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March 16, 2022

AMENDMENT #2 TO PURCHASE ORDER #21-PROSV-01441:1 / Vander Weele Group LLC

A letter of engagement was issued to Vander Weele Group LLC on November 19, 2021 to perform integrity monitoring services as described in that engagement. On March 14, 2022, NJRA and Vander Weele Group LLC agreed to extend the term of the engagement to July 31, 2022.

**Reporting Requirements:** Vander Weele Group LLC shall fulfill the quarterly reporting requirements as set forth in the Engagement Query and shall submit a Risk Assessment by June 30, 2022.

**Duration of Engagement:** The engagement will commence immediately and expire on July 31, 2022.

The parties agree that all other terms and conditions under this Engagement remain in full force and effect.

  
Migdelis Perez

New Jersey Redevelopment Authority

  
Maribeth Vander Weele

Vander Weele Group LLC



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November 23, 2021

AMENDMENT TO PURCHASE ORDER #21-PROSV-01441:1 / Vander Weele Group LLC

A letter of engagement was issued to Vander Weele Group LLC on November 19, 2021 to perform integrity monitoring services as described in that engagement. In a meeting on November 23, 2021, NJRA and Vander Weele Group LLC agreed to extend the term of the engagement to March 31, 2022.

**Reporting Requirements:** Vander Weele Group LLC shall fulfill the quarterly reporting requirements as set forth in the Engagement Query and shall submit a Risk Assessment by March 31, 2021.

**Duration of Engagement:** The engagement will commence immediately and expire on March 31, 2022.

The parties agree that all other terms and conditions under this Engagement remain in full force and effect.

*Migdelis Perez*  
Migdelis Perez

New Jersey Redevelopment Authority

*W. Pieter Vander Weele*

Vander Weele Group LLC

Letter of Engagement

November 19, 2021

Successful Bidder:

On behalf of the Department of Redevelopment Authority, the State of New Jersey, Department of the Treasury hereby issues this Letter of Engagement to Vander Weele Group, LLC pursuant to the Engagement Query issued on October 21, 2021 and Vander Weele Group, LLC's proposal dated November 15, 2021.

All terms and conditions of the Engagement Query, including but not limited to the Scope of Work, milestones, timelines, standards, deliverables and liquidated damages are incorporated into this Letter of Engagement and made a part hereof by reference.

The total cost of this Engagement shall not exceed \$111,471.57.

The Integrity Monitor is instructed not to proceed until a purchase order is issued.

Thank you for your participation in the Integrity Monitor program.

Sincerely,

Mona Cartwright  
IM State Contract Manager

## **INTEGRITY MONITOR ENGAGEMENT QUERY**

Contract G4018 – Integrity Oversight Monitoring: Program and Performance Monitoring, Financial Monitoring and Grant Management and Anti-Fraud Monitoring for COVID-19 Recovery Funds and Programs

New Jersey Redevelopment Authority (NJRA)  
Category 3 Integrity Monitoring/Anti-fraud

### **I. GENERAL INFORMATION:**

On March 9, 2020, Governor Murphy issued Executive Order 103 declaring both a Public Health Emergency and State of Emergency in light of the dangers of the Coronavirus disease 2019 (“COVID-19”). On March 13, 2020, the President of the United States declared a national emergency and determined that the COVID-19 pandemic was of sufficient severity and magnitude to warrant a nation-wide emergency declaration under Section 501 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. § 5121-5207, (“Stafford Act”) and that declaration was extended to the State of New Jersey on March 25, 2020 pursuant to Section 401 of the Stafford Act. Since then, Congress has enacted legislation to stimulate economic recovery and assist State, Local and Tribal governments navigate the impact of the COVID-19 outbreak and cover necessary expenditures related to the public health emergency.

On July 17, 2020, Governor Murphy signed Executive Order 166 (“E.O. 166”), which established the COVID-19 Compliance and Oversight Task Force (the “Taskforce”) and the Governor’s Disaster Recovery Office (GDRO).

Pursuant to E.O. 166, the Taskforce has issued guidelines, which have been updated as of June 2021 and are attached hereto, regarding the appointment and responsibilities of COVID-19 Oversight Integrity Monitors (“Integrity Monitors”). Integrity Monitors are intended to serve as an important part of the State’s accountability infrastructure while working with Using Agencies in developing measures to prevent, detect, and remediate inefficiency and malfeasance in the expenditure of COVID-19 Recovery Funds and provide expertise in Program and Process Management Monitoring; Financial Auditing and Grant Management; and Integrity Monitoring/Anti-fraud services.

The New Jersey Department of the Treasury (Treasury) has established a pool of qualified Integrity Monitors for oversight of COVID-19 Recovery Funds and Programs pursuant to the Request for Quotation for Integrity Oversight Monitoring: Program and Performance Monitoring, Financial Monitoring and Grant Management and Anti-Fraud Monitoring for COVID-19 Recovery Funds and Programs (IOM RFQ) that Using Agencies may now use to discharge their responsibilities under E.O. 166. The Integrity Monitor’s executed State of NJ Standard Terms and Conditions (SSTC) will apply to all Integrity Monitoring Engagements executed via this Engagement Query.

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This Engagement Query is issued by the Department of the Treasury on behalf of **NEW JERSEY REDEVELOPMENT AUTHORITY**.

The purpose of this Engagement Query is **to seek services under category 3 - INTEGRITY MONITORING/ANTI-FRAUD to assist NJRA in overseeing the administration of the Small Business Lease-Emergency Assistance Grant program (SBLEAG).**

The capitalized terms in this Engagement Query shall have the same meanings as set forth in the IOM RFQ.

## **A. Background**

New Jersey Redevelopment Authority (the “Authority” or “NJRA”) is a public body corporate and politic, constituting an instrumentality of the State of New Jersey. The Authority was established by Chapter 62, P.L. 1996 (“Act”) on July 13, 1996 to provide assistance in the redevelopment and revitalization of New Jersey cities. Under the Act, the Authority is to provide financial, managerial, and technical assistance to persons, firms, or corporations who wish to undertake industrial, commercial, or civic projects within qualified municipalities.

The NJRA has received \$25,500,000 of Coronavirus Relief Funds (CRF) funds to assist small businesses in the 64 NJRA eligible communities adversely impacted by the COVID-19 pandemic through the Small Business Lease Emergency Assistance Grant (SBLEAG) program. The program was divided in Phase I (\$10M funding) and Phase II (\$5M funding). NJRA received an additional \$10M in October 2021 to assist in funding the backlog of businesses that did not receive funding in Phase I and II and still demonstrate a need. Approximately 1,500 grants have been awarded as of September 2021.

The SBLEAG program:

- Assists tenants leasing commercial space in mixed-use buildings
- Assists tenants leasing space in commercial buildings
- Assists store front businesses that lease their space

To be eligible for a grant, the applicant’s leased premises must be less than 5,000 square feet of leasable space. Each awarded grant amount may not to exceed \$10,000 and applications are handled on a first come, first served basis.

