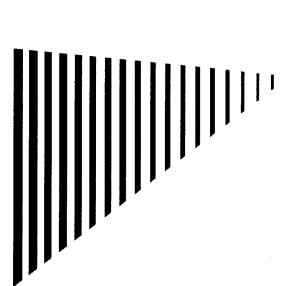
Confidential

State of New Jersey Division of Purchase & Property

April 8, 2013



Volume 1

Request for quotation

Program and process management auditing, financial auditing and grant management, and integrity monitoring/anti-fraud services for disaster recovery assistance (Hurricane Sandy)





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Department of Treasury
Division of Purchase and Property
Procurement Bureau
33 W. State Street, 9th Floor
P.O. Box 230
Trenton, NJ 08625-0230

April 8, 2013

RE: RFQ768892S - Program and process management auditing, financial auditing, and grant management, and integrity monitoring/anti-fraud services for disaster recovery (Hurricane Sandy)

Dear Evaluation Committee:

Ernst & Young LLP (EY) is pleased to respond to your request for proposal to provide program and process management auditing, financial auditing, and grant management, and integrity monitoring/anti-fraud services for disaster recovery related to Hurricane Sandy.

EY's Claims practice is a group of professionals dedicated to assisting governmental, nonprofit, and corporate entities to expedite financial recovery after catastrophic loss. We combine proven methodologies in disaster management and recovery with our deep knowledge of programs to assist our clients with identifying the available recovery and rebuilding options, applying for and using response, recovery and mitigation funding, and complying with the associated legal and regulatory requirements.

The road to recovery will be difficult and requires a robust and highly-effective disaster management response and recovery services function. We believe EY is the best choice to provide these services to you for the following reasons:

Our leadership in providing disaster management response and recovery services

Our many years of serving public sector clients in the New Jersey metro area coupled with decades of disaster management experience provides us with a unique understanding of the distinctive issues New Jersey is facing today. Because of our experiences in working with the State and various other metro area agencies, we know your business environment and have a keen awareness of what is required to work successfully with you. That is why we have assembled a team of professionals who offer deep FEMA experience, CDBG-disaster relief experience, a history of public service and on point finance and accounting skills to serve this engagement. These professionals can offer a unique perspective by providing practical ideas on how to manage, improve, and expedite the State of New Jersey's disaster recovery efforts.

We have managed disaster recovery work in 40+ states and all FEMA regions, including FEMA Region II; and have experience with disaster programs at every level, including FEMA, state and local governments, and non-profits.

We have assisted FEMA grantees and sub-grantees in financial and programmatic areas, including grants management, contract management, accounting, internal controls, insurance, program assessments, disaster close-out, documentation, audit resolution, appeals, and a wide range of other services. Also, we assist our clients in preparing the necessary documentation for recipients of Federal funds to comply with Federal laws and regulations, including the Stafford Act, Post Katrina Emergency Management Reform Act, Code of Federal Regulations (44 CFR), the Federal Acquisition Regulation (FAR), FEMA policies and procedures, and the CDBG-disaster relief program. We are currently assisting a number of New York State subgrantees with their FEMA claims related to Hurricane Sandy.

Ernst & Young's Metro New Jersey/New York Area Public Sector Services Group

Viewed from the outside, the similarities between one public accounting firm and another may seem more striking than the differences. All the major professional services firms provide essentially the same kinds of services, each enjoys a large and diverse clientele and most of them can point to an impressive record of



growth. On closer examination however, there are certain characteristics that distinguish EY from other public accounting firms. The most important of these characteristics is that EY has dedicated a number of its top professionals to providing services to the Metro New Jersey/New York Area Public Sector.

Our Public Sector Services Group is composed of more than 75 professionals skilled in the auditing, accounting and budgeting methods, systems and controls that are currently used by state and local governments. Our professionals have years of experience with the systems, programs, and issues of the public sector. We are the only Big 4 public accounting firm whose staff includes 2 individuals that are New Jersey licensed Registered Municipal Accountants. These individuals have significant experience auditing not only State government but also County, Local Government, and School Districts throughout the State.

Our Public Sector Services Group and the commitment and involvement of our leaders are your assurance that the knowledge available to you is always state-of-the-art. Equally important, our professionals can do more than respond to your needs—they can anticipate them.

We offer an experienced, responsive engagement team that knows the State, County and Local Governments of New Jersey.

As a result of serving the public sector here in New Jersey for the last 40 years, we fully understand the challenges you face as a result of Hurricane Sandy and will proactively work with you to successfully address the requirements of FEMA. Each member of our team brings a wealth of financial audit, technical knowledge, and government service experience to this engagement.

Our Commitment

EY is committed to quality in all aspects of our client relationships. Along with substantial investments in technology, knowledge enablers and learning resources for our professionals, the quality controls and safeguards we have established enable us to deliver the high-quality services that are valued by our clients. We understand that our reputation for objectivity, independence, trust, and integrity rests on the quality of the service we deliver.

We understand that choosing a firm to assist you in recovering is a difficult process. We are excited about the opportunity to serve you and believe we can provide tremendous value to the State.

Again, we are eager to feature our service offerings to you and thank the State for providing us with this opportunity. We look forward to introducing our leadership team to you and to answering your questions. In the meantime, should you have any questions regarding any aspect of our proposal, please call either of us.

Sincerely,

Matt Jadacki, Executive Director

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Contents

Technical proposal	2
Management overview	26
Contract management	33
Organizational support and experience	35
Resumes	40
Experience of bidder on similar contracts	65
Additional documents	76

Information in these materials relating to our approach, methodologies or pricing is confidential and proprietary to Ernst & Young LLP and/or Ernst & Young.

Technical proposal

Why EY?

EY will assist the State of New Jersey to properly account for disaster relief awards. comply with applicable laws, regulations, policies, practices, and guidelines, and retain all funds authorized by the President and Congress for Hurricane Sandy relief efforts. We will help you understand the requirements applicable to disaster programs, including the Stafford Act, Code of Federal Regulations (CFR), the Federal Acquisition Regulation (FAR), and other regulatory policies and procedures. Failure to comply with applicable laws and regulations can result in sizable refunds and increased scrutiny by oversight organizations.

Our extensive knowledge and understanding in this area is a contributing influence and

EY Key Differentiators:

- Dedicated disaster recovery and claims practice
- ➤ End to end financial recovery solution:
 Includes grant management, financial
 management, acquisition management,
 documentation, internal controls, program
 assessments, risk management, financial and
 performance monitoring, fraud, waste, and
 abuse prevention and detection, disaster
 close-out, audit resolution and appeals
- Inside out perspective: Deep knowledge of FEMA, HUD/CDBG, and other Federal disaster grant and assistance programs from our prior experience with Presidentially declared disasters

major consideration for a successful disaster recovery program. We have worked on dozens of Presidentially declared disasters to assist grantees and subgrantees to properly account for disaster relief funds, comply with applicable requirements, and obtain reimbursements for response and recovery projects. Along with this experience, EY brings a wealth of FEMA and HUD institutional knowledge to the process to assist the State of New Jersey in expediting its grant management process.

While other firms have expertise in one or a couple of these areas, EY has extensive expertise in all of these areas. Our deep knowledge of all available programs will allow us to help you identify the best recovery and rebuilding options, apply for and use recovery funding, and comply with the myriad of legal and regulatory requirements. We will use our deep experience with disaster management programs and thorough understanding of the roles of each organization under the National Response and Recovery frameworks and the Stafford Act, coupled with our financial and insurance industry expertise to successfully assist the State of New Jersey manage its disaster programs.

As outlined in the sections below, Ernst & Young is submitting this proposal in response to Pool 1, Pool 2, and Pool 3.

POOL 1 - PROGRAM AND PROCESS MANAGEMENT AUDITING

We offer experienced disaster management and claims professionals that are adept at assisting organizations to recover quickly by applying proven methodologies in disaster management. Along with disaster management, we have expertise in insurance claims as well as how insurance, and FEMA and HUD claims/grants interplay with one another. We have extensive experience preparing claims for a wide range of clients – from state and local governments to Fortune 500 companies. Our top priority is to facilitate the process, orchestrating a rapid and effective recovery.

We bring a wealth of FEMA and HUD institutional knowledge and expertise to the process to assist the State of New Jersey. Our extensive FEMA and HUD knowledge and understanding is a contributing influence and major consideration for a successful disaster recovery program. We understand the issues; the Federal, State, and local players; and the challenges met by grantees and subgrantees. This knowledge will assist the State of New Jersey to expedite its financial recovery process and prepare it for the future close-out process.

It is critical that recipients of Federal disaster funds spend those dollars appropriately, as the DHS and HUD Offices of Inspector General will continue to scrutinize compliance and project eligibility issues. Many subgrantees in the State of New Jersey will likely be subjected to future reviews. DHS and HUD OIG reviews over the past several years have identified hundreds of millions of dollars in grant refunds and significant management weaknesses which result in reimbursement delays.

Expertise we bring to New Jersey

- ☑ Stafford Act
- **☑** 44 CFR
- ☑ OMB Circulars A-21, 87, 102, 110, 122, 133
- ☑ Grants Management
- ☑ Financial Management
- ☑ Acquisition Management
- ☑ IT Management
- ☑ HR Management
- ☑ Federal & State Cash Management
- ☑ Disaster programs administered by FEMA, e.g., Public Assistance, including debris removal, Individual Assistance, Hazard Mitigation

- ☑ Disaster programs administered by HUD, e.g., homeowner assistance, rental assistance, economic revitalization, supporting services
- ☑ FEMA and HUD policies, practices, and guidelines
- ☑ Other Federal and State laws, regulations, and guidelines
- ☑ Generally Accepted Government Auditing Standards (Yellow Book)
- ☑ Public Accounting Firm Services
- ✓ Insurance Claims Recovery

Understanding your issues

This Program and Process Management engagement will require extensive understanding of the Stafford Act, 44 CFR, Federal acquisition regulations, FEMA and HUD policies, practices, and guidelines, OMB circulars, and a myriad of other emergency management laws, as well as practical experience and expertise in related disaster programs administered by FEMA and HUD. This engagement will require our experience in the following:

- ► Local disaster recovery activities unique to the State of New Jersey, requirements imposed by FEMA and HUD, the State, and other Federal and State laws and regulations governing the receipt and disbursement of disaster funds.
- ▶ Besides knowledge of disaster assistance programs, the project may require expertise in the insurance industry, especially where disaster programs and insurance overlap.
- ► Federal and State cash management, accounting laws and regulations, internal controls, Federal acquisition regulations, grants management, and Generally Accepted Government Auditing Standards (Yellow Book).

