



## GUIDEPOST SOLUTIONS LLC

### Quarterly Report of Integrity Oversight Monitor for the Belmar Boardwalk – March 31, 2014

#### Attachment A

#### Summary of Services Provided, Hours Incurred and Total Costs

##### Summary of Services

Guidepost Solutions LLC ("Guidepost") provided integrity oversight monitoring services ("monitorship") to the New Jersey Department of the Treasury ("Treasury") from February 2014 through March 2014 in connection with the completed replacement of a Boardwalk in the Borough of Belmar ("Borough")(the "Project"). The scope of work primarily included review and evaluation of Project and Borough controls in connection with the Project, verification of payments made in connection with the Project, review and evaluation of completed construction deliverables and assessment of effort to pursue Federal recovery opportunities. The monitorship tasks included conducting in person and telephone interviews with Borough officials, Treasury officials, the Borough engineer (outside firm) and representatives of the the project management/engineering firm hired for the Project. Guidepost's review of construction deliverables was still underway as of March 31. In addition, Guidepost was in the process of performing forensic accounting procedures of the Payment Applications, certified payrolls and other applicable financial documentation to ensure appropriate disbursement of Project funds and adequate documentation to support payments relating to the Project.

##### Hour Incurred

Guidepost incurred 241 hours in the performance of the above described monitoring services during the Quarter ended March 31, 2014.

##### Total Costs

The cost of the monitorship included professional fees of \$59,368.75 and travel expenses of \$582.30, for a total cost of \$59,951.05.

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Reports required under A-60 will be submitted by Integrity Monitors on the first business day of each calendar quarter to the State Treasurer and will contain detailed information on the projects/contracts/programs funded by the Disaster Relief Appropriations Act.

No.	Recipient Data Elements	Response	Comments
<b>A. General Info</b>			
1.	Recipient of funding	Borough of Belmar ("Borough")	
2.	Federal Funding Agency? (e.g. HUD, FEMA)	FEMA	
3.	State Funding (if applicable)	Department of Treasury (disbursement of FEMA funds)	
4.	Award Type	Construction	
5.	Award Amount	\$7.5 million	
6.	Contract/Program Person/Title	Colleen Connolly - Borough Business Administrator	
7.	Brief Description, Purpose and Rationale of Project/Program	Reconstruction of a boardwalk on the Atlantic Ocean coastline between the northern to the southern borders of the Borough of Belmar.	
8.	Contract/Program Location	Borough of Belmar, New Jersey	
9.	Amount Expended to Date	\$7.5 million	
10.	Amount Provided to other State or Local Entities	N/A	
11.	Completion Status of Contract or Program	Completed in April 2013	
12.	Expected Contract End Date/Time Period	Completed in April 2013	
<b>B. Monitoring Activities</b>			
13.	If FEMA funded, brief description of the status of the project worksheet and its support.	The project worksheet has been completed and signed by the Borough and by FEMA. Supporting documentation is included which appears to be sufficient to meet FEMA requirements.	
14.	Quarterly Activities/Project Description (include number of visits to meet with recipient and sub recipient, including who you met with, and any site visits warranted to where work was completed)	<p>During the quarter ending March 31, 2014, Guidepost Solutions LLC ("Guidepost"), the integrity oversight monitor ("IOM"), met with Borough officials on two occasions. The first meeting was the kickoff meeting on February 26 with Borough Administrator, Colleen Connolly, and Borough Chief Financial Officer Robbin Kirk. The second meeting took place on March 19 and included Ms. Connolly, Ms. Kirk and the Borough Engineer, Paul Calabrese (Maser Consulting, formerly of Birdsall). The IOM also had several telephone calls and email exchanges with Ms. Connolly, Ms. Kirk and Mr. Calabrese.</p> <p>The IOM made one visit to the project site during the quarter. The visit was an orientation visit prior to the kick-off meeting on February 26.</p> <p>The IOM conducted telephone interviews of members of the project team formerly employed by Birdsall Engineering Services ("Birdsall"), the project management and engineering firm retained to oversee the project.</p>	

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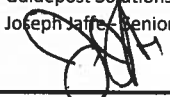
Reports required under A-60 will be submitted by Integrity Monitors on the first business day of each calendar quarter to the State Treasurer and will contain detailed information on the projects/contracts/programs funded by the Disaster Relief Appropriations Act.