## **II. SCOPE OF WORK (SOW) REQUIREMENTS**

### **Project Description**

Integrity Monitoring/Fraud Anti-fraud engagement:

Perform a review the following COVID-19 Recovery program pursuant to the Executive Order 166 (EO-166) and Integrity Oversight Monitor Guidelines issued by the State of New Jersey COVID-19 Compliance and Oversight Taskforce (IOM Guidelines):

- a. Small Business Lease - Emergency Assistance Grant (SBLEAG)
  - i. \$25 million program
  - ii. Program dates from August 2020 to present
  - iii. Approximately 1,500 grants awarded as of September 2021
  - iv. \$500,000 allocated for administrative costs

**As part of this engagement, the Integrity Monitor shall:**

- a. Randomly select an appropriate number of samples of approved SBLEAG program applicant files and review eligibility, payment, and proper documentation; review program policies and procedures.
- b. Review SBLEAG program applicant data to identify potential fraud, using data analytics or other methods to identify anomalies, patterns, and discrepancies; conduct interviews or other follow-up as necessary; and cross-check or validate information against other data sources; provide training to staff on fraud detection methods or red flags; assist in the development of an anti-fraud monitoring, prevention, and detection program.
- c. Conduct a risk assessment specifically for the SBLEAG program described above, which, at minimum, includes a review of program structure, internal controls, and program guidelines, and make recommendations for improvements. See Attachment 3.

**Program Reviews should take place virtually.**

**B. Specific Performance Milestones/Timelines/Standards/Deliverables**

Due to the timing of the program and the strict funding deadline the review will need to be completed in stages. The first stage will review samples from Phase I and Phase II (see “background” section above). This stage should be completed no later than 30 days after the start of the engagement.

The second stage will focus on approved applicants from the “additional funding” part of the program which is currently ongoing.

More detail can be provided during Q&A.

All deliverables must be completed by **December 31, 2021**.

**C. Risk Assessment Summary**

Integrity Monitor shall conduct a risk assessment as described in Part II, section c

**D. Reporting Requirements**

## 1. Quarterly Integrity Monitor Reports

- a. Pursuant to E.O. 166, the Integrity Monitor shall submit a draft quarterly report to the NJRA on the last day of every calendar quarter detailing the specific services rendered during the quarter and any findings of waste, fraud, or abuse using the Quarterly Report template attached hereto. If the Integrity Monitor report contains findings of waste, fraud or abuse, the NJRA has an opportunity to respond within 15 days after receipt.
- b. Fifteen business days after each quarter-end, the Integrity Monitor shall deliver its final quarterly report, including any comments from the NJRA, to the State Treasurer, who shall share the reports with the GDRO, the Senate President, the Speaker of the General Assembly, the Attorney General, and the State Comptroller. The Integrity Monitor quarterly reports will be posted on the COVID-19 transparency website pursuant to E.O. 166.

## 2. Additional Reports

- a. E.O. 166 directs the Office of the State Comptroller, (OSC) to oversee the work of Integrity Monitors. Therefore, in accordance with E.O. 166 and the IOM Guidelines, OSC may request that the Integrity Monitor issue additional reports or prepare memoranda that will assist OSC in evaluating whether there is waste, fraud, or abuse in COVID-19 Recovery Programs administered by the Using Agencies. OSC may also request that the Integrity Monitor share any corrective action plan(s) prepared by the Using Agencies to evaluate whether those corrective plan(s) have been successfully implemented.

## 3. Reports of Waste, Fraud, Abuse, or Potential Criminal Conduct

- a. The Integrity Monitor shall report issues of waste, fraud, abuse and misuse of COVID-19 Recovery Funds immediately to the GDRO, OSC, the State Treasurer, the State Contract Manager, and the Accountability Officer. The Integrity Monitor shall report issues of potential criminal conduct immediately to the Office of the Attorney General.

### **III. Proposal Content:**

At minimum, the Integrity Monitor's proposal shall include the following:

- 1) A detailed proposal, describing how the Integrity Monitor intends to accomplish each component of the scope of work.
- 2) A detailed budget identifying staff classifications and hourly rates which shall not exceed the rates in the Integrity Monitor's BAFO Price Schedule.

- 3) A timeline for submission of the deliverables required by this Engagement Query.
- 4) Identification of any potential conflicts of interest regarding the delivery of services for the scope of work under this Engagement Query.

#### **IV. Submission of Proposals:**

Detailed proposals in response to this Engagement Query shall be submitted electronically by 3:00 p.m. on **November 15, 2021**. Proposals must be submitted via email as set forth below:

TO: State Contract Manager  
Mona Cartwright, Fiscal Manager, Department of the Treasury  
[REDACTED]

With a copy to the Agency Contract Manager: **Mr. Darryl Godfrey** at [REDACTED].

#### **V. Duration of the Engagement:**

The Engagement will commence upon the issuance of a Letter of Engagement and expire on **December 31, 2021**. At the option of the NJRA, this Letter of Engagement may be extended. Any extension to this Letter of Engagement, however, may not to exceed the Contract Term, and any extensions thereto, as set forth in Section 5.2 of the IOM RFQ,

#### **VI. CONTRACT TERMINATION**

The IOM's failure to comply with the requirements of the Engagement, including but not limited to E.O. 166, the IOM RFQ, the IOM Guidelines and this Engagement Query may constitute a breach of contract and may result in termination of the contract by the NJRA or imposition of such other remedy as the NJRA deems appropriate in accordance with Section 9.0 of the RFQ.

#### **VII. LIQUIDATED DAMAGES**

At the NJRA's option, liquidated damages may be assessed each time any of the below events occur, due to an act or omission of the IOM. The NJRA and the IOM agree that it would be extremely difficult to determine actual damages that the NJRA will sustain as the result of the IOM's failure to meet its contractual requirements. Any breach by the IOM could prevent the NJRA from complying with E.O. 166, the IOM Guidelines, and laws applicable to the use and expenditure of COVID-19 Recovery Funds and other public funds; will adversely impact the NJRA's ability to ensure identification and mitigation of risks; and may lead to damages suffered by the NJRA and the State as a whole. If the IOM fails to meet its contractual obligations, the NJRA may assess liquidated damages against IOM as follows:

#### **Liquidated damages**

Failure to deliver the Risk Assessment by 12/31/2021	\$200/day
Failure to deliver final quarterly report within 15 days after the quarter-end.	\$150/day

**VIII. Questions regarding this Engagement Query :**

Any questions related to the Scope of Work must be submitted electronically by 3:00 p.m. on **October 28, 2021**. They must be submitted via email to **Mr. Darryl Godfrey,** [REDACTED], with a copy to the State Contract Manager; Mona Cartwright, [REDACTED].

**IX. Selection Process**

The Agency Contract Manager will review the proposal(s) received and select the Integrity Monitor whose proposal is most advantageous, price and other factors considered. The State Contract Manager will then issue a Letter of Engagement with a “not to exceed” clause to the selected proposer

Prior to issuing a Letter of Engagement, the Agency Contract Manager in consultation with the Accountability Officer, will independently determine whether the proposed Integrity Monitor has any potential conflicts with the Engagement.

**ATTACHMENTS**

- Attachment 1: Integrity Oversight Monitor Guidelines, updated as of June, 2021
- Attachment 2: Quarterly Report Template
- Attachment 3: Risk Assessment Template

## Notice of Executive Order 166 Requirement for Posting of Winning Proposal and Contract Documents

Pursuant to Executive Order No. 166, signed by Governor Murphy on July 17, 2020, the Office of the State Comptroller ("OSC") is required to make all approved State contracts for the allocation and expenditure of COVID-19 Recovery Funds available to the public by posting such contracts on an appropriate State website. Such contracts will be posted on the New Jersey transparency website developed by the Governor's Disaster Recovery Office (GDRO Transparency Website). The Letter of Engagement resulting from this Engagement Query is subject to the requirements of Executive Order No. 166. Accordingly, the OSC will post a copy of the Letter of Engagement, including the Engagement Query, the winning proposer's proposal and other related contract documents for the above contract on the GDRO Transparency website.