Our proposed project team has assisted public sector clients with all phases of HUD's Community Development Block Grant programs, from applying for and receiving grants to providing Grant Administration assistance to help the grantees ensure documentation of compliance with rules and statutes. We have assisted numerous grantees to apply for and receive CDBG grants. Our skills developed as one of the Big 4 audit firms have benefitted clients to document compliance with CDBG requirements. These skills have also allowed us to assist clients in developing and maintaining systems and controls necessary to track compliance with applicable statutes. These items will be crucial for the State in meeting the requirements of the Appropriations Act. Our experience in assisting grantees in all aspects of CDBG program grants, from application to documenting Grant Administration through the use of funds and close out can benefit the State in receiving grants, grants administration and documenting compliance with CDBG requirements.

Program and Process Management Approach



Phase I: Scoping & Planning

Our process begins with an all-hands kick off meeting which includes all the major stakeholders and as many of the key client contacts in the various departments as possible. The purpose of this meeting is to introduce the team, the process, and begin to forge the relationships which will be so important to completing a successful recovery. If possible it is ideal to have the parties in one room, however depending on the geographic dispersion and schedules for the individuals it can also be achieved through teleconference and/or multiple meetings. We find that this interactive approach helps to identify and uncover gaps and issues that may have otherwise been overlooked.

Compliance with Federal acquisition and historic and environmental regulations are examples of key considerations that must be addressed early in the process, so as not to subject future funding to undue risk of denial. We are experienced in advising our clients on these matters and coordinating the appropriate subject matter expertise for all types of issues that may arise throughout the recovery process.

At the completion of Phase I, we will have completed a detailed work plan.

Phase II: Development & Execution of Management Support Functions

Once the various areas of loss have been identified, we work with the identified leaders of those areas to begin the process of gathering and reviewing supporting documentation, contracts, and discussing specific issues and concerns. Documentation is gathered using a web-based tool which allows the state and its subgrantees to post documents to their specific area while also allowing our team and your management to have access to each area to monitor progress and resolve issues. As the various Federal and State grant and assistance programs begin to take form, specific project plans, meetings, and needs will be identified so that each program receives the unique form of support, oversight, and assistance required to expedite and maximize recovery.

Based on our experiences with past Presidentially declared disasters, we will proactively anticipate, assess, document, mitigate, and monitor issues. Issues will be monitored through an issues risk matrix and provided to the duly designated representatives of the State when issues are identified. Once we identify issues, we will develop mitigation strategies specific to each task and work with you to implement and monitor the mitigation procedures.

a) Managing Requests for Reimbursement

Action Items ☑ Establish & deploy Quick Strike Teams ☑ Use forensic technology to expedite reviews ☑ Train staff

It is critical that all requests for reimbursement be adequately documented and only for eligible costs. FEMA, the DHS and HUD Offices of Inspector General, and State Auditors will review cost documentation to determine whether the costs claimed are within the scope of work and meet compliance requirements. However, it is also critical that the reimbursement process for reviewing requests does not result in significant reimbursement delays. Striking the right balance is sometimes difficult and our professionals have the expertise to assist in this balance.

We will perform a comprehensive review of the State or local Government's business process for disaster reimbursements, from the receipt of a request for reimbursement to payment. To establish a basic understanding of the "as-is" situation, we will interview key State employees, collect and review background material, policies, procedures, reports, and other pertinent data relating to the reimbursement process and the extent of the reimbursement backlog. To address the underlying cause(s) of the backlog, we will establish review metrics and timelines for reviews and conduct a trend analysis to identify underlying issues causing the backlogs. Once we have an understanding of the process and issues, obstacles, roadblocks, and bottlenecks that may be causing the delays, we will identify and analyze best practices and redesign options, including the use of IT solutions

and staff augmentation. Finally, we will present our findings and recommendations for the redesign of policies, procedures, and practices to the State or Cooperative Partner for remedial action. This will include process models, State Operating Procedures, and an employee Reimbursement Review Checklist.

EY has the professional staff and subject matter expertise to assist the State of New Jersey on a continuous basis with its reconciliation backlog for the request for reimbursement process. While our proven management approach may be structured, it is scalable to meet the requirements for any or all elements of the grants management cycle, including the ability to reconcile accounts.

We will provide hands-on, tactical support and consulting services on a continuous basis and advise the State on adjustments that may be needed in real time to promote short and long-term improvements, while minimizing the impact on the State's ongoing operations. In addition, on an as-needed basis, we will augment State staff to reduce the backlog by:

- ▶ Establishing and deploying Quick Strike teams to review subgrantees/projects which require remediation or present excessive risk, or simply to address skill gaps or problems requiring immediate attention, so as not to disrupt the workforce responsible for the State's reconciliation efforts and reimbursement reviews.
- Using our forensic technology capabilities to expedite reimbursement reviews.
- ► Training staff on reimbursement reconciliation and reimbursement review procedures and processes.

b) Risk Management & Managing Payments

The State of New Jersey is the grantee for FEMA, HUD, and other disaster recovery funding. Accordingly, when a subgrantee has compliance or eligibility issues that result in refunds to the Federal Government, the State of New Jersey as the grantee will ultimately be held accountable. To mitigate this risk, the State needs a robust risk management

program to identify high risk contracts, subgrants, or projects and prevent or remediate problems before payments are made and the grants are closed out or audited. Equipped with the intimate knowledge our team has of Federal disaster relief programs and fiscal management processes, coupled with the technical resources of EY's Fraud Investigation & Dispute Services practice that is experienced in conducting investigations into duplicate payments, and allegations of fraud, waste and abuse, EY delivers its risk management services with an eye toward transparency, accountability, and, above all, results.

EY's Risk Identification Methods:

- ☑ Qualitative & quantitative ranking activities
- ☑ Forecasting, forensics, and findings
- ☑ Internal & external assessments, reviews, or audits

Sound cash management policies and procedures are the cornerstone of an efficient grants management system. Most disaster program costs are paid by FEMA and HUD under a reimbursable arrangement. This means that the State and its subgrantees must incur and in some cases, pay the expenses before requesting reimbursement from FEMA or HUD. From a cash management perspective, this process should be fluid so that payments can

be made in a timely fashion. Undue delays in the payment process could affect the financial stability of a local government or individuals needing financial assistance especially in the aftermath of a disaster.

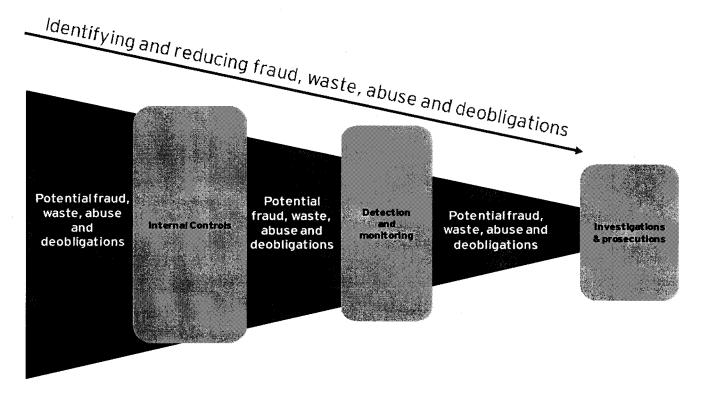
At the same time, the State must ensure that the payments are reasonable, for eligible projects, and for allowable costs. We will evaluate the State's process for requesting payment from the Federal government and, in turn, reimbursing subgrantees to ensure that the process is in compliance with Federal and State regulations, and conforms to industry best-practices. Based on the intimate knowledge our team of subject matter experts and professional staff have of Federal disaster relief programs and fiscal management processes, including the technical resources of our Public Sector Audit Practice and Claims Group, EY is able to collaborate with Federal agencies, State and local governments, and non-profits on compliance reviews, close-out procedures, and A-133 audits to provide insights into the status of necessary internal controls, level of documentation, and other risk areas.

Based on the results of our quality assurance/quality control review, we will make recommendations and assist the state, where applicable, to improve the payment process, including whether:

- Opportunities exist for cash advances or expedited assistance.
- State disaster cash management processes comply with Federal and State regulations, including the Cash Management Improvement Act and Improper Payment Elimination Recovery Act.
- Excess drawdowns are being deposited in interest bearing accounts and whether refunds may be due to the State or Federal government.
- ▶ Budgetary controls for the disaster relief programs for which the State is accountable are adequate to ensure that disbursements to subgrantees and contractors do not exceed approved award amounts.
- ► Federal funds are being disbursed promptly by comparing SMARTLINK balances and disbursement activity (payments to subgrantees and contractors).
- ► The State's basis for making payments (reimbursement of expenditures, and/or fund advances) for the immediate needs of eligible recipients are properly supported and made according to applicable Federal regulations.
- Procedures for accounting for refunds from subgrantees and contractors, and other types of receivables generated under the disaster relief effort are properly recorded and supported and leave an adequate audit trail.
- ▶ Insurance allocation issues are being adequately considered and documented in the review of subgrantee and household claims.

