

**Integrity Monitor Report
Category 3**

Integrity Monitor Firm Name: Vander Weele Group^{LLC}
Quarter Ending: 3/31/2025
Expected Engagement End Date: 12/31/2026

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:

Middlesex Reservoir Reclamation Project

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 under the *American Rescue Plan Act (ARP CSFRF)*. The New Jersey Department of Community Affairs is the prime recipient of the *ARP CSFRF* funding and has passed it through to the NJDEP via a Memorandum of Understanding (MOU), executed on October 30, 2023,

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and an amendment to that MOU, executed on May 6, 2024. The NJDEP received \$30 million in ARP CSFRF funding for the Middlesex Reservoir Reclamation Project. Per the engagement query for this integrity monitorship, the \$30 million in funding is budgeted as a pass-through grant to Union County for the contractual work on this project.

The NJDEP describes ongoing flooding of the Rahway River and its tributaries to have exacerbated critical siltation and sedimentation issues that have impacted the former Middlesex Water/Clark Reservoir (Reservoir), which could lead to irreversible damage and loss of the Reservoir.

Two phases are expected throughout the contractual work, including dredge improvement in Phase One and park development and improvement in Phase Two.

The purpose of this engagement is to perform a risk assessment and retrospective review of the grant agreement and forthcoming amendment(s) between the NJDEP and Union County to determine its compliance with applicable Federal rules, laws, and regulations. Additionally, during this engagement, the integrity monitor will review and report on the contracts procured by Union County, to ensure their compliance with applicable State and Federal procurement regulations and verify that the associated invoices, change orders, and payments fall within applicable regulations. Furthermore, the integrity monitor will monitor Union County's management of the Reservoir project for any indicia of fraud, waste, abuse, or mismanagement of the funds.

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

\$30,000,000

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

Payment to Union County in the amount of \$70,568.

NJDEP administrative costs for NJDEP staff salary coding in the amount of \$6,179.88

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10. Amount Provided to Other State or Local Entities:

Payment to Union County in the amount of \$70,568.

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

Planning Phase

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

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.) Elizabeth Mackay, Vander Weele Group (VWG) program manager, and Union County's outside counsel discussed the integrity monitoring engagement.
- 2.) The integrity monitor interviewed the following Union County employees for the risk assessment process:
 - Dr. Bibi Taylor, director, Department of Finance, on 01/21/2025.
 - Catherine Campanella, director, Division of Grants Management, on 01/22/2025.
 - Bruce Bergen, Esquire, county counsel, on 01/21/2025.

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- Laura Scutari, Q.P.A., director of Purchasing, on 01/22/2025.
- 3.) Rick Duran, VWG program manager, had an initial meeting on 01/13/2025 with Ricardo Matias, P.E., county engineer, and Mike McClelland, P.E., Clark Reservoir Project director at CME Associates.
 - 4.) The integrity monitor conducted the following interviews with NJDEP staff for the risk assessment:
 - Steve Matis, director and accountability officer, Division of Budget and Financial Operations, on 01/09/2025.
 - Amy Hillman, contract administrator 3, Contracts and Grants Management Unit, on 01/08/2025.
 - Robin Young, administrative analyst 3, on 01/09/2025.
 - 5.) The integrity monitor completed a draft of the compliance matrix for the project.
 - 6.) The integrity monitor reviewed policies from Union County's website as well as documents requested and received from Union County and the NJDEP for the risk assessment.
 - 7.) Steve Matis, accountability officer, approved a deadline extension until 03/17/2025 for the completion of the risk assessment due to Union County's delay in responding to document requests.
 - 8.) The integrity monitor attended a Microsoft Teams meeting on 02/20/2025 with Steve Matis, NJDEP accountability officer, to discuss the project.
 - 9.) VWG program managers, Elizabeth Mackay and Rick Duran met with Ricardo Matias (Union County's engineer), Joe Policay (director of Public Works) and Joe Altavilla (from the County's counsel office) on 03/11/2025 to discuss the bidding strategy and schedule for the third round of procurement.
 - 10.) The IM completed the draft risk assessment and submitted it to the NJDEP on 03/18/2025.
 - 11.) The IM arranged with Union County and the NJDEP to have monthly progress meetings.
 - 12.) The IM attended a Teams meeting with Union County and the NJDEP on 03/25/25.
 - 13.) The IM drafted monthly reports for January, February, and March 2025.
 - 14.) The IM drafted the quarterly report for the first quarter ending on 03/31/2025.

b) Recovery Program Participant Comments

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Agree with the 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

The accountability officer extended the deadline for the draft risk assessment due to Union County's delays in providing the documentation that the integrity monitor requested. Union County subsequently provided documentation to meet the extended deadline.