No.	Recipient Data Elements	Response	Comments
15.	Brief Description to confirm appropriate data/information has been provided by recipient and what activities have been taken to review in relation to the project/contract/program.	<p>Borough officials and the Borough engineer generally were cooperative and provided the requested documentation. Delays in production of documentation were attributable to the requested information not being in the possession of the Borough. We did not encounter any notable resistance to our requests.</p> <p>The IOM requested, received from the Borough and reviewed contract documents, plans and specifications, information relating to the procurement process, the FEMA project worksheet, certified payrolls and other related documentation. As of March 31, some, but not all of the requested materials had been provided to the IOM.</p> <p>The IOM requested certain records created by Birdsall, as well as documentation in possession of former Birdsall employees who were assigned to the project. As of March 31, we were awaiting production of that documentation</p>	The IOM found that certain documentation was not immediately available. Notably, daily inspection reports for more than 75% of the project duration were not provided by the Borough. It is notable that Birdsall filed for bankruptcy around the time of the project's completion and was later sold to Partner Engineering & Sciences ("Partner"). As of March 31, we were awaiting access to Partner's records relating to the Project.
16.	Description of quarterly auditing activities that have been conducted to ensure procurement compliance with terms and conditions of the contracts and agreements.	The IOM conducted a review of documentation relating to the procurement process to ensure compliance. This included the bid specification package, public notifications, bid leveling analyses and documentation of the contract award. The IOM also reviewed the Borough's procedures for ensuring proper procurement compliance.	The IOM's review did not identify any areas of concern with regard to procurement compliance.
17.	Have payment requisitions in connection with the contract/program been reviewed? Please describe	During the quarter, the IOM commenced a forensic review of payment requisitions to ensure accuracy and compliance with program requirements. As of March 31, this review was still in process. The review included a comparison of progress meeting minutes to corresponding requisition dates to identify any inconsistencies. To the extent possible, comparisons were made between the certified payroll reports and other available documentation which would be able to verify those reports such as inspection reports, foreman logs, etc. We expect that as additional documentation is provided by the Borough and others, additional review and analysis of the payment requisitions and related documents will occur.	Since IOM's payment requisition review was in process as of March 31, the IOM has not come to any conclusions. However, as of March 31, no specific concerns had been identified.

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No.	Recipient Data Elements	Response	Comments
18.	Description of quarterly activity to prevent and detect waste, fraud and abuse.	The IOM reviewed project documentation and conducted interviews in an effort to detect fraud, waste or abuse. As noted above, documentation was obtained from the Borough and former Birdsall employees. We also expect to obtain and review information from Partner (successor to Birdsall) and Epic Management, the contractor. Reviews were conducted by the IOM's investigators, forensic accountant and engineer as appropriate. Interviews were conducted of Borough officials, the Borough engineer and former Birdsall employees. As of March 31, the IOM's review did not identify any instances of fraud, waste or abuse.	Because the project was completed and all billing had been processed, the IOM did not have the ability to take steps to prevent waste, fraud and abuse on the project.
19.	Provide details of any integrity issues/findings	No notable integrity issues/findings were identified by the IOM during the quarter ended March 31.	
20.	Provide details of any work quality or safety/environmental/historical preservation issue(s).	No significant issues were identified with respect to work quality, safety, environmental or historical preservation issues.	
21.	Provide details on any other items of note that have occurred in the past quarter	No other items of note occurred during the quarter ended March 31.	
22.	Provide details of any actions taken to remediate waste, fraud and abuse noted in past quarters	The IOM's review did not identify any instances of fraud waste or abuse which required remediation during the quarter ended March 31.  The IOM made preliminary recommendations to the Borough regarding enhancements that could be made for future projects to its record keeping practices, which would further guard against fraud, waste and abuse.	
<b>C. Miscellaneous</b>			
23.	Attach a list of hours and expenses incurred to perform your quarterly integrity monitoring review	See Attachment A	
24.	Add any item, issue or comment not covered in previous sections but deemed pertinent to monitoring program.		

Name of Integrity Monitor:	Guidepost Solutions LLC
Name of Report Preparer:	Joseph Jaffe, Senior Managing Director
Signature:	
Date:	1 July 2014