In addition to the work that will be performed under our quality control review of the State's disaster payment process, the results of which will contribute to our analysis of grant payment risks, we will perform systemic analyses of the State's pre-award process; system of internal controls; financial, compliance, and performance monitoring program for subgrantees and contractors; and the extent the State uses IT systems as a business tool to oversee the operations of its subgrantees and contractors.

Also, we will test subgrantee and contractor proposals for completing the work, including its budget for performing project activities, to determine whether the subgrantee or contractor can properly manage and perform the proposed work, account for and report on expenditures in an accurate and timely manner, and whether its proposed costs are reasonable, allowable, and allocable under Federal regulations and Office of Management and Budget (OMB) cost principles. By focusing on these critical areas of grants management, we will provide the State with a holistic view of its grant payment risks and identify those grant management functions that pose the greatest risk to the State's grant payment process.



This approach will also allow the State to devise solutions that can be used to manage risks across the life cycle of the disaster recovery effort and strategically allocate limited resources when and where they are needed the most. Based on the results of our analysis, we will make recommendations to the State, where applicable, to improve the State's risk management for the Federal and State grant payment process.

We can:

- Develop metrics and criteria to identify high risk applicants.
- Conduct regular and sample reviews of Project Worksheets to determine whether grants conform to Federal and State requirements.
- ▶ Work with State officials to develop a grant monitoring plan and related guidelines to identify high risk subgrantees or projects.
- Identify procedures to detect improper payments, out of scope expenses, improper contracts, and other grant payments that could result in refunds or deobligations.
- Identify high risk projects (projects likely targeted for additional oversight). High risk projects are typically high dollar, subgrantees with significant control weaknesses or compliance issues, subgrantees with a history of financial or performance problems, and subgrantees with little experience in managing federally funded projects.
- Review appropriate and sufficient documentation and justification for project extensions for subgrantees.
- Review applicant documentation for project changes, including improved or alternate projects to verify compliance with regulations.
- Review grantee and subgrantee compliance with contracting requirements, including specific review of the tracking and support for labor and equipment hours, which is an area of high risk for ineligible costs.
- Review compliance with procurement regulations around full and open competition for contractors performing disaster recovery work for the State or its subgrantees.
- Review service contracts and monitor for instances of duplicate contracts through EY's project tracking database.
- Identify and flag potential contracts for fraud, waste, and abuse identification and remediation.
- Review documentation for the appropriate application of insurance proceeds to reduce grant funding.
- Perform financial, compliance, and performance reviews of a representative sample of subgrantee projects, with an emphasis on high risk subgrantees, and recommend remedial action as necessary. Reviews will examine adequacy of accounting systems, cost eligibility, and maintenance of supporting documentation for expenditures, as well as compliance with relevant statutes, regulations and OMB circulars, and grant agreements.
- Provide technical assistance and training to State and subgrantee employees on common audit problems, Federal/State/local requirements for project cost accounting, inclusion of requisite documentation, and compliance with regulations that may include, the Stafford Act, Code of Federal Regulations (44 CFR), HUD's Community Planning and Development Monitoring Handbook, Federal Acquisition Regulations (FAR), OMB Circulars A-21, A-87, A-102, A-110. A-122, A-133, and related policies, procedures, and guidelines.
- Provide results of our analyses of internal controls, pre-award process, monitoring program, and IT capabilities with recommendations for improvements.
- Develop employee checklists to aid in the detection of improper payments, out of scope expenses, improper contracts, and other grant payments that could result in refunds or deobligations.
- Provide each subgrant or project included in our sample with recommended remedial actions, where needed.

c) Managing Personnel

The size of the State's workforce, its deployment across the organization, and the knowledge, skills, and abilities of that workforce are critical elements of a successful disaster relief effort and grants management program. As we perform our work in the other task areas, we will be able to identify workload inequities, gaps in staff skill sets, and organizational ineffectiveness that could have a critical affect on the State's ability to fulfill its disaster assistance mission in an effective, efficient, and economical manner.

As a part of the end to end analysis of the grant management and fiscal management function we will assist the State in identifying areas that are lacking in either resources or subject matter expertise. Being a large organization in the State of New Jersey, EY has the capable resources in all disciplines to assist with the necessary work. Our extensive experience and prior engagements with New Jersey State agencies provides an advantage with the knowledge and understanding of the State's systems. We will provide staff familiar with evaluating internal accounting controls and process mapping to determine whether the State has staff adequate, in terms of numbers and skill sets, to perform tasks required by 44 CFR 206.207.

We can evaluate skill gaps in areas including:

- Notifying potential applicants and approving project worksheets
- Accounting for grant funds
- Monitoring subgrantee activities
- Providing technical assistance to subgrantees
- Processing appeals from subgrantees
- Processing requests from subgrantee for time extensions and approved cost overruns
- Processing requests from subgrantees for the advance of funds and reimbursements of costs
- Performing environmental and historical preservation reviews
- Ensuring compliance with applicable Federal and State regulations and guidelines
- Ensuring that subgrantees comply with the Single Audit Act requirements

We will make recommendations, on a real-time basis, on the results of our observations and analyses of workload, skill sets, organizational effectiveness, and workforce recruiting strategies to successfully carry out the State's disaster relief mission and grants management responsibilities, i.e., to build internal capacity or contract services from the private sector.

d) Managing Noncompliant Applicants

Noncompliant or high risk subgrantees, contractors, applicants, and projects need to be identified and problems remediated in a consistent, fair, and impartial manner. Imposing administrative sanctions or other punitive measures for high risk applicants that have chronic compliance or documentation issues is often necessary.

Using the "Common Rule," OMB Circular A-102, 44 CFR, DHS Regulations and Guidelines governing debarments and suspensions, and other models and best practices used by Federal, State, and local government grant making agencies to remedy noncompliance, we

will develop a comprehensive Statewide Compliance Sanctions Program for noncompliant or high-risk subgrantees, contractors, individuals, and other recipients of Hurricane Sandy disaster recovery assistance that sets forth:

- A systematic approach to identify noncompliant or high risk applicants, including subgrantees, contractors, or individuals.
- Guidelines for imposing administrative sanctions or other punitive measures, such as suspensions, debarments, terminations, deobligations, refunds, or prosecutorial referrals.
- ► Techniques for remedying problems without the need of imposing harsh administrative sanctions, such as additional levels of review, limiting drawdowns, increased oversight, corrective action plans, or including special terms and conditions or restrictions in the subgrant or contract award.

As requested by the State, we will work with problematic applicants that need improvement and make recommendations for corrective actions.

Phase III: Close-out

Federal, State, and local government budgets are tight. Federal oversight over the receipt and disbursement of disaster recovery funding will be significant. Grant recipients must account for the Federal disaster funding on a project by project basis. More important, the state and subgrantees are required to establish controls and processes to account for these funds. EY's staff has conducted hundreds of reviews of FEMA grants, including reviews of internal controls and accounting systems used by the State and subgrantees. In addition, our experienced staff conducted FEMA grant administration and program reviews of almost every State. These reviews included PW accounting, State and subgrant drawdown activity, and the systems used to account for the disaster funding, and project close-out. We will review financial controls over the receipt and disbursement of disaster funds and make real-time recommendations for process adjustments and improvements.

We can:

- Develop a process to track required account reconciliations.
- Assess Project Worksheets and SMARTLINK account activity for compliance with the Federal Cash Management Improvement Act and Improper Payments Elimination and Recovery Act, and other cash management initiatives.
- Review Project Worksheets to determine whether funds are accounted for on a project by project basis.
- Work with the state to establish a tracking system to monitor grantee & subgrantee required submissions to FEMA.
- Monitor and reconcile excessive drawdowns by the grantee (i.e., the grantee isn't spending 80% with only 20% of the work done).
- Review cash advance and expedited payments to determine whether they are liquidated promptly and fully supported.
- Assist in gathering, reviewing, and preparing quarterly reporting by subgrantees to the State and by the State to FEMA, HUD, or other Federal grantor agencies.
- Review and monitor Direct Administrative Costs (DAC) to determine whether they are properly allocated to the appropriate project worksheets.
- ► Assist in the preparation of Federal Financial Report (FFR, or SF-425).

As your projects approach completion, we will assist you in accounting for and reconciling project costs; determining whether work was conducted according to the terms and conditions of the grant; and ensuring that the required documentation is included in the project file. We will also assist you in identifying and correcting issues that could potentially affect the overall close-out process, including identification of ineligible costs or questioned costs (i.e., costs lacking supporting documentation).

POOL 2 - FINANCIAL AUDITING AND GRANT MANAGEMENT

EY has a thorough and deep understanding of all Stafford Act programs, the Code of Federal Regulations (44CFR), and relevant FEMA and HUD policies, procedures, and guidance. Our key staff include former FEMA senior officials with more than 50 years combined FEMA and emergency management experience with every aspect of FEMA programs, including financial management, grants and contract management, Stafford Act program management and reviews, policy development, and oversight. In addition, our key staff have conducted thousands of audits, inspections, and reviews of

With our disaster expertise, coupled with the fact that we have been a trusted independent business consultant to the State of New Jersey for many years providing first-class services, Ernst & Young is uniquely more qualified than our potential competitors to assist the State of New Jersey effectively manage and account for disaster relief funds.

FEMA disaster relief programs in nearly every state and FEMA region, including FEMA Region II, and made thousands of recommendations to promote economy, efficiency, and effectiveness; prevent fraud, waste, and abuse; and improve Federal, State, and local government disaster operations, including emergency assistance (debris removal and other emergency protective services), Public Assistance, Individual Assistance, Hazard Mitigation, and National Flood Insurance Programs. Further, our key staff includes former House Transportation and Infrastructure committee staff responsible for oversight investigations of HUD disaster recovery programs and activities.

