarizing the results and drafting the report for the first round of HVAC testing.
- 4.) Sent the final version of the NJBPU Round 1 Full Cumulative Report for Plumbing to the NJBPU on 08/20/2024.
- 5.) Met with TRC (program administrator) and the NJBPU on 09/12/2024 to review the final version of the report for the first round of plumbing testing.
- 6.) Received guidance on “underserved” versus “other” communities’ percentage requirements from then NJBPU. Requested additional clarification from TRC, as well.
- 7.) Requested an updated “SSB Paid Thru” workbook from the NJBPU on 08/22/2024.
- 8.) Commenced the comparative risk assessment to make selections for round two of the plumbing program.

b) Recovery Program Participant Comments

Staff has appreciated working with the IM on this matter.

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

Requested documents from TRC for the first round of HVAC testing for the programs selected for review. TRC promptly provided the initial documentation requested for the programs selected for review as well as additional requests made after the review of the initial documentation.

b) Recovery Program Participant Comments

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Staff will ensure that the IM is able to access all required documents.

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

a) IM Response

1. We have completed most of the first round of HVAC testing and the draft report is in the process of being prepared.
2. We have finalized the report for the first round of plumbing and a meeting was held on September 12<sup>th</sup> with the NJBPU and TRC to discuss it.
3. We are currently identifying SSB-NPFA (plumbing) program grantees for testing by using the comparative risk assessment tool (e.g., use of the Likert Scale).
4. We have developed and proposed an Expenditure Projection Model that TRC can use to analyze the programs, particularly for understanding when dollars that are no longer obligated to a particular HVAC or Plumbing program application can be used elsewhere.

The objectives of the model are:

- a) A creditable estimation of the projected disbursements by month, over both the historical and remaining life and of the program, that NJBPU (and its vendor, TRC) could use to satisfy the financial projection entities of NJ state government.
- b) A project management tool (built from existing data) that provides TRC with actionable information, on which they could improve their applicant assistance and due diligence responsibilities.

b) Recovery Program Participant Comments

Staff looks forward to reviewing the IM's findings in these reports.

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

a) IM Response

N/A

b) Recovery Program Participant Comments

N/A

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

a) IM Response

Completed the first round of testing for the plumbing program and completed the draft cumulative report summarizing the findings. Sent the report to the NJBPU and TRC, requesting their responses for corrective action plans to address the findings.

b) Recovery Program Participant Comments

Staff appreciates the work that went into the first round of testing for the plumbing program and the pursuant report.

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

a) IM Response

1.) We are currently in the process of summarizing the results of the first round of HVAC testing and drafting a report with the findings. We will include details of the results in the next quarterly report.

2.) The findings and recommendations for the first round of plumbing testing are:

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**a) Differing Information Between Software Systems**

The program administrator indicated that the data across both systems is synchronized daily. However, the reviews noted that four of the 16 projects' last milestones differed between the CRM and IMS systems. While this is not listed as a finding tied directly to regulation, the monitoring team recommends that the systems be reviewed to ensure that real-time updates occur across both systems. TRC agreed that both systems should reflect the same last milestone; however, they noted that there may be a one-day delay in sending data. The monitoring team will document any instances of this and notify TRC during the next round of reviews, if this reoccurs.

**b) Inspection Protocols and Tracking**

The program administrator conducts post-inspections on a percentage of projects. For the post-installation inspection, TRC will review the final submitted documentation and inspect 15 percent of all projects through random sampling. However, during the review, it was noted that there are no formal written protocols for inspections or tracking those inspections. While this is not listed as a finding tied directly to regulation, the monitoring team recommends that a formal written policy on inspection protocols and tracking the inspections be developed to ensure 15 percent of all projects are inspected per the program guide.

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### **c) Formal Expiration and Extension Tracking System Improvements**

During the review, we noted that the program administrator has a system to track project expirations; however, the existing system could be improved. A discussion with the program administrator revealed that the CORE Information Management Systems (CORE IMS and CRM) are utilized to track progress.

While two six-month extensions are allowed under the program regulations, during the review, it was noted that one project (#67813) had a seven-month lapse in receiving an extension approval due to a delay in communication regarding the need for an extension. Two six-month extensions were requested simultaneously, which is allowable under the program guide.

We recommend updating the program guide to reflect the formal tracking system requirements, including a policy and procedure to track the correspondence on extensions and expirations. Emails/documentation on this correspondence should be housed within the CRM and IMS systems to support these extension requests. This email correspondence and documentation should include an approval email for all extension approvals. Updates to the CRM and IMS systems, including flag emails sent automatically to the program administrator when a project approaches its expiration date, may also support improved management of these extensions.

### **d) Contract or Statement of Work**

During the review, it was noted that the review or gathering of a fully executed contract or statement of work was not required under law S-3995 to be provided by the project contacts to the program administrator. A cost estimate is needed and provided to the program administrator for each project. It was also noted that the NJBPU wishes to investigate the requirement further. We recommend that the project contacts provide contracts to the program administrator for review to ensure all projected services and materials for the project through the ARPA fund are allowable and that New Jersey procurement requirements are also adhered to.

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**e) Energy Efficiency Reporting Detail**

During the review, it was noted that the collection of water and/or energy usage savings is not required in law S-3995. However, the NJBPU determined that applicants must agree to participate in an assessment of water usage or savings if deemed necessary by NJBPU or its delegate. This information is listed within the program guide. As such, it was noted during the review that no current data has been collected on the water or energy usage savings. The monitoring team recommends that the program administrator and NJBPU develop guidance on how they would like to proceed on this request so that the program administrator can prepare proper policies and procedures to gather, maintain, and analyze the program's effects.

**b) Recovery Program Participant Comments**

Staff is working with the IM and TRC in order to address any potential issues in the program.

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

**a) IM Response**

The NJBPU, with the assistance of TRC, has obtained a broader understanding of the uses for and differences between the CORE IMS and CRM databases. In summary, CORE IMS is a database owned by the NJBPU, but administratively run by TRC. CORE IMS is the database that holds all program application data and forms. The CRM database, however, is a database of raw data, from which CORE IMS pulls key data points on a routine basis.

**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**

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We have completed our review of the HVAC programs selected for testing and are in the process of summarizing and drafting the full cumulative report.

We have finalized the cumulative report for the first round of testing for the plumbing program.

Although our ongoing efforts and current testing has not indicated instances of fraud, waste, or abuse, we have identified measures in which instances of future waste can be mitigated or reduced. HVAC program contacts should provide supporting documentation to substantiate progress to the program administrator, particularly with regard to the use of program dollars.

b) Recovery Program Participant Comments

Staff appreciates the diligence of the IM in this matter. Staff will continue to support the IM in their ongoing efforts.

**C. Miscellaneous**

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

a) IM Response

Dr. Kristen Mokofisi – 46.85

Joseph DeLuca – 2.75

Kathleen Budrean – 4.05

Sophia Staveris – 50.9

Rick Duran – 15.65

Bianca Joseph – 204.75

Cassy Good – 151.75

Kevin Mullins – 34.25

Salvatore Ubaldini – 109.25

Katherine Larson – 4.85

b) Recovery Program Participant Comments

None.

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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

No additional comments noted at this time.

b) Recovery Program Participant Comments

None.

Name of Integrity Monitor:  
and Consulting Services <sup>LLC</sup>

Vander Weele Group<sup>LLC</sup>/Joseph A. DeLuca Advisory

Name of Report Preparer:

Sophia Staveris

Signature:

*Sophia Staveris*

Date:

10/09/2024