In submitting its proposal, a proposer may designate specific information as not subject to disclosure. However, such proposer must have a good faith legal or factual basis to assert that such designated portions of its proposal: (i) are proprietary and confidential financial or commercial information or trade secrets; or (ii) must not be disclosed to protect the personal privacy of an identified individual. The location in the proposal of any such designation should be clearly stated in a cover letter, and a redacted copy of the proposal should be provided. A Proposer's failure to designate such information as confidential in submitting a proposal shall result in waiver of such claim.

The State reserves the right to make the determination regarding what is proprietary or confidential and will advise the winning proposer accordingly. The State will not honor any attempt by a winning proposer to designate its entire proposal as proprietary or confidential and will not honor a claim of copyright protection for an entire proposal. In the event of any challenge to the winning proposer's assertion of confidentiality with which the State does not concur, proposer shall be solely responsible for defending its designation.

# Vander Weele Group<sup>LLC</sup>

**Response to: Contract G4018 – Integrity Oversight  
Monitoring: Program and Performance Monitoring, Financial  
Monitoring and Grant Management and Anti-Fraud  
Monitoring for COVID-19 Recovery Funds and Programs**

**New Jersey Redevelopment Authority (NJRA)  
Category 3 Integrity Monitoring/ Anti-Fraud**

**November 15, 2021**

Presented by:

**Vander Weele Group<sup>LLC</sup>**

**Joseph A. DeLuca Advisory and Consulting Services LLC (“DLA”)**

November 15, 2021

Mona Cartwright, State Contract Manager and Fiscal Manager  
New Jersey Department of the Treasury  
[REDACTED]

Darryl Godfrey, Agency Contract Manager  
New Jersey Redevelopment Authority  
[REDACTED]

RE: Response to Contract G4018, Department of the Treasury, Division of New Jersey  
Redevelopment Authority

Dear Ms. Cartwright and Mr. Godfrey,

The Vander Weele Group<sup>LLC</sup> and Joseph A. DeLuca Advisory and Consulting Services LLC (“DLA”) are pleased to present this proposal to monitor a portion of \$25.5 million in Coronavirus Relief Funds (“CRF”) administered through the Small Business Lease Emergency Assistance Grant (“SBLEAG”) program.

If privileged to serve the New Jersey Redevelopment Authority, the Vander Weele Group<sup>LLC</sup> will serve as Prime Contractor, but DLA will take the lead in managing and providing many of the deliverables.

The Vander Weele Group<sup>LLC</sup> - DLA Team has experience and expertise in providing the services called for in the Engagement Query. Key members of the DLA Team, including Joseph DeLuca and Kevin Mullins, have extensive experience working with New Jersey government agencies and New Jersey law enforcement. We have a long commitment to providing services to the government and understand what it takes to design and implement programs aimed at preventing and detecting fraud, waste, and abuse. DLA is particularly experienced in disaster recovery programs and related funding streams from a loss prevention perspective and is currently servicing both Middlesex and Gloucester Counties with COVID-19 related oversight services.

The Vander Weele Group<sup>LLC</sup> - DLA Team has no conflicts of interest. We trust this proposal meets your expectations. Thank you for your time and consideration.

Sincerely,



Joseph A. DeLuca, CEO



Maribeth Vander Weele, CEO

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## I. INTRODUCTION

### A. Company Overview

The Vander Weele Group<sup>LLC</sup>, and its “on the ground” partner Joseph A. DeLuca Advisory & Consulting Services LLC (“DLA”), is privileged to present this proposal to assist the New Jersey Redevelopment Authority (“NJRA”), in monitoring the portion of approximately \$25.5 million in Coronavirus Relief Funds (“CRF”) distributed or being distributed through the Small Business Lease Emergency Assistance Grant (“SBLEAG”) program. These distributions to subrecipients across the state are in accordance with Executive Order #166 and 2 CFR 200. With the Vander Weele Group<sup>LLC</sup>’s grants expertise and DLA’s audit and financial expertise and New Jersey presence, the Vander Weele Group<sup>LLC</sup> – DLA Team is best positioned to address the needs as laid out in the Engagement Query.

The Vander Weele Group<sup>LLC</sup> is a niche firm specializing in grants oversight. We are a mission-minded organization, passionate about providing meaningful oversight and support to programs serving the public interest. Incorporated in 2003, the Vander Weele Group<sup>LLC</sup> was founded by Maribeth Vander Weele, the former Inspector General of Chicago Public Schools and a noted author.

DLA is a New York/New Jersey-based boutique advisory and consulting firm with experience in integrity monitoring and conducting audits and control reviews related specifically to the use of funds designated for COVID-19 relief. As such, DLA will be taking on the majority of the tasks to be performed under this engagement should it be awarded to us. Founded by Joseph A. DeLuca in 2018, DLA brings the experience of highly decorated former Inspectors General, investigators, forensic accountants, and research analysts to clients. Key members of the DLA team come with experience working with New Jersey government agencies and New Jersey law enforcement. For example, Steven Pasichow, an Executive Managing Director with DLA, brings invaluable experience as previous Deputy Inspector General and Director of Investigations for the Port Authority of New York and New Jersey.

The proposed Project Manager for this assignment is Kevin Mullins, who recently joined DLA, and has significant experience in conducting audits and reviews of grants programs. In fact, some of that experience was providing oversight for another New Jersey agency’s use of Coronavirus Aid, Relief, and Economic Security (“CARES”) Act funds, work he conducted at the end of 2020 and early 2021.

### B. Objectives

As we understand it, NJRA is tasked with monitoring the portion of up to \$25.5 million in Coronavirus Relief Funds (CRF) distributed or being distributed to sub-recipients across the State of New Jersey through the SBLEAG program.

Specific engagement objectives are:

- Attending a kick-off meeting with representatives from NJRA. The kick-off meeting will confirm the timeline presented in our response to this Engagement Query;
- Evaluating program performance;
- Evaluating internal controls;
- Validating compliance with applicable Memoranda of Understanding (“MOU”) regarding use and reporting requirements for CRF Funds;
- Interviewing staff;
- Reviewing compliance with applicable sections of 2 CFR 200 and other Federal regulations;
- Conducting sub-recipient monitoring in accordance with 2 CFR 200.331, if applicable;
- Reviewing document retention policies and processes;
- Assisting CRF recipients with process workflows to ensure that all required documents are provided to NJRA;
- Ensuring that all expenditure documentation (purchase orders, invoices, proofs of payment) is provided to NJRA;
- Validating compliance with applicable Memoranda of Understanding regarding use and reporting requirements for CRF Funds;
- Interviewing staff at other NJ state agencies that were awarded CRF funds, if applicable;
- Sampling eligibility determinations of documents that were provided to NJRA;
- Sampling CRF expenditures to ensure that the state agencies are prepared for the State Single Audit;
- Reviewing compliance with applicable sections of 2 CFR 200 and other Federal regulations including, but not limited to, duplication of benefits across State agencies, and counties;
- Reviewing a selection of SBLEAG program applicant files for the following, at a minimum:
  - Eligibility;
  - Payment;
  - Proper documentation; and,
  - Program policies and procedures
- As part of such reviews of the applicants’ data, and through use of professional skepticism, identifying the following if such instances are noted:
  - Potential fraud;
  - Anomalies;

- Patterns; and
- Discrepancies
- Conducting and developing a risk assessment for the SBLEAG program, which, at minimum, includes a review of:
  - Program structure for grant approvals and disbursements;
  - Program internal controls, if applicable, regarding:
    - Policies and Procedures;
    - Maintenance of applicant documentation;
    - Application of SBLEAG program requirements;
    - Ultimate determination of grant awardees;
    - Disbursement of CRF funds;
  - Program Guidelines; and
  - Recommendations for Improvements, if applicable.
- Other tasks deemed appropriate as directed by the NJDOT or NJRA.