Key features of EY's approach that enable high-quality services:

- ► An emphasis on obtaining a thorough, end to end understanding of your Hurricane Sandy disaster recovery process. This helps us to identify potential risk areas associated with particular operations and processes, as well as to communicate and develop client service objectives that ensure you receive the benefits you expect.
- ► A subgrantee and project focus that allows us to quickly identify significant projects, high-risk areas, and bottlenecks. This is achieved by encouraging consideration of business and environmental aspects in deciding "what could go wrong" and by focusing attention on known areas of risk as identified by the OIG, GAO, and other oversight entities. Our team's experience on both sides of the table gives us a unique perspective on the types of issues that can cause delays and unique perspectives on how to remediate them.
- ► A risk assessment process that is central to the approach and provides the basis for planning the necessary effort to assist in holding risk in each area to an acceptably low level. This enables us to plan our effort to be responsive to the likelihood of problematic issues and to plan increased oversight that directly relates to your particular situation. An effective risk management process will work to help to minimize the likelihood of future deobligations.

Financial Auditing and Grant Management Approach

Phase I: Planning & Identification of Key Areas

Phase II:
Implement Ongoing Monitoring and
Compliance Program

Phase III: Appeals, OIG Audits and Close-out

Phase I: General planning and identification of areas of significance

As stated earlier, our process begins with an all-hands kick off meeting which includes all the major stakeholders and as many of the key client contacts in the various departments as possible. The primary purpose of this meeting is to obtain an understanding of the State's financial and grants management environment, i.e.:

- Overview of the entire Hurricane Sandy disaster recovery process
- Significant subgrantees and projects
- Information sources and current technology platforms
- Major problems and challenges, significant bottlenecks, and areas where improvements are needed

Immediately following our kick off meeting, we will initiate a series of interviews of appropriate officials and review documents, as necessary, to obtain an understanding of the State's grants management (including subgrantee monitoring capabilities and challenges), financial management (including internal controls), acquisition management (including compliance with Federal procurement standards specified in 44 CFR 13.36(b)), budget management, and IT management functions and E-grant capabilities.

At the completion of Phase I, we will have completed a detailed work plan encompassing all the specific duties listed in your detailed Statement of Work.

Phase II: Implement Ongoing Monitoring and Compliance Program

Our team of subject matter experts and professional staff, including the technical resources of our Quality & Risk Management Audit Practice and Claims Group, has an intimate knowledge of Federal disaster relief programs and fiscal management processes. We will perform systemic analyses of the State's grants management, accounting, budget management and other business office functions.

Also, we will test subgrantee and contractor proposals for completing the work, including its budget for performing project activities, to determine whether the

Action Items:

- ☑ Conduct compliance reviews
- ☑ Monitor & identify fraud, waste & abuse
- Review sample high risk projects

subgrantee or contractor can properly manage and perform the proposed work, account for and report on expenditures in an accurate and timely manner, and whether its proposed costs are reasonable, allowable, and allocable under Federal regulations and

Office of Management and Budget (OMB) cost principles. By focusing on these critical areas of grants management, we will provide the state with a holistic view of its grant payment risks and identify those grant management functions that pose the greatest risk to the State. This approach will also allow the State to devise solutions that can be used to manage risks across the life cycle of the disaster recovery effort and strategically allocate limited resources when and where they are needed the most.

We can:

- Work with State officials to develop a grant monitoring plan and related guidelines to identify high risk subgrantees or projects.
- ► Conduct regular and sample reviews of Project Worksheets to determine whether grants conform to Federal and State requirements.
- Identify procedures to detect improper payments, out of scope expenses, improper contracts, and other grant payments that could result in refunds or deobligations.
- Identify high risk projects (projects likely targeted for additional oversight). High risk projects are typically high dollar, subgrantees with significant control weaknesses or compliance issues, subgrantees with a history of financial or performance problems, and subgrantees with little experience in managing federally funded projects.
- Review appropriate and sufficient documentation and justification for project extensions for subgrantees.
- Review applicant documentation for project changes, including improved or alternate projects to verify compliance with regulations.
- Review grantee and subgrantee compliance with contracting requirements, including specific review of the tracking and support for labor and equipment hours, which is an area of high risk for ineligible costs.
- Review compliance with procurement regulations around full and open competition for contractors performing disaster recovery work for the State or its subgrantees.
- ► Review service contracts and monitor for instances of duplicate contracts through EY's project tracking database.
- Identify and flag potential contracts for fraud, waste, and abuse identification and remediation.
- Provide technical assistance and training to State and subgrantee employees on fraud, waste, and abuse detection and prevention techniques, and on common audit problems.
- Review documentation for the appropriate application of insurance proceeds to reduce grant funding.
- Perform financial, compliance, and performance reviews of a representative sample of subgrantee projects, with an emphasis on high risk subgrantees, and recommend remedial action as necessary. Reviews will examine adequacy of accounting systems, cost eligibility, and maintenance of supporting documentation for expenditures, as well as compliance with relevant statutes, regulations and OMB circulars, and grant terms and conditions, including applicable financial and performance reporting requirements.
- Develop employee checklists to aid in the detection of improper payments, out of scope expenses, improper contracts, and other grant payments that could result in refunds or deobligations.
- Report on each subgrant or project included in our sample with recommended remedial actions, where needed.

a) Performance Management

The use of performance metrics and related tools to measure the financial transaction process is a vital tool for building transparency and accountability of disaster relief operations and helping management gauge and assess compliance with Federal and State requirements, identify and correct potential problems, and obtain continuous feedback on grant and subgrant performance. In collaboration with the State, we will define the scope of work and methodology, and develop a project plan with specific activities, milestones, performance benchmarks, metrics and tools, including dashboards, and deliverables that the State Manager, or Cooperative Partner can use to manage:

- Compliance with Federal and State reporting requirements
- Subgrantee and contractor financial and performance monitoring
- Budgets
- Account reconciliations
- Reimbursement status
- Payment status
- Allocation of resources
- Disaster grant close-outs

We will develop a protocol for periodic reporting, including "flash reports" on key indicators of performance that will enable managers to monitor progress on important financial transaction initiatives, confirm that

"Flash Reports"

- Monitor progress
- Confirm financial processes are working and meeting expectations
- Highlight problems
- Identify strengths & weaknesses
- ► Target areas for improvement
- ► Recognize improvements

financial processes are working and meeting expectations, highlight problems at an early stage, identify strengths and weaknesses, target areas for improvement, and recognize improvements when they occur.

b) Electronic Grants Management

The State's E-Grant management program and technology is a valuable secure, independent web-based grant tracking tool. It has the potential to support the State's entire disaster recovery subgrant processing cycle - from application submission through project close-out. It can be used for all Federal grant funding streams and for all subgrant awards issued by the State. It provides a centralized system for multiple programs and projects, tracks subgrant fund status, i.e., subgrant award amount, requests for reimbursement, actual disbursements or payments, and fund balances on a real-time basis. Furthermore it allows subgrantees to submit both financial and performance reports electronically, and allows the State to monitor subgrant expenditures, performance, and deliverables electronically. As such, it lowers the State's staff burden and administrative costs, promotes better informed decision making by disaster recovery managers and accountants, makes the State's disaster recovery efforts more transparent and accountable, and improves the overall quality of services.

EY has the IT expertise to assist the State with the integration of its E-Grant management program. In collaboration with the State, we will identify the disaster recovery programs, projects, grants, contracts, subgrants and subcontracts that will be required to participate

in the E-Grants management program, as well as the specific data elements for each grant, contract, subgrant, and subcontract that must be reported by recipients of disaster relief funds. As part of this effort, we will prepare guidance to all E-Grant practitioners to ensure the quality, completeness, and timeliness of the spending data being reported. Furthermore, we will develop a transition plan, with performance metrics, for rolling out the E-Grants management program. This includes the development of a training module for E-Grants management program practitioners, a process to report problems and obtain comments from E-Grant management program practitioners, and a quality control program to ensure the accuracy, completeness, and timeliness of the data being reported by grantees, contractors, subgrantees, and subcontractors.

c) Streamlining Processes

The extent of damage in the State of New Jersey resulting from Hurricane Sandy is unprecedented. While the disaster relief funding from FEMA, HUD, and other Federal and State sources will be significant, it comes with a myriad of rules, and regulations that must be considered. EY can assist the State of New Jersey navigate the sea of rules and regulations. The number and size of FEMA and HUD grants alone will be staggering and developing a sound grants management process early in the recovery phase will greatly facilitate timely grant approval, effective

Action Items

- Harmonize and streamline grant programs
- ☑ Establish controls
- ☑ Conduct reviews

oversight, accurate and timely reporting, compliance, and ultimately disaster close-out.

Setting up an effective grants management process proactively will mitigate the opportunity for fraud, waste, and abuse, and promote economy, efficiency, and effectiveness of disaster operations. We will perform a detailed review of the current grant and fiscal management processes and practices and make recommendations to streamline or improve the processes. Specific attention will be paid to areas which represent opportunities to expedite the receipt and disbursement of FEMA and HUD grant funds; facilitate compliance with grants and financial management requirements; ensure that the appropriate standard forms and documents are being used consistently throughout the State; improve State grant and subgrant reviews for financial risk before and after approving grants.

Furthermore, we will establish an automated database and tracking system for all disaster grants. The system will share information for ease of review for all parties and track the status of each grant and cross reference to supporting files and documentation. We will use the automated database to efficiently transfer knowledge to various FEMA and HUD officials throughout the State's claims process. This will provide a permanent record, audit trail, and consistency to proactively manage the impact of the frequent turnover of FEMA officials assigned to the State's recovery. In addition, an automated database and tracking system will facilitate: periodic account reconciliations; reviews of subgrantees' compliance with applicable laws, regulations, and guidelines, including reporting requirements, supporting documentation requirements, and environmental and historical preservation reviews.

Phase III: Appeals, OIG Audits, and Close-out

As stated earlier, EY's staff has conducted hundreds of audits of FEMA grants, including reviews of internal controls and accounting systems used by States and subgrantees. In addition, our experienced staff conducted FEMA grant administration and program reviews of almost every State. These reviews included PW accounting, State and subgrant drawdown activity, and the systems used to account for the disaster funding, and project close-out.