The IM had difficulty getting key Union County individuals to agree to project progress meetings. Ultimately, the IM and Union County staff agreed to have a half-hour virtual meeting each month starting 03/25/2025.

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

On 03/11/2025, Elizabeth Mackay (VWG) and Rick Duran (VWG) met with Ricardo Matias (Union County's engineer), Joe Policay (director of Public Works) and Joe Altavilla (from the County's counsel office) to discuss the bidding strategy and schedule for the third round of procurement.

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

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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 and submitted draft risk assessment to the NJDEP.

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

The IM noted several potential risks during the risk assessment:

From the beginning of this engagement, the IM has heard from the NJDEP and Union County that the main risk to the project is not completing it on time. Union County expected the project's main contract for dredging to be awarded in January, but the county's updated expectation for the award is mid-May. (Also see response to question 20). If the NJDEP does not issue the permit for the drainage retention basin in a timely manner, that will also consume valuable time.

While it is mandatory for individuals involved in competitively bid contracts to complete conflict of interest forms, there is currently no requirement for Union County employees to submit an annual conflict of interest statement.

An attorney from Taylor Law Group, LLC, is providing legal counsel for this project. The principal of the firm is married to the director of

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finance for Union County. While ARPA funds are not utilized to compensate for the legal services provided by this firm, the situation can raise concerns about the appearance of a conflict-of-interest. The duties of Union County's director of purchasing and administrative services need to be clarified to align with the principle of proper segregation of duties (Committee of Sponsoring Organizations Internal Control - Integrated Framework).

Environmental concerns are also present, particularly as dredging activities may disturb sediment, resulting in the release of contaminants that could negatively impact water quality, aquatic ecosystems, and public health. Furthermore, financial considerations exist regarding the disposal of dredged materials. Although the project's budget accommodates materials that meet New Jersey's clean criteria, there is currently no allocated budget for the removal of materials that exceed these standards. This gap could lead to budget overruns or necessitate reductions in other project areas.

Implementing proactive project management strategies, enforcing environmental safeguards, maintaining financial oversight, and ensuring regulatory compliance are crucial to mitigating these risks and ensuring the successful advancement of the project.]

b) Recovery Program Participant Comments

With respect to NJDEP issuing the permit for the drainage retention basin, this is a Department priority and is undergoing an expedited review, however, the Department still needs to perform a full and comprehensive review which does take some time and is predicated on Union County providing all necessary documentation and responding to questions and requests in a timely manner.

NJDEP agrees with IM Response on the other points

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

a) IM Response

As of February 21, 2025, after two failed bids, Union County has not yet awarded the bid contract, and there is currently no established timeline for the project's initiation or completion. The initial bidding process for

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the project yielded a proposal that was above the county's allocated budget. Consequently, the county excluded the construction of a boathouse from the initial budget and solicited bids once again. Union County canceled its second bidding process for the project because the NJDEP would not support the plan in the bid specs for the drainage retention basin. Union County has submitted a new permit application to the NJDEP with an alternative plan for the retention basin and is expecting an award in mid-May, four months later than expected. The expenditure deadline of December 31, 2026, is approximately 19 months away.

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

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

Dr. Kristen Mokofisi – 6.50

Elizabeth Mackay – 68.50

Rick Duran – 52.95

Sophia Staveris – 95.80

Bianca Joseph – 79.50

Cassy Good – 24.50

Rene Alaniz – 70.25

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Katherine Larson – 150.40

Christina Evans – 2.0

Sydney Long – 6.0

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

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|----------------------------|-----------------------------------|
| Name of Integrity Monitor: | Vander Weele Group ^{LLC} |
| Name of Report Preparer: | Sophia Staveris |
| Signature: | <i>Sophia Staveris</i> |
| Date: | 04/11/2025 |