## II. CONFLICTS OF INTEREST

As stated, the Vander Weele Group<sup>LLC</sup> - DLA Team has no conflicts of interest regarding this Engagement Query. We offer an objective, unbiased, and professional perspective.

## III. DELIVERABLES AND ACTIVITIES

### A. Proposed Approach

Upon notification of an award and execution of a written agreement, the Vander Weele Group<sup>LLC</sup> - DLA Team, led by Kevin Mullins, will work with NJRA to plan and perform our work in four phases. Those phases are as follows:

Phase	Task
I.	Planning
II.	Risk Assessment
III.	Stage I & Stage II Review
IV.	Reporting

### B. Planning

During this phase of work, the Vander Weele Group<sup>LLC</sup> - DLA Team will work directly with NJRA to plan and scope the engagement to ensure that desired objectives are met. This will include the following:

- Attend a kick-off meeting with representatives of NJRA, with the intention of

confirming the timeline of deliverables and to discuss other items including, but not limited to:

- i. Engagement expectations;
  - ii. Any perceived weaknesses and any controls or other mitigating factors put into place to address such weaknesses;
  - iii. Access and systems training for the Vander Weele Group<sup>LLC</sup> - DLA Team staff for any existing internal grant management and reporting systems;
  - iv. The preliminary project work plan including project schedules, timelines, and activities;
  - v. Other information as necessary.
- Review the NJRA Standard Operating Procedure (“SOP”) that governs the proper use of CRF Funds.
  - Interview NJRA staff members to accomplish the following:
    - i. Gain an understanding of the SOPs and the controls in place surrounding CRF funds and SBLEAG program;
    - ii. Gain an understanding of staff members’ familiarity with NJRA SOPs and controls as well as Federal and state regulations surrounding the disbursement of CRF Funds;
    - iii. Familiarize ourselves with the internal management and reporting systems to allow auditing, testing, report generation, etc.

### C. Risk Assessment

The purpose of the risk assessment is to gain an understanding of the SBLEAG program from initial application of assistance to final disbursement, and to identify program areas with weaknesses or deficiencies in controls or greater operational risks. The risk assessment will be performed to ensure that the grant program structure, related internal controls, and program guidelines exist and are effective, by reviewing the following:

- Current management experience related to grant funds and plans to expand or reduce team structure;
- Identifiable exposures or existing overrides of process controls;
- Adequacy and enforcement of existing policies and procedures related to grants management, fiscal controls, and fiscal management systems;
- Reliance on third-party providers or contractors to deliver SBLEAG-funded activities;
- Conflicts of interest, in fact or appearance, and ethics compliance measures;
- Other identifiable, related risks; and
- Prior incidents of fraud, waste, and abuse in similar grant programs.

The Vander Weele Group<sup>LLC</sup> - DLA Team will assess the design of established controls to reduce inherent risks, prior to testing the effectiveness of such controls. The following will be conducted, at a minimum:

- Develop a foundation of potential inherent risks associated with the SBLEAG program and disbursement of CRF funds to program applicants;
- Review program applicant files, agreements with NJDOT and NJRA, and grant program disbursement policies and procedures identified during the Planning phase;
- Review existing grant disbursement budgets, disbursement reports, related grant program documentation, existing fiscal-related policies and procedures, and any prior identified internal control deficiencies or weaknesses and any remedial efforts enacted by management;
- Review a sample of approved SBLEAG program applicant file documents and related grant disbursement documents to familiarize ourselves with the overall grant management process and any existing controls;
- Interview NJRA personnel as applicable to the disbursement of CRF funds in relation to approved SBLEAG program applicants; and,
- Conduct discussions of results and identification of potential exception(s) to the SBLEAG program guidelines, including:
  - i. Follow-up discussions with applicable personnel as deemed necessary to understand the cause of the exception; and,
  - ii. Creation of remediation plan(s) to help prevent and detect similar occurrences in the future.

#### D. Stage I and Stage II Review

The Vander Weele Group<sup>LLC</sup> - DLA Team understands the urgency of NJRA's deadlines. The Vander Weele Group<sup>LLC</sup> - DLA Team proposes to conduct the Stage I & Stage II testing phase simultaneously with the risk assessment phase. This approach enables us to implement what we learn from our risk assessment of the SBLEAG program in real time and apply that to our review of Stage I and Stage II disbursements of CRF funds.

It is our understanding that Stage I consists of Phase I (\$10M funding) and Phase II (\$5M funding) of which funds were expensed from August 2020 through September 2021. In addition, NJRA received an additional \$10M in October 2021 to assist in funding the backlog of businesses that did not receive funding in Phase I and II and still demonstrate a need, of which monies are expected to be expended in October 2021 and through the end of the 2021 calendar year. Approximately 1,500 grants have been awarded as of September 2021, and additional grants continue to be awarded through the end of the 2021 calendar year via Stage II of CRF funds. Within the first few weeks of the Engagement award, the Vander Weele Group<sup>LLC</sup> - DLA Team will conduct, at a minimum, the following steps described below for each of the CRF funding Stages:

- Use a risk-based sampling approach that takes into consideration, at a minimum, the following types of approved SBLEAG program applicant file patterns:
  - Large grants and any grants awarded that exceed the allowable threshold of \$10,000;
  - Grant amounts that seem to be duplicative in nature;
  - Total grant monies awarded to a particular recipient; and,
  - Other potential high-risk factors.
- Selected approved SBLEAG program applicant files will be review for, at a minimum:
  - Program eligibility requirements, including but not limited to:
    - Applicant's leased premises being less than 5,000 square feet; and,
    - Awarded grant amount not exceeding \$10,000
  - Proper disbursement of CRF funds to applicant, including:
    - Ensuring disbursement is sent to the business address (or related bank account) on the grant application; and,
    - The actual grant disbursement matches what was reported.
  - Grants awarded to applicants that do not appear to be businesses or individuals that would be leasing commercial space;
  - Multiple grant awards to an identical or similar recipient name or identical address;
  - Physical location of grant recipients;
  - Proper maintenance of, and adequate supporting documentation of records; and,
  - Program policies and procedures
- As part of such review of the applicant data, and through use of professional skepticism, identify the following if such instances are noted:
  - Potential fraud;
  - Anomalies;
  - Patterns; and,
  - Discrepancies

The Stage I and Stage II Reviews would be conducted with the intention to ensure that Federal and state regulations, applicable SOPs, minimum documentation requirements, and document retention policies are all referenced and in place. Specifically, as follows:

- Ensuring applicable sections of 2 CFR 200 and other Federal regulations are adequately and effectively covered in the current SOPs that govern CRF disbursements:
  - i. Ensuring that NJRA has adequate SOPs and controls in place to ensure that CRF reimbursements are not duplicative in nature and that all minimum documentation requirements to support disbursements are met;
  - ii. Ensuring that NJRA have a document retention policy that:

1. Follows the guidelines set forth in existing SOPs;
  2. Complies with Federal and state governmental standards with respect to CRF fund requirements;
  3. Is effectively administered, monitored, and periodically updated, when applicable.
- iii. Ensuring that stipulations presented in the NJDOT CRF Memorandum of Understanding (“MOU”), or other governing documents are adhered to.
- iv. After reviewing each Stage of CRF funding as described above, the Vander Weele Group<sup>LLC</sup> - DLA Team will review fraud training techniques and methods to identify any potential red flags involved with the administration of CRF funds.