Common OIG Audit Findings:

- Poor contracting practices
- Unsupported costs
- Poor project accounting
- Duplication of benefits
- Excessive equipment charges
- Excessive labor and fringe benefit charges
- Unrelated project charges
- Unapplied credits

We will assist with the close-out process by helping the State and its subgrantees meet Federal requirements, including environmental and historical preservation issues; project cost accounting; compliance with grant terms and conditions; and inclusion of required documentation. Also, we will assist the State and its subgrantees identify and correct issues that could potentially affect the overall close-out process, including identification of ineligible or questioned costs. Furthermore, we will help the State and its subgrantees prepare for audits and resolving audit findings, including preparation of supporting

documentation, resolution of compliance and eligibility issues and development of corrective action plans. Finally, we will assist the State and its subgrantees with FEMA and HUD cost recovery processes, including appeals, special requests for information, cost estimating, arbitration, audit assistance, planning, mitigation, training and a variety of related activities. We will advise on all facets of the appeals process and identify and compile relevant information to support appeal decisions.

POOL 3 - INTEGRITY MONITORING/ANTI-FRAUD

Our Integrity and Anti-Fraud Service delivery is integrated with our global advisory services methodology, and is supported by leading technology and a process-specific knowledge infrastructure. Our methodology is built upon a framework that incorporates risk profiles and aligns processes and controls to better manage risk. Combining our understanding of the fraud risk environment, compliance risk environment, and process knowledge with a methodology that incorporates a multidisciplinary team, we offer services that are designed to evaluate the effectiveness of processes and controls in remediating fraud risk, and ensuring compliance with applicable Federal, State, and local laws and regulations.

The following is an overall summary of our integrity and anti-fraud program that helps put in perspective how this project fits into the overall holistic approach to integrity monitoring and anti-fraud risk management.

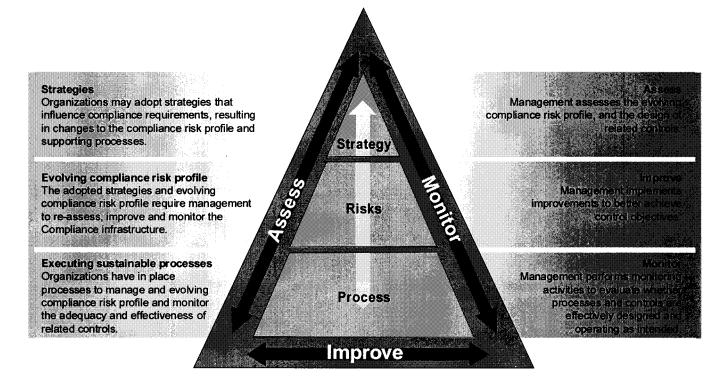
Integrity Monitoring/Anti-Fraud Approach

Phase I: Assess Controls & Identify Risks

Phase II: Improve Management Controls Phase III:
Monitor Operations

Assess-Improve-Monitor (AIM) framework

The Assess, Improve, Monitor (AIM) framework, which is embedded throughout our methodology, is designed to represent how management's strategies affect the organization's risk profile, and how management's processes and risk functions are used to mitigate these risks. The association between the AIM framework and management's evolving risk profile is shown in the following diagram.



Phase I: Assess Controls & Identify Risks

a) Fraud risk assessment

An initial fraud risk assessment will be conducted at a high level and will be limited to the focused assessment of broad organization-wide fraud risks, and to understand gaps where controls may not exist to properly address key fraud risks. This initial fraud risk assessment is not designed to detect or prevent fraud. Rather, it is designed to assist the State to identify and prioritize fraud risks and determine next steps to deal with these fraud risks.

This service is delivered using a methodology that incorporates a multidisciplinary team, as well as tools and techniques based on your needs. By using this methodology, our multidisciplinary team is able to assess management's understanding of fraud, the tone-setting in the organization regarding fraud, the ability to proactively deal with fraud, and provide improvement observations and recommendations that are specific to achieving the strategic objectives for the areas within this fraud risk assessment.

Based on our familiarity with the State of New Jersey, we would work closely with your designated team to form a collaborative relationship in delivering these services, but our approach assumes that we would be conducting a majority of the work steps in the following five major phases:

- 1. **Project planning** conduct a whiteboard session to properly identify project participants, risk and detail- level scope, tools and methods to bring to use, and time line
- 2. **History and documentation review** review of previous fraud incidents, policies and procedures, fraud response plan, training programs, internal reports
- 3. **Employee surveys and interviews** conduct broad data gathering across the organization using our survey tools focused on results of the whiteboard session and documentation review; perform 8-12 interviews of selected personnel at various levels in key business process and oversight roles
- 4. Prepare summary of findings and observations analyze results of interviews and surveys and prepare summary report of findings and observations for management team, leveraging industry research and our previous investigative experience, and prepare initial risk heat map
- 5. **Facilitated session** review findings and observations with key personnel, quantify risks and affects, calibrate risk heat map, and discuss future action items

b) Compliance risk assessment

The Compliance Risk Assessment provides insight on inherent compliance risks from a disaster recovery perspective, identifying the key compliance risks through our extensive experience along with input from key personnel, and linking the compliance risks to your Hurricane Sandy recovery efforts and specific business processes. The outcome of the assessment is a compliance risk profile that identifies and prioritizes the State of New Jersey's most significant compliance risks.

The Compliance Performance Assessment focuses on assessing the effectiveness of the compliance program through discussions with compliance personnel, management, and the Audit Committee, and through comparison with leading practice compliance programs.

While the State of New Jersey is ultimately responsible for your compliance program, EY will assess the current compliance program and provide recommendations for its improvement and/or assist management in developing and implementing improvement action plans as needed.

Compliance monitoring focuses on performing monitoring activities of compliance risks and the compliance program to evaluate whether compliance related controls, processes, initiatives, functions and/or activities are operating as designed.

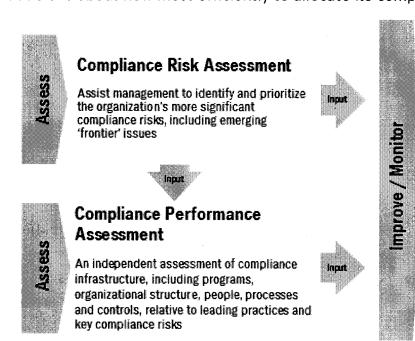
We have experienced team members who are fully prepared to work with you and your team in a collaborative relationship with specific knowledge of the State of New Jersey's business environment.

c) Compliance risk universe

EY will assist you to develop a Compliance Risk Universe containing a representative sample of risk categories to help our clients plan and conduct the Compliance Risk Assessment. During the early stage of the project, we will work with you to customize this Risk Universe based on the State of New Jersey's disaster recovery strategies, objectives, and the processes and initiatives that exist to achieve these objectives.

d) Structured approach

Our approach begins with a Compliance Risk Assessment to identify and prioritize your most significant compliance risks, as well as a Compliance Performance Assessment to gain an understanding of the level of maturity of your entity-level controls for managing compliance risks. The assessments provide information to enable you to make informed decisions about how most efficiently to allocate its compliance resources.



Improve and Monitor the Effectiveness of Compliance Infrastructure

Define and prioritize opportunities to:

- Improve one or more elements of compliance infrastructure
- Mitigate significant compliance risks
- Embed compliance controls into existing processes, functions and risk management activities
- Evaluate and monitor effectiveness of controls and report on compliance
- Continuously improve the compliance infrastructure in response to changing business needs

e) Prioritizing risks

An organization must begin by defining, identifying, and prioritizing its compliance requirements - the risk assessment - and then it can move to align and coordinate the people, process, and information and technology components that will ensure those compliance risks are effectively managed over time.

EY will collaborate with the State of New Jersey to:

- Co-develop a preliminary compliance risk profile and map compliance risks to recovery objectives, strategies and processes
- Customize the compliance risk assessment criteria for use in assessing and prioritizing the key compliance risks
- Survey select key stakeholders to identify key compliance risks
- Conduct interviews with selected personnel, and other key stakeholders to identify key compliance risks across the State of New Jersey
- Develop the State of New Jersey's initial compliance risk profile
- ► Lead a compliance risk workshop with executive management to validate and prioritize compliance risks
- Work with executive management to develop actionable steps, as needed, to further manage or mitigate the State of New Jersey's key compliance risks

Phase II: Improve Management Controls

a) Compliance performance services

A compliance program serves two principal objectives: (1) to prevent and detect non-compliance, and (2) to enhance business performance. The primary objective of our work is to develop an evaluative snapshot of the State of New Jersey's compliance program and to provide recommendations to help improve the program's design and operating effectiveness. Through collaboration between the State of New Jersey and EY, the following activities will occur:

- ► Conduct selected interviews with executive management and compliance management to ascertain the compliance program's current state
- Evaluate the current state against leading compliance practices and benchmarks
- Co-develop future state of compliance practices
- Work with the State of New Jersey to develop actionable steps for achieving compliance future state
- Develop and present findings and recommendations report

b) Compliance improvement and remediation

We will leverage the knowledge and output gained from the Compliance Risk Assessment and Compliance Performance Assessment to co-develop a Compliance Improvement and Remediation plan with the State of New Jersey. This type of project typically involves assistance in identifying and implementing improvements to processes, initiatives, and/or controls. Compliance Improvement Projects may focus on assisting management in

improving processes and/or controls within the elements of the client's compliance infrastructure, as illustrated in the Ernst & Young Compliance Framework.

Phase III: Monitor Operations

a) Compliance evaluation and monitoring

The primary objective of our Evaluation and Monitoring work is to evaluate whether the State of New Jersey's compliance controls, processes, initiatives, functions and/or activities are operating as designed.

Evaluation projects are retrospective in nature and are designed to assess the design and operation of controls the State of New Jersey has implemented to address identified compliance risks. For example, an evaluation project may involve the analysis of a sample of client hotline calls, received over a specific period of time, to test whether they were appropriately investigated and followed-up.

Monitoring projects are ongoing in nature and are designed to provide real-time information to the State of New Jersey on the design and operation of compliance-related controls. A monitoring project may involve, for example, a periodic call to the State of New Jersey's hotline to test whether the call is appropriately received and communicated to appropriate personnel for investigation.

b) Methodology, tools, and templates

EY has developed a proprietary Corporate Compliance methodology, equipped with a broad variety of tools and templates to help clients enhance their compliance risk management. Our methodology is founded on the deep experience of our compliance and industry professionals, and reflects the rigorous independence and quality standards of EY. Our tools and templates facilitate consistently applied leading practices and efficiencies for your project.

Fraud investigation services

Even the best internal controls can be circumvented. Unfortunately during disasters, when large amounts of Federal funds are flowing, the opportunity for fraud and misappropriation are very high. When the need arises, the professional from our Fraud Investigations and Dispute Services practice can help.

EY has provided fraud investigation services as required since its inception. We have had a practice dedicated to forensic accounting, investigations and litigation support since 1980. Currently, these services are mostly provided by the global practice known as Fraud Investigations and Dispute Services (FIDS). Forensic accounting and investigation projects are led by experienced professionals in our FIDS practice, which has more than 1,000 professionals across more than 56 countries. Along with those professionals, we also draw upon approximately 13,000 accounting, compliance and other specialized professionals in our Advisory Services practice.

The combination of our professionals dedicated to investigative work leading teams with core skills and local knowledge results in an approach with embedded disaster recovery and investigative experience. In addition, our team has extensive experience providing disaster fraud investigation services. For example, Matt Jadacki, the engagement team Program Manager, was instrumental in establishing the Hurricane Katrina Fraud Task

Force, composed of Federal, State, and local law enforcement officials focused on preventing fraud, waste, and abuse of disaster relief funds.

Also, Richard Skinner, the former Inspector General of DHS, will serve on the engagement team as a subject matter expert. He coordinated the OIG community's oversight of Hurricane Katrina, including its participation on the Katrina Fraud Task Force, which was chaired by the U.S. Department of Justice. The Task Force looked at several types of fraud in order to protect the billions of dollars going into the effort to rebuild the hurricane-ravaged Gulf Coast region. That focus included investigations into contract fraud, insurance fraud, public corruption, government and private-sector benefit fraud, particularly within FEMA, HUD, Labor, and SBA programs, identity theft, and false charities. Further, Richard served as the Vice-Chairman of the Recovery and Transparency Board (RATB). The RATB was created to oversee nearly \$800 billion in Recovery Act funds; to prevent fraud, waste, and abuse; and to foster transparency and accountability by providing the public with accurate, user-friendly information. Also, Richard served as the chair of the Board's Accountability Committee. The Accountability Committee created the forensic analytic tool used by the Board to screen and identify high risk subgrants, and to assist OIG audits and investigations of recovery fund recipients.

Investigations require teams composed of professionals with different skills and experience, including technical specialties such as critical infrastructural, engineering, housing, etc. Our professionals have experience performing a wide variety of investigations including:

- Accounting irregularities
- Regulatory compliance
- Kickbacks
- Compliance due diligence

- ► Forensic accounting
- Anti-money laundering
- Asset misappropriation
- Whistleblower hotlines

Our teams perform investigations to assist clients in responding to investigations or inquiries by US law enforcement and regulatory agencies. We are experienced in working with both in-house and outside counsel, as well as with compliance, internal audit, corporate security, personnel, the audit committees and other groups.

Project approach

How should we conduct investigations?

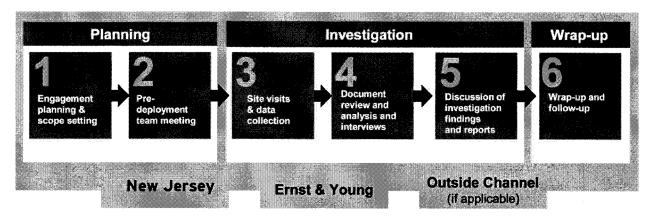
EY has developed a roadmap for conducting investigations of allegations of non-compliance. We based our approach on our extensive experience working with clients on the design and enhancement of their investigative capabilities across a wide array of geographies and industries. Our approach, which is depicted in the illustration provided below, was recently published in GRC 360°, a leading magazine published by the Open Compliance and Ethics Group (OCEG).

Our team features former chief compliance officers and certified ethics and compliance professionals with real-world experience in designing and implementing whistleblower hotlines, and internal policies and processes for investigating and managing allegations of noncompliance. Our approach would entail reviewing the design of the State of new Jersey's current policies and procedures related to the investigations process, reviewing

the execution of those policies and processes in practice, and identifying and prioritizing opportunities to improve the policies and process.

Approach and capabilities

Our approach to managing investigations is based on detailed work plans built from codeveloped objectives and tasks. We identify the best resources in our network to provide the necessary services, leveraging technology to track progress and share results, and to maintain open communication between our team and our client.



Typically, our investigations begin with a planning session with our client and its counsel. We confirm the objectives of the investigation, requirements on timing and deliverables, and one or more dedicated resources from each party who serve as the primary communications conduits throughout the investigation. The planning session will determine the communications protocol to be followed, including the timing, format and detail required in periodic communications and updates. EY owns the responsibility for ensuring that the investigative plan is accomplished, which we will do based on the direction of the client and its counsel with continuous feedback from both. Our ability to accomplish the investigative plan is, however, contingent on cooperation from client personnel in providing access to necessary individuals and data.

We then draft a customized work plan for the engagement, recognizing that information uncovered during the investigation may require changes to the work plans. For large engagements, progress and status are tracked using tools such as Microsoft Project to assist us in communicating progress, task dependencies, and status.

Based upon the nature of the investigation and specific technical skills required for the investigation subject matter, we identify and deploy the appropriate team from our more than 1,000 global investigations professionals. Coordination, supervision, and project management will be enhanced through daily updates among the team along with periodic updates to client personnel (either verbal or written) as requested.

Management overview

(Covers Pool 1, Pool 2, and Pool 3)

Our many years of serving public sector clients in the State of New Jersey coupled with decades of disaster management experience provides us with a unique understanding of the distinctive issues the State of New Jersey is facing today. Because of our experience in working with various other State agencies in New Jersey, we know your business environment and have a keen awareness of what is required to work successfully with you. That is why we've assembled a team of professionals who offer deep FEMA and HUD/CDBG experience, and excellent public sector and financial services skills to serve this engagement. These professionals can offer a fresh perspective by providing practical ideas on how to improve the grant management and financial management processes. It's a local team with outstanding experience, backed by one of the largest professional services firms serving the public sector and financial services industries today.

Our practice

EY's Claims practice is a group of professionals dedicated to assisting governmental, nonprofit, and corporate entities to expedite financial recovery after catastrophic loss. We combine proven methodologies in disaster management and recovery with our deep knowledge of programs to assist our clients to identify the available recovery and rebuilding options, apply for and use recovery funding, and comply with the associated legal and regulatory requirements.

Our team includes forensic accountants, finance professionals, former FEMA and Department of Homeland Security senior executives, engineers,

Our Team

- Former FEMA and Department of Homeland Security senior executives
- Finance professionals
- Certified Public Accountants/Forensic Accountants
- New Jersey Licensed Registered Municipal Accountants
- ▶ Engineers
- Former insurance adjusters

and former insurance adjusters experienced in working with grantees and subgrantees through the FEMA, New Jersey licensed registered municipal accountants, and other Federal agencies, financial recovery process. We have extensive experience preparing claims for a wide range of clients – from Fortune 500 companies to State and local governments. Our top priority is to facilitate the process, orchestrating a rapid and effective recovery.

Focus on current issues & compliance

The Federal government is investing billions of dollars to assist the State of New Jersey in the Hurricane Sandy recovery efforts. Many projects are underway or are just getting underway. Now is the time to take prudent action to ensure that the investments being made are not forfeited or challenged down the road. Now is also the time to start seeking out opportunities for alternative grant programs and mitigation projects that are typically identified later in the disaster life cycle.

It is critical that recipients of Federal disaster funds spend those dollars appropriately, as the Department of Homeland Security Office of Inspector General (DHS OIG), HUD Office of

Inspector General, and other Federal Offices of Inspector General will continue to scrutinize compliance and project eligibility issues. Many subgrantees in the State of New Jersey will become targets of future OIG audits and will likely be subjected to future reviews, which may result in the deobligation of funds.

Extensive knowledge & understanding

This program and process management auditing, financial auditing, and grant management, and integrity monitoring/anti-fraud services engagement will require extensive understanding of the Stafford Act, 44 CFR, CDBG disaster recovery requirements, Federal acquisition regulations, FEMA guidelines, OMB Circulars, and a myriad of other emergency management laws, as well as practical experience and expertise in related disaster programs administered by FEMA and HUD. It will require intimate knowledge of local disaster recovery activities unique to the State of New Jersey, requirements imposed by FEMA, HUD, and Federal laws and regulations governing the receipt and disbursement of disaster funds. In addition, the project will require extensive knowledge in the following areas, where EY can assist:

- Federal and State cash management
- Accounting laws and regulations
- Internal controls
- Federal acquisition regulations

- Grants management
- Generally Accepted Government Auditing Standards (Yellow Book)

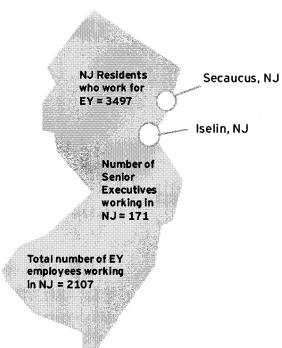
Our team...mobilized, focused, committed

The cornerstone of our relationship with you is our people. The first step in building our team was to understand your needs, your expectations, and your challenges. We assembled the EY team with the experience, credentials, and attitude that will thrive in your culture. Our value starts with delivering the right people on day one, with the right focus on your business, the right knowledge to deliver ideas and value, and the right chemistry to work with your people.