## E. Reporting

The Vander Weele Group<sup>LLC</sup> - DLA Team understands the engagement’s demands in keeping up with the timetable prepared below. The Vander Weele Group<sup>LLC</sup> - DLA Team will prepare monthly reports, quarterly reports, a risk assessment document, and additional reports, as requested, including the following, and deliver by the specified dates below:

Task	Deliverable	Due Date
<p><b>Stage I Review</b></p>	<p>Provide a memorandum regarding “Phase I” of SBLEAG program recipients, including:</p> <p>a) The number of samples of approved SBLEAG program applicant files and statistical characteristics of the sample and of the entire recipient population;</p> <p>b) A summary of processes, including but not limited to: review eligibility, payment, proper documentation; and program policies and procedures;</p> <p>c) A summary of SBLEAG program applicant data and any identification of potential fraud, anomalies, patterns, and discrepancies; and,</p> <p>d) A summary of potential trainings for staff on fraud detection methods or red flags; and assisting in the development of an anti-fraud monitoring, prevention, and detection program, as needed.</p>	<p>December 15, 2021</p>

<p><b>Stage II Review</b></p>	<p>Provide a memorandum regarding “Phase II” of SBLEAG program recipients, including:</p> <p>a) The number of samples of approved SBLEAG program applicant files and statistical characteristics of the sample and of the entire recipient population;</p> <p>b) A summary of processes, including but not limited to: review eligibility, payment, proper documentation; and program policies and procedures;</p> <p>c) A summary of SBLEAG program applicant data and any identification of potential fraud, anomalies, patterns, and discrepancies; and,</p> <p>d) A summary of potential trainings for staff on fraud detection methods or red flags; and assisting in the development of an anti-fraud monitoring, prevention, and detection program as needed.</p>	<p>December 30, 2021</p>
<p><b>Risk Assessment</b></p>	<p>Conduct a risk assessment specifically for the SBLEAG program described above, which, at minimum, includes a review of program structure, internal controls, and program guidelines, and make recommendations for improvements.</p>	<p>December 30, 2021</p>
<p><b>Draft Quarterly Integrity Monitor Reports*</b></p>	<p>a) Provide a memorandum explaining the specific services rendered during the quarter and any findings of waste, fraud, or abuse using the Quarterly Report template.</p> <p>b) If the Quarterly report contains any finding(s) of waste, fraud or abuse, the Using Agency has an opportunity to respond within 15 days after receipt.</p> <p>c) Verify that the process complies with all Federal, state, and local laws, regulations, and ordinances, and adheres to all grant/assistance program guidelines as they are applicable to the program; and</p> <p>d) Develop a workflow document for the process so that the process can be incorporated into the tracking system for reporting purposes.</p>	<p>December 30, 2021</p>

<b>Final Quarterly Reports*</b>	Consistent with the Engagement Query, within 15 days after the issuance of the draft quarterly report, we will include any comments from the Using Agency to the State Treasurer, who shall share the reports with the Governor’s Disaster Recovery Office (“GDRO”), the Senate President, the Speaker of the General Assembly, the Attorney General, and the State Comptroller.	January 15, 2022*
<b>Additional reports requested by the Office of the State Comptroller (“OSC”)</b>	Upon request, we will provide additional reports, such as: a) Reports that will assist OSC in evaluating whether there is waste, fraud, or abuse in COVID-19 Recovery Programs administered by the Using Agencies; b) Reports that share any corrective action plan(s) prepared by the Using Agencies to evaluate whether those corrective plan(s) have been successfully implemented; or c) Immediate reports of fraud, waste, abuse, and misuse of COVID-19 Recovery Funds directed to the GDRO, OSC, the State Treasurer, the State Contract Manager, and the Accountability Officer.	As Requested

\* We understand that the Engagement is set to expire on December 31, 2021 and will work with the NJRA to complete draft and final quarterly reports to meet these deadlines as required.

It should be noted that instances of fraud, waste, and abuse, although specified within the monthly and quarterly status reports, will be communicated immediately to the GDRO, OSC, the State Treasurer, and State Contract Manager, and the Accountability Officer. Based on our testing procedures laid out above, the Vander Weele Group<sup>LLC</sup> - DLA Team will provide recommendations regarding:

- Areas that appear to deviate from Federal and state compliance regulations;
- Procedural and control-related updates that further support NJRA’s goal of administering CRF funds in a way that best combats fraud, waste, and abuse;
- Appropriate changes to the Risk Assessment and how best to respond.

#### IV. QUALITY CONTROL

In our experience with professional services firms, too little emphasis is given to quality control processes. Assumptions are made that professionals will perform well with minimal direction because they are knowledgeable and experienced. However, even the most experienced professionals have individual preferences for how processes unfold—and each

can bring to their work a different opinion of such. Therefore, we believe that quality is derived not only from hiring experienced staff but from standardization of processes to ensure consistent delivery of quality deliverables. For this reason, the Vander Weele Group<sup>LLC</sup> Team breaks down each element of the required activities and lays out the required processes with template language for governing authorities, findings, recommendations, and corrective action plans.

Besides ensuring communication and enforcement of consistent standards of service delivery, the Vander Weele Group<sup>LLC</sup> - DLA Team understands that not every experienced and knowledgeable individual has every skill set—ranging from knowledge of governing authorities to strong writing and Excel skills—required to deliver excellent work every time. Therefore, we employ a multi-disciplinary team with collective expertise not only in grants monitoring, but in proofreading, formatting, design, data analytics, Microsoft Excel, and software skills. As time allows, we prefer to employ a peer review process to ensure colleagues agree that the evidence supports findings and to promote consistency. As stated, our Project Manager has prior experience in working with other New Jersey government agencies. All reports will be reviewed by the Project Manager before being submitted to NJRA.

## V. PROJECT COMMUNICATIONS

### A. Reporting

As stated above, DLA will provide reports to NJRA in accordance with the requirements as stated in the Engagement Query. These will cover at a minimum, progress toward each of the identified milestones, status of compliance reviews, and trends in significant findings. We will also make schedules, status reports, and draft and completed reports available to NJRA through a password-protected website or electronic tool.

### B. Status Meetings

DLA will meet with NJRA in person for the kickoff meeting and, thereafter, participate in regular communication meetings with NJRA every week—or on a frequency that NJRA prefers—to discuss outstanding items, potential issues, upcoming testing, and the overall progress of the engagement.

### C. Other Communications

As part of this engagement, we will:

- Follow up with questions regarding specific funding decisions and application approvals as it relates to the distribution of funds;
- Facilitate the exchange of ideas with NJRA to promote operational efficiency for future relief funding;
- Promote cooperation and communication among Integrity Monitors engaged by other Recovery Program participants (e.g., to guard against duplication of benefits);

- Simultaneously report any issues of fraud or criminal conduct immediately to the Accountability Officer, NJRA Contract Manager, the Office of the State Comptroller, (“OSC”), the Governor’s Disaster Recovery Office (“GDRO”), and the State Treasurer.

## VI. BUDGET

We propose a total cost of \$111,471.57. Our budget reflects an emphasis on planning, execution, and oversight to support the fieldwork and realistic time frames to allow for quality work. Although we request flexibility to move hours between tasks, the below provides underlying estimates to support our pricing. An overview of hours per category is as follows:

Phase I: Planning		Fieldwork		Reporting	
RFQ Title	Rate	Hours	Amount	Hours	Amount
Partner / Principal / Director (1)	\$ 237.50	4.00	\$ 950.00	-	\$ -
Partner / Principal / Director (2)	\$ 237.50	4.00	\$ 950.00	-	\$ -
Program Manager	\$ 229.81	4.00	\$ 919.24	1.00	\$ 229.81
Program Manager	\$ 229.81	-	\$ -	2.00	\$ 459.62
Project Manager	\$ 170.00	8.00	\$ 1,360.00	4.00	\$ 680.00
SME - Forensic Audit (1)	\$ 211.06	6.00	\$ 1,266.36	4.00	\$ 844.24
Senior Consultant (1)	\$ 192.54	5.00	\$ 962.70	-	\$ -
Senior Consultant (2)	\$ 192.54	5.00	\$ 962.70	4.00	\$ 770.16
Technical Analyst	\$ 135.00	8.00	\$ 1,080.00	-	\$ -
<b>Phase Totals:</b>		<b>44.00</b>	<b>\$ 8,451.00</b>	<b>15.00</b>	<b>\$ 2,983.83</b>
Phase II: Risk Assessment		Fieldwork		Reporting	
RFQ Title	Rate	Hours	Amount	Hours	Amount
Partner / Principal / Director (1)	\$ 237.50	1.00	\$ 237.50	-	\$ -
Partner / Principal / Director (2)	\$ 237.50	4.00	\$ 950.00	-	\$ -
Program Manager	\$ 229.81	4.00	\$ 919.24	2.00	\$ 459.62
Program Manager	\$ 229.81	-	\$ -	2.00	\$ 459.62
Project Manager	\$ 170.00	32.00	\$ 5,440.00	8.00	\$ 1,360.00
SME - Forensic Audit (1)	\$ 211.06	20.00	\$ 4,221.20	8.00	\$ 1,688.48
Senior Consultant (1)	\$ 192.54	15.00	\$ 2,888.10	8.00	\$ 1,540.32
Senior Consultant (2)	\$ 192.54	15.00	\$ 2,888.10	-	\$ -
Technical Analyst	\$ 135.00	40.00	\$ 5,400.00	-	\$ -
<b>Phase Totals:</b>		<b>131.00</b>	<b>\$ 22,944.14</b>	<b>28.00</b>	<b>\$ 5,508.04</b>
Phase III: Stage I & Stage II Review		Fieldwork		Reporting	
RFQ Title	Rate	Hours	Amount	Hours	Amount
Partner / Principal / Director (1)	\$ 237.50	4.00	\$ 950.00	-	\$ -
Partner / Principal / Director (2)	\$ 237.50	4.00	\$ 950.00	-	\$ -
Program Manager	\$ 229.81	4.00	\$ 919.24	2.00	\$ 459.62
Program Manager	\$ 229.81	-	\$ -	2.00	\$ 459.62
Project Manager	\$ 170.00	36.00	\$ 6,120.00	8.00	\$ 1,360.00
SME - Forensic Audit (1)	\$ 211.06	30.00	\$ 6,331.80	8.00	\$ 1,688.48
Senior Consultant (1)	\$ 192.54	60.00	\$ 11,552.40	8.00	\$ 1,540.32
Senior Consultant (2)	\$ 192.54	60.00	\$ 11,552.40	8.00	\$ 1,540.32
Technical Analyst	\$ 135.00	100.00	\$ 13,500.00	-	\$ -
<b>Phase Totals:</b>		<b>298.00</b>	<b>\$ 51,875.84</b>	<b>36.00</b>	<b>\$ 7,048.36</b>
Phase IV: Reporting		Fieldwork		Reporting	
RFQ Title	Rate	Hours	Amount	Hours	Amount
Partner / Principal / Director (1)	\$ 237.50	-	\$ -	4.00	\$ 950.00
Partner / Principal / Director (2)	\$ 237.50	-	\$ -	4.00	\$ 950.00
Program Manager	\$ 229.81	-	\$ -	4.00	\$ 919.24
Program Manager	\$ 229.81	-	\$ -	2.00	\$ 459.62
Project Manager	\$ 170.00	-	\$ -	15.00	\$ 2,550.00
SME - Forensic Audit (1)	\$ 211.06	-	\$ -	5.00	\$ 1,055.30
Senior Consultant (1)	\$ 192.54	-	\$ -	15.00	\$ 2,888.10
Senior Consultant (2)	\$ 192.54	-	\$ -	15.00	\$ 2,888.10
Technical Analyst	\$ 135.00	-	\$ -	-	\$ -
<b>Phase Totals:</b>		<b>-</b>	<b>\$ -</b>	<b>64.00</b>	<b>\$ 12,660.36</b>
<b>Proposal Totals:</b>				<b>616.00</b>	<b>\$ 111,471.57</b>

## VII. STAFFING

### A. Overview

The Vander Weele Group<sup>LLC</sup> - DLA Team has assembled a highly qualified group of individuals with relevant experience to assist NJRA in monitoring grants distributed or being distributed to sub-recipients across the State of New Jersey. Each member of our team has been carefully selected to create a balanced team capability and environment that provides experienced project management and leadership, a thorough understanding of the needs of NJRA, and an understanding of all major components of the scope of work for this engagement query.

The proposed staff includes:

- **Joseph DeLuca** played a role studying crime control strategies within the New Jersey State Police's Intelligence Bureau and various operational units from a program management perspective. Most importantly, Mr. Deluca knows and understands the working environment of government agencies and as well as other state and local law enforcement agencies, prosecutors, and emergency service providers. There will be no learning curve for this team.
- **Steven A. Pasichow**, from DLA will serve as a Program Manager. He has served as the lead in DLA's engagements with Middlesex and Gloucester Counties pertaining to CRF funds, including their Small Business Relief Grant Programs. Steve is a Certified Inspector General and Certified Fraud Examiner with more than 40 years of investigative experience across a vast range of pressing issues such as corruption, fraud, conflicts of interest, cyber-crime, whistleblower retaliation, and police, employee, contractor, and vendor misconduct. He is a veteran leader of major public institutions whose excellence in leading complex projects and delivering top-notch results has earned him widespread recognition and various awards for outstanding performance over the course of his distinguished career. Steve retired as the Deputy Inspector General and Director of Investigations at The Port Authority of New York and New Jersey ("PANYNJ") after more than fifteen years with the office. Steve also led the PANYNJ's Fraud Prevention Program for major capital construction projects such as the World Trade Center Redevelopment Program, New Goethals Bridge, Bayonne Bridge Navigational Clearance Program, LaGuardia Airport Central Terminal Building Redevelopment Program, Lincoln Tunnel Access Program, and Hurricane Sandy Recovery Projects. He previously served for more than 26 years with the New York City Department of Investigation as an Assistant Commissioner and Inspector General of numerous city agencies, including managing the Integrity Monitors monitoring the Ground Zero cleanup following the September 11<sup>th</sup> terrorist attacks.
- **Kevin Mullins** is a Project Manager and the Head of Forensic Accounting at DLA. He is an accounting professional specializing in financial and forensic investigations. He

is a Certified Fraud Examiner with nearly 20 years of multidisciplinary experience in the accounting industry, specifically in the areas of forensic accounting and auditing. He has led various project teams of all sizes, executing audit plans designed to detect not only fraud and noncompliance, but also to identify cost recoveries and areas for improvements in internal controls. With Kevin as Project Manager, there will be no learning curve when it comes to the policies and procedures and key people in place for administering CRF funds. He is familiar with the tight deadlines, forms, and reporting structure, and will be an invaluable member of the team.