This proposal demonstrates that our team has begun to execute a service model that will drive innovation and success. Our team's goal is continuous communication that collectively transforms knowledge into value. It is how we will live up to our commitment as important members of your team.

Coordinate and manage successful delivery of services

Our management plan centers on the experience and competencies of our team members. Our leadership team will collectively work together to coordinate and manage the delivery for each individual task. This enables us to leverage our institutional knowledge and extensive experience providing disaster management consultative services to a disparate audience of clients,



and rapidly scale our resources to meet anticipated tasks.

We will staff this engagement from a mix of former FEMA senior officials, Certified Public Accountants, insurance claim professionals, forensic accountants, New Jersey licensed registered municipal accountants, finance professionals, and grants managers to limit learning curves and practitioner ramp up. Our staff assigned on this contract will have extensive Federal, State, and local government disaster relief oversight experience, as well as comprehensive financial management, grants management, and contract management knowledge and skills to assist with unanticipated events.

However, if the State of New Jersey needs other practitioners with different skill sets, EY can pull from over 2,100 professionals located in the firm's New Jersey locations. As a result, we are able to rapidly mobilize qualified personnel and provide the capacity to respond to any unanticipated surges or changes in the engagement workload. Should a need exist resulting from shifting priorities for additional or change of staff, EY will work directly with appropriate State officials to determine staffing requirements and rapidly deploy staff when needed.

Leadership

The EY engagement team will be led by Matt Jadacki. Mr. Jadacki has 30 years of experience in Federal grants management and FEMA project management. In his most recent position before joining EY, he was the Assistant Inspector General for Emergency Management Oversight with the DHS. He was responsible for providing aggressive and ongoing audit and oversight effort designed to ensure that disaster relief funds were spent appropriately, while identifying fraud, waste, and abuse early. The office focus was weighted heavily toward prevention, including reviewing internal controls, and monitoring and advising DHS and FEMA officials on grants, contracts, and loans.

Along with his oversight role in the FEMA and DHS OIG, he was also the Chief Financial Officer at FEMA and the National Weather Service. As the CFO at FEMA, he was responsible for all grants management activities in the Agency. While working for FEMA and the DHS OIG, he conducted hundreds of grant audits at the State and local level, and conducted comprehensive reviews of FEMA's grants management operations within the Agency.

Mr. Jadacki also served as the Special Inspector General for Gulf Coast Hurricane Recovery in the aftermath of Hurricane Katrina. In that capacity, he was responsible for coordinating and reporting on the receipt and expenditure of over \$100 billion in Federal aid for Hurricane Katrina recovery operations. He was instrumental in establishing the Hurricane Katrina Fraud Task force, composed of Federal, State, and local law enforcement officials focused on preventing fraud, waste, and abuse of disaster relief funds.

Mr. Jadacki has successfully managed disaster operations throughout the United States, including Hurricane Katrina, the Northridge Earthquake, Midwest flooding, Hurricane Andrew, and the September 11, 2001 terrorist events. Mr. Jadacki has provided expert testimony before both Houses of Congress more than 30 times on a number of disaster management issues.

Subject matter expertise

Along with Mr. Jadacki's extensive experience, another member of our team who will serve as a subject matter expert will be Richard Skinner. Mr. Skinner served as the Assistant Inspector General for Audits and Deputy Inspector General at FEMA between 1991 and 2003, and as the Inspector General of DHS between 2004 and 2011. During his time as IG of DHS, he coordinated the OIG community's oversight of Hurricane Katrina. He brings more than 42 years of extensive experience in identifying vulnerabilities in government programs and management support operations, and facilitating excellence in government by recommending needed performance and management improvements. He is a subject matter expert on Federal, State, and local government and private sector financial management, grants management, acquisition management, and IT management, as well as homeland security, emergency management, inspector general, audit/inspection, and law enforcement matters.

In his more recent experience, Mr. Skinner served as the Vice-Chairman of the Recovery and Transparency Board (RATB). The RATB was created to oversee nearly \$800 billion in Recovery Act funds to prevent fraud, waste, and abuse, and to foster transparency and accountability by providing the public with accurate, user-friendly information. Also, Mr. Skinner served as the chair of the Board's Accountability Committee. The Accountability Committee created the forensic analytic tool used by the Board to screen and identify high risk subgrants, and to assist OIG audits and investigations of recovery fund recipients.

Another subject matter resource on our team, Michael Herman, is the former Legislative and Regulatory Counsel at FEMA and Senior Counsel for the US House of Representatives, Committee on Transportation and Infrastructure, Emergency Management Subcommittee. Mr. Herman drafted and oversaw the drafting of numerous Stafford Act provisions, related laws and its implementing regulations (44 CFR), including those on the Public Assistance, Individual Assistance, and Hazard Mitigation Grant Programs.

As Senior Counsel to the Emergency Management Subcommittee, Mr. Herman also drafted the most recent authorization of the Pre-Disaster Mitigation Program and conducted oversight and investigations of HUD and FEMA programs including the Public Assistance program, the Individual Assistance program, and the Hazard Mitigation Grant Program. During his tenure at FEMA, Mr. Herman was deployed to disasters around the nation and worked and provided advice to Federal, State, and local officials implementing the Public Assistance and Individual Assistance programs.

Disaster Management Professionals

Our disaster management professionals include former FEMA senior officials with more than 50 years combined FEMA and emergency management experience with every aspect of FEMA programs, including financial management, grants and contract management, Stafford Act program management and reviews, policy development, and oversight. In addition, our key staff have conducted hundreds of audits, inspections, and reviews of FEMA disaster relief programs in nearly every State and FEMA region, including FEMA Region II, and made thousands of recommendations to promote economy, efficiency, and effectiveness; prevent fraud, waste, and abuse; and improve Federal, State, and local government disaster operations. Our team has experience in all of FEMA's disaster programs, including emergency assistance (debris removal and other emergency

protective services), public assistance, individual assistance, hazard mitigation, National Flood Insurance Programs, and CDBG disaster programs.

Through our experience in serving public sector entities, at all levels of government, over the last 20 years, EY has developed an outstanding understanding of the unique compliance requirements that a grantee is subject to when receiving Federal financial assistance. For the most part, all large general governments receive assistance through HUD's Community Development Block Grant Programs, as such we have been involved in assisting our clients in addressing the myriad of questions associated with these grants. In addition, besides performing audits of the grant programs as part of an entities Federal single audit, we have assisted them in developing monitoring procedures to ensure that funds are used in accordance with the Federal guidelines and related cost principles such as those in OMB Circular A-87.

Our approach

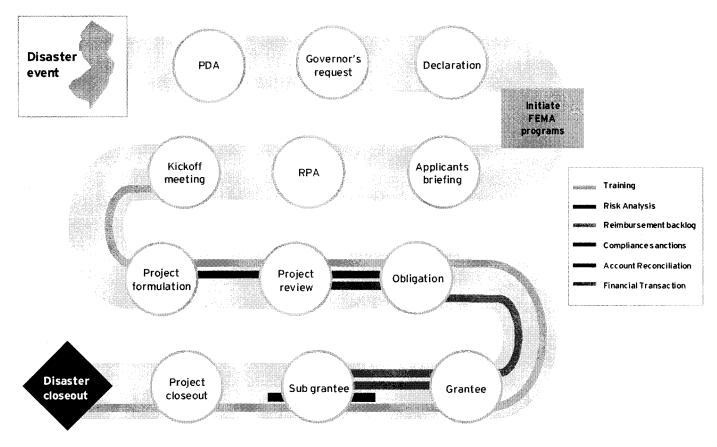
EY's management approach applies a process of continuous monitoring to achieve the State of New Jersey's goals and objectives of ensuring that Federal and State disaster relief funds are properly accounted for; financial data and reports can be relied upon; internal controls are in place to provide reasonable assurance that it is managing Federal and State disaster relief programs in compliance with applicable laws, regulations, and guidelines; and expenditures are supported with proper documentation. For each written task order, EY will design, align, and define the work steps needed to execute and report upon the services being provided.

Based on our experiences with past Presidentially declared disasters, we will proactively anticipate, assess, document, mitigate, and monitor task risks. Risks will be monitored through a task risk matrix and provided to the State Contract Manager or other duly designated representative when risks are identified. Once we identify risks, we will develop mitigation strategies specific to each task order and work with the State of New Jersey to implement and monitor the mitigation procedures.

Field proven methodology

EY will execute a wide array of services to support the State of New Jersey in managing its disaster relief programs. Our professionals have conducted numerous of audits for the DHS OIG in New Jersey. We understand the issues, the Federal, State, and local players, and the obstacles met by grantees and subgrantees. This knowledge will assist the State of New Jersey to expedite its grant management process and prepare for the close-out process. The methods that we employ to assist applicants are designed to expedite the grant management process and enhance the level of communication, documentation, and proof of loss throughout the project development implementation and reimbursement process to (1) better prepare you to enter the close-out process and (2) mitigate the risk of losing funding that FEMA and HUD have already paid or obligated.

EY has a unique perspective of managing and administering the Reimbursement Process. With experience reviewing and offering recommendations for improvement at all levels of government relative to the reimbursement process, our practice has specialized capabilities that can assist the State of New Jersey. EY has a field-proven approach to collect, organize, and analyze data, develop and maintain tracking systems, and to expedite payments for eligible costs. This approach is carried out and tracked for each individual Project Worksheet from initial project development to Project Worksheet completion and close-out.