- **Michael Dundas** is a Forensic Audit Subject Matter Expert with DLA contributing almost two decades of experience in the public sector within audit divisions of the Port Authority of New York and New Jersey to the project team. He ensures compliance policy objectives are met through the creation of achievable and practical procedures and that all reviews are performed efficiently and effectively, and in a collaborative fashion.
- **Matthew Gavin** is a Senior Consultant with DLA who has collaborated with clients ranging from Fortune 500 companies undertaking large-scale construction and redesign projects to state-run governmental agencies responsible for planning, designing, and developing public works projects. He has served as the senior forensic accountant in DLA's engagements with Middlesex Counties pertaining to CRF funds, including their Small Business Relief Grant Programs, CARES Act audit and compliance assistance, Emergency Rental Assistance monitoring, and assistance in program implementation. Matt excels at bringing a detailed eye to client- and industry-specific needs throughout his work leading audits, reviews, and research, and develops business and process improvement recommendations suited to both client and industry needs.
- **Salvatore Ubaldini** is a Senior Consultant in the DLA team and is a licensed Certified Public Accountant and Certified Fraud Examiner who brings more than 8 years of experience in public accounting, auditing, and forensic accounting – with a focus on financial and forensic investigations. Salvatore has a strong foundation in grant disbursement audits, as he has previously worked with New Jersey Department of Education and other government agencies regarding their review of COVID-19 related grant relief funds.
- **Maribeth Vander Weele** is President of the Vander Weele Group<sup>LLC</sup>, a Chicago firm that specializes in grants oversight. Maribeth is a results-oriented professional known for her ability to drive strategic and tactical change in large organizations. She has overseen large-scale grants oversight programs in 24 states. A former award-winning journalist for the *Chicago Sun-Times*, she authored *Reclaiming Our Schools, the Struggle for Chicago School Reform*, which became the roadmap for reform of the nation's third largest school system. A key member of the system's 1995 turnaround team, she spearheaded multiple integrity initiatives, revamped the Internal Audit

division, managed a team that created an innovative system-wide truancy program that returned thousands of children to school, and drove reforms such as mandatory summer school for children lagging behind their peers. In 1998, Chicago Mayor Richard Daley appointed Maribeth as Inspector General of Chicago Public Schools. Also in that year, she served as President of the Illinois Association of Inspectors General. In 2009, she served on an investigatory panel to address abuses in the University of Illinois admissions process. In 2012, she was appointed as the outsourced Inspector General of the Public Building Commission of Chicago, which manages hundreds of millions of dollars of public construction projects. Also, that year, Cook County Board President Toni Preckwinkle appointed Maribeth to the Cook County Board of Ethics. Maribeth has been profiled in the *Wall Street Journal*, *Teacher Magazine*, and in the 1998 book, *Extraordinary Women Making a Difference*.

- **Deb Wells** is the Vander Weele Group's contracting and budget officer providing also subject matter expertise on Federal regulations. She served as the Director of Grants for schools nationally serving two major charter school organizations and has experience in grant management and grant monitoring for multi-state programs. For 36 years she worked with the Federal government as the Senior Director of Financial Workforce Management for the Department of Defense. She has experience in fiscal management and the planning, programming, budgeting and execution of programmatic, special project and grant funds; as well as experience in Human Capital, Acquisition, Policy development and implementation, and Program Management. She led efforts in the design of the Base Realignment and Closure cost analysis model; the consolidation and oversight of the DoD FM Education and Training contracts (\$586M per fiscal year); the design, construction and implementation of the DoD FM Institute in Southbridge, MA; the consolidation of all DoD finance and accounting operations; and the establishment of the strategic human capital initiatives in FM. She was also instrumental in the drafting and receipt of new Congressional legislation in the Fiscal Year 2012 *National Defense Authorization Act* which mandated the DoD Financial Management Certification Program to strengthen the public sector's confidence in the Department's overall fiscal management. She is fully proficient in the application of the CARES, CSSRA and ARPA programs.
- **Alisha Pruitt, MBA, CFE**, is a senior accountant and auditor with knowledge of Generally Accepted Accounting Principles (GAAP), Generally Accepted Government Auditing Standards (GAGAS), Yellow Book, and government cost allowability regulations/statutes. Currently a Senior Auditor for the North Carolina Department of Transportation, she is planning to join the Vander Weele Group<sup>LLC</sup> shortly. Currently, Alisha coordinates, evaluates, and audits procedures and practices of grant sub-recipients and vendors for compliance with Federal grant requirements, governmental accounting standards, and applicable local, state, and Federal statutes and policies. She reviews and approves indirect cost rates, direct labor rates, non-salary direct costs and proposed fees for prime and sub-contractors awarded

Professional Service contracts. She reviews indirect cost rate proposals submitted by each consultant including CPA workpaper reviews for cognizant approvals.

Our knowledge, skills, abilities, and competencies will reduce transition and performance risks for this Engagement Query initiative. Our organizational structure allocates the right resources and the right communication channels needed to ensure quality performance and responsiveness throughout the period of performance.

The DLA founding principal will oversee this contract, with support from the Vander Weele Group<sup>LLC</sup> CEO. This reinforces executive engagement with the project team, enabling quick allocation of corporate resources.

Our Project Manager, Kevin Mullins, will provide regular status reports to executive management detailing the status of deliverables, schedule, quality metrics, staffing requirements, and any issues or corrective actions. Desired intervals of such status reports can be discussed during the kick-off meeting.

The remaining project team will consist of one Program Manager from each team; two Subject Matter Experts 1 (forensic accounting); two Subject Matter Experts 2 (grants accounting and monitoring) and one or more Technical Analysts. Each member of the project team will have a clearly defined set of responsibilities. This creates an environment of clear roles and job satisfaction, which results in better performance and higher client satisfaction. When people know what they are supposed to do and understand their roles, they are more empowered to be innovative and perform exceptionally.

## VIII. PAST PERFORMANCE

### A. Middlesex County, New Jersey COVID-19 Stimulus Funds Application Monitoring (Ongoing)

Middlesex County ("Middlesex") received CARES Act funds in the amount of \$143,966,956.60 from the United States Treasury (the "Stimulus Funds"), to be used to reimburse the County and the municipalities and agencies within the County (the "Municipalities") due to economic damage caused to them by the Coronavirus. The Stimulus Funds were also to be used for the benefit of those businesses that have been impacted by COVID-19.

Middlesex County engaged the services of DLA to assist the County in its development, implementation, management, and oversight of the establishment of three economic relief programs used to distribute Stimulus Funds to County Municipalities and small businesses in need of financial assistance. These programs were developed and implemented to quickly and effectively distribute the Stimulus Funds to those in immediate need.

The first program, the Municipal Reimbursement Program for County Municipalities, reimbursed County Municipalities for COVID-19 related costs including, but not limited to, vendor expenses, salary and fringe expenses, and necessary improvement projects. DLA's services for this program included:

- Providing advice and assistance regarding the interpretation of the constantly changing and updating U.S. Treasury Department's guidance on the CARES Act and its application to various situations and applications;
- Performing audits of CARES Act Reimbursement applications submitted by County Municipalities to:
  - a) Identify any weaknesses in the application process that might create an opportunity for the approval of ineligible reimbursements or those that might contain fraudulent expenses; and
  - b) Provide additional validation and vetting for expenses and to ensure there is adequate justification and documentation to support the use of CRF.
- Recommending to the County any revisions to the application review process.
- Performing a review of individual applications, on an as-needed basis, to provide additional validation and vetting for expenses.

Additionally, DLA was requested to assist the County in establishing its own CARES Act Small Business Emergency Assistance Grant Program ("SBEA Grant Program"). As a result, the County established the Small Business Relief Grant Program ("SBRG") which provided assistance to small businesses within the County that fall within the County's imposed eligibility restrictions, including but not limited to a net income limit of \$1M, a limit of fifty active employees, and a record of negative impact caused by COVID-19, and Small Business Grant Program ("SBGP") for County businesses with 10 or fewer employees. The SBGP was funded by Community Development Block Grant ("CDBG") funds. DLA's services for these programs included;

- Developing an understanding of the requirements surrounding the SBEA Grant Program established by the New Jersey Economic Development Agency ("NJEDA") and which of the NJEDA requirements were implemented on top of any underlying Federal requirements;
- Advising the County on choosing 'best practice' requirements from the CARES Act and/or NJEDA program to most adequately and efficiently accomplish the County's goals in assisting County businesses with financial assistance;
- Performing a sample review of the SBEA Grant Program applications submitted to the County to identify any weaknesses in the application review process that might create an opportunity for the approval of ineligible grants or those that might contain fraudulent information;
- Recommending to the County any revisions to the application review process; and

- Conducting due diligence on SBRG applicants and its owner(s) seeking any negative information on them that might impact the approval of the application.
- Performing reviews of individual applications, on an as-needed basis, to provide additional validation and vetting for expenses.

DLA's services, aside from those specified above, ensured that there were adequate controls instituted for the programs and that there was adequate documentation and transparency and other justification for the expenditure of the relief funds, to prevent fraud, waste, and abuse and to protect against disallowances or claw backs by the Federal and/or state governments.

### **Project Description: ERAP**

As a result of the *Consolidated Appropriations Act of 2021* ("CARES Act II), enacted on January 3, 2021, to provide further assistance to those impacted by COVID-19, one component, the Emergency Rental Assistance program, made available \$25 billion to assist households that are unable to pay rent and utilities due to the COVID-19 pandemic. Middlesex County was one of the eligible counties to receive funds directly from the U.S. Treasury receiving roughly \$25M to provide assistance to eligible households through existing or newly created rental assistance programs.

The County engaged the services of DLA to assist the County in its development, implementation, management, and oversight of their Emergency Rental Assistance Program to assist those in urgent need maximize the opportunity for relief. In establishing and implementing the program, DLA ensured that there were adequate controls instituted for the program, as well as adequate documentation, transparency, and other justifications for the expenditure of the relief funds to prevent fraud waste and abuse, and to protect against disallowances or claw backs by the Federal and/or state governments.

Throughout the process of ERAP, DLA's services have included:

- Providing advice on the interpretation of the U. S. Treasury Department's guidance on the Rental Program and its application to various situations and applications.
- Assisting with the design of the controls, procedures, and thresholds governing the County's Rental Program, including: the design of the eligibility criteria, application form, listing of documents that should be required to be submitted with an application, the agreement and certification that renters and landlords will be required to execute as part of the application process, etc.
  - This assistance would include the development of an on-line application, review, approval, and auditable process within a public accessible portal in OpenGov.

- Performing the necessary, and adequate, due diligence reviews of applicants (including renters and landlords) to minimize opportunities for fraud, waste, and abuse.
  - This includes taking the appropriate steps to ensure there are no duplication of benefits by the renters and/or landlords, by accessing other available data on what relief funds were provided to the renters and/or landlords.
- Performing audits, based both on a random sample and on an as-needed basis, to provide additional validation and vetting for expenses, to ensure adequate justification and documentation to support the use of Relief Funds, and to identify any weaknesses in the application review process that might create an opportunity for the approval of ineligible expenses or those based on fraudulent information.
- Assisting in the full implementation of the Rental Program to ensure a prompt and expedited response from County Government.
- Performing any other professional services to the County as requested to assist with their implementation, management, and oversight of the Rental Program.

### **Project Description: ARPA**

The *American Rescue Plan Act* of 2021 (“ARP”), which was signed into law on March 11, 2021, provides approximately \$1.9 trillion in spending to address the continued impact of COVID-19. The ARP is a follow up to the *Coronavirus Aid, Relief, and Economic Security Act* (the “CARES Act”), which became law in late March 2020, and that part of the *Consolidated Appropriations Act* of 2021 (the Consolidated Appropriations Act) devoted to COVID-19 relief, which was adopted in late December 2020.

The County also received \$160,258,621 in ARP State and Local Coronavirus Fiscal Recovery Funds and is in the process of devising plans and programs on how best to utilize these ARP funds. In the interests of preventing and detecting fraud, waste, and abuse involving any of the Stimulus Funds received by the County, and that the County disbursed to the Municipalities and businesses, the County retained the services of DLA to provide guidance and to assist the County in its establishment of the program.

DLA’s goal, in addition to preventing fraud, waste, and abuse and protecting against disallowances or claw backs by the Federal and/or state governments, is to ensure the program effectively implements adequate controls and procedures, collects and stores adequate and sufficient documentation, and provides reasonable and transparent justifications for disbursed relief funds.

DLA has begun to assist County officials in the design and oversight of new and needed programs with ARP funds and to protect the County and its officials financially and reputationally consistent with all Federal, state and Local guidelines by providing the following services:

- Providing advice on the interpretation of the U.S. Treasury Department's guidance on the American Rescue Plan (ARP) and its application to various programs, eligible uses of the ARP funds, and other situations, as they may arise.
- Performing random audits of ARP expenditures submitted to the County by sub-grantees and/or other third parties, or by the County to the U.S. Treasury, to provide additional validation and vetting for expenses and to ensure there is adequate justification and documentation to support the use of ARP funds.
- Providing the County any other assistance or services they request pertaining to the ARP.

## B. Gloucester County, New Jersey CARES Act Oversight

DLA just completed its first contract, (and was recently notified that it is being awarded a new contract for oversight of American Rescue Plan Act funds) providing professional services including background investigation services to Gloucester County, New Jersey as it relates to the expenditure of CDBG (Community Development Block Grant) funding related to the Coronavirus response.

DLA provided advisory services, including assisting with the design and implementation of their small business grant program and oversight services, including the design of due diligence protocols as well as performance of due diligence and audits, to ensure compliance with Federal regulations and guidance issued in the expenditure of these funds similar to the work being performed for Middlesex County as described above.

## C. Cities for Financial Empowerment Fund

DLA was engaged by the Cities for Financial Empowerment ("CFE") Fund last year to perform a thorough review and analysis of the CARES Act to determine if language exists that might support local and state governments using CARES Act money for financial empowerment initiatives, including, but not limited to, one-on-one financial counseling and banking access programs for low- and moderate-income individuals impacted by COVID-19. Additionally, DLA performed a thorough review and analysis of documentation released by the Federal government that provides clarification and guidance on the permissible use of CARES Act money. As a result of this research, we provided a guide summarizing the CARES Act and related documents highlighting language that appears to support the use of CARES funding for financial empowerment initiatives, specifically offering details on the direction and tactics CFE Fund grantees can use in their efforts to secure CARES funding. Finally, we have presented the findings to CFE Fund staff and will also present to grantees, upon request, through virtual learning community events.

## D. Bloomberg Philanthropies

Since the onset of the Coronavirus pandemic and subsequent stay at home orders, DLA has teamed with Bloomberg Philanthropies to provide advisory services to the

Conference of Mayors. In early April, DLA presented at the online webinar entitled “COVID-19 Local Response Initiative: City Fiscal Tracking and Federal Reimbursement”. DLA worked alongside Rose Gill, Principal at Bloomberg, to outline critical steps to take and available resources and service offerings for governments in crisis response. The Bloomberg program has highlighted established best practices and provided to city leaders tutorials on how to apply for and receive aid, and how to monitor expenses to ensure proper accounting. These new supports are delivered through a partnership between Bloomberg Philanthropies and the United States Conference of Mayors and is part of the Bloomberg Philanthropies COVID-19 Local Response Initiative. DeLuca Advisory Services was part of a team of companies tapped by Bloomberg Philanthropies to generate a robust set of support services and resources to help local leaders combat the Coronavirus and protect the social and economic well-being of cities.