Three guiding principles

With pressure being put on Federal and State budgets, more recently, the disaster response, recovery, and mitigation reimbursement process has come under much greater scrutiny. This has resulted in more stringent Federal oversight of grant and contract reimbursement programs. Accordingly, it is critical that the State of New Jersey engages a firm that has the requisite experience to meet the demands of increased oversight. EY brings unique skills to provide technical and regulatory compliance assistance for all forms of disaster relief assistance, including individual assistance, public assistance, hazard mitigation assistance, and CDBG disaster recovery programs. Our goals are to maximize Federal funding for disaster recovery and to minimize risk when audits occur and the need for appeals.

Our approach aligns with and encompasses all the specific duties as detailed in the RFQ. There are three guiding principles in our approach to assisting you.

1)	Understand your goals and ensure your needs are met	We will adopt a scalable program management approach to ensure successful execution of your goals and objectives. The foundation to our collaborative approach lies in the management expertise of our people, application of industry standards and leading practices, and our disaster assistance expertise across all levels of government and within the private sector. Our approach enables disciplined management of concurrent tasks, applies leading practices, captures lessons learned, and focuses on delivering results.
2)	Bring the right resources at the right time	Our approach will allow us to perform at levels of increased efficiency and provide opportunities to identify and manage shifting priorities. You will benefit from our transparent and collaborative management process through regularly scheduled meetings and detailed status reports. We offer experienced disaster management and claims professionals that are adept at assisting organizations to recover quickly by applying proven methodologies in disaster management. Our team includes forensic accountants, finance professionals, former FEMA and Department of Homeland Security senior executives, A-133 auditors, engineers, and former insurance adjusters experienced in working with grantees and subgrantees through the financial recovery process. We have extensive experience preparing claims for a wide range of clients – from State and local governments to non-profits to Fortune 500 companies. Our top priority is to facilitate your recovery process, orchestrating a rapid and effective recovery for the State of New Jersey.
		For you, this means we have significantly more depth to address the issues you will face and have more flexible staffing capabilities and a greater ability to respond quickly to your needs.
3)	Coordinate service	Our management approach applies a process of continuous monitoring to achieve your goals and objectives of ensuring that Federal and State disaster relief funds are properly accounted for; financial data and reports can be relied upon; and expenditures are supported with proper documentation. For each task, we will design, align, and define the work steps needed to execute and report upon the services being provided.

Focus on oversight

We work with each of our clients to advise them on a host of issues throughout the disaster recovery process. The compliance with Federal acquisition regulations, such as historic and environmental regulations are examples of key considerations that must be addressed early in the process, so as not to subject future funding to undue risk of denial. We are experienced in advising our clients on these matters and assisting in the coordination of the appropriate subject matter expertise to perform proactive reviews for those types of issues.

The methods that EY employs to assist applicants are designed to enhance the level of communication, documentation, and proof of loss throughout the reimbursement process to (1) better prepare our clients to enter the close-out process and (2) mitigate the risk of losing funding that the Federal awarding agencies have already paid or obligated. We assist our clients throughout the close-out process to meet Federal requirements, including: accounting for and reconciling project costs; determining whether work was conducted according to the terms and conditions of the grant; and ensuring that the required documentation is included in the project file. EY also assists clients in identifying and correcting issues that could potentially affect the overall close-out process, including identification of ineligible costs or questioned costs (i.e., costs lacking supporting documentation).

Contract management

(Covers Pool 1, Pool 2, and Pool 3)

EY has developed a contract management program that has been successfully used to manage disaster recovery planning and monitoring projects. We recognize that good communication and coordination are vital for a strong relationship, and we will go to extra lengths to fulfill this expectation. Our ability to bring resources responsive to your business issues and needs is directly related to how well we listen.

Strong communication and coordination

Our team commits to continuous and open communication with you so that we can quickly identify and resolve any matters as they arise. Continuous communication means:

- Meeting and accelerating your reporting requirement deadlines
- Being accessible at short notice for face to face meetings
- Providing answers to your questions immediately
- Providing the right national firm resources for your specific issues
- Regular informal interactions
- No surprises
- ► Talking openly and frankly to short circuit any potential problems
- Planning through proactive discussion of emerging issues that may impact you before they are enacted

Through this process we learn how you prefer to communicate. Our approach ensures that our clients obtain maximum value from their relationship with us. The approach has three main goals: (1) to coordinate our service, (2) to better understand and ensure your needs are met, and (3) to reduce demands on management's time.

Maintaining positive relationships amongst officials and managing expectations is critical for communities to recover quickly and efficiently. This requires clear communication of the needs of the affected communities and entities, the rules and requirements, and a clear understanding of the roles and responsibilities of officials. EY will assist the State of New Jersey in communicating effectively and efficiently with officials throughout the recovery process to expedite project approval and the receipt of assistance funding that is in the State's best interest.

EY will provide a dedicated team of multi-disciplined professionals to manage and oversee all aspects of the disaster recovery services. In order to manage the State of New Jersey's recovery and planning efforts, EY will implement, but not limited to, the following:

- Establish Reporting Protocols to the State Contract Manager, or Cooperative Partner
 - Provide the State Contract Manager, Cooperative Partner or other leadership, at the outset of the engagement, with a work plan in order to meet critical deadlines.

- Work closely with the State Contract Manager, or Cooperative Partner, to deliver ongoing, open communication, offer periodic status updates, and establish a means for identifying and quickly addressing critical issues.
- Meet with the State Contract Manager, Cooperative Partner, and other management on a regular basis to discuss business strategies and tactics, establish priorities, and review results throughout the project.
- Develop standard and ad hoc reporting processes on all disaster related activities.
 Reports will include weekly progress, current efforts, immediate resource needs, and future initiatives on the project.
- Identify potential project delays and recommend remedial actions.
- Monitoring and Management of Contractors and Staff
 - Meet with the State Contract Manager or Cooperative Partner, and other key personnel to assess the status of the projects, costs eligibility, timeline, and work steps needed.
 - Assess management controls and systems over the receipt and expenditure of disaster funds.
 - Employ forensic technology and data analytic techniques to quickly identify and extract required data from multiple systems and other data sources to capture relevant information and costs for each Project Worksheet and other required documentation. Utilizing technology for data mining and analysis will enhance efficiency of the State of New Jersey's FEMA claims process while reducing costs.
 - Conduct follow-up meetings with the State Contract Manager, or Cooperative Partner, to monitor progress against work steps laid out in work plans, timing of project close-out, as well as adherence with internal controls.
 - Monitor and track EY's time and activities by project under the Federal provisions for direct administrative, indirect and project management costs for submissions to FEMA, and provide status reports to the State Contract Manager, or Cooperative Partner.
 - Evaluate that the fees for services provided enable the State of New Jersey to receive eligible reimbursement without duplication of efforts.
 - Establish performance metrics and timelines for contractors and staff for disaster projects.

Ability to respond to unanticipated events quickly

EY's management approach allows us to be responsive and staff tasks with the best available professionals to deliver superior client results. EY's staff assigned on this contract will have extensive Federal, State, and local government disaster relief oversight experience, as well as extensive financial management, grants management, and contract management knowledge, and skills to assist with unanticipated events. This will allow for the transferability of staff to assist with the unanticipated tasks. If the number of staff on hand is not sufficient to address an unanticipated change, EY will work with the State of New Jersey to define the new requirements and identify qualified staff from EY's pool of 2,100 local New Jersey based professionals to quickly respond to the State of New Jersey's needs.

Organizational support and experience

(Covers Pool 1, Pool 2, and Pool 3)

Our people and cultures

The people of EY are creative catalysts who join forces with our clients to make things happen-Quality in Everything We Do-to achieve positive, significant change. This is the sum total of our people, our purpose and the quality of our service. We value the diversity of our people, their perspectives and ideas. We have consistently been named as one of the top organizations in fostering opportunity, innovation, quality and leadership. We are recognized as one of the

Our values

Who we are and what we stand for:

- People who demonstrate integrity, respect and teaming
- People with energy, enthusiasm and the courage to lead
- People who build relationships based on doing the right thing

top four knowledge-sharing enterprises in the world, with technology that has shaped the accounting profession. We attract and retain clients that transform industries in every major sector and in every major country. We are leaders.

Our Metro New Jersey/New York Area Practice, which is located in New Jersey, has a group of professionals dedicated to serving public sector organizations similar to yours. The group consists of full time accountants and advisors specially trained to understand and assist in the operations of State and local governments. This team of professionals has been serving the Metro New Jersey/New York Area for over thirty years. Our Disaster Management Services group features professionals with decades of experience working both for FEMA and HUD, and for public and private entities to assist them with their losses.

For you, this means we have significantly more depth to address the issues you will face and have more flexible staffing capabilities and a greater ability to respond quickly to your needs.

Our focus on independence and strong professional values

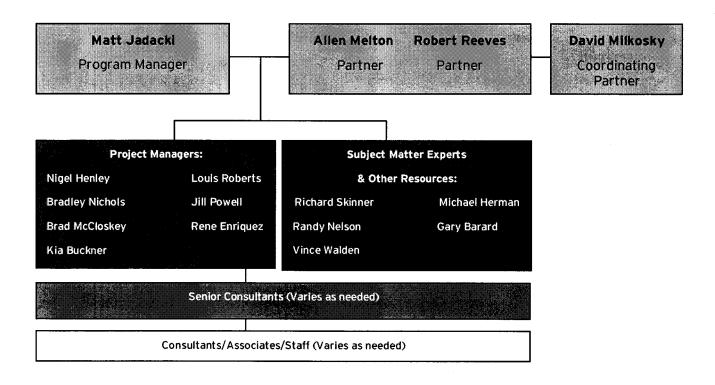
EY is committed to quality in all aspects of our client relationships. Along with substantial investments in technology and knowledge enablers and learning resources for our professionals, the quality controls and safeguards we have established enable us to deliver the high-quality services that are valued by our clients. We understand that our reputation for objectivity, independence, trust, and integrity rests on the quality of the service we deliver. Furthermore, we are not performing any work that would conflict with our firm's or current professional independence standards.

Organization chart (contract specific)

Serving clients as important as the State of New Jersey requires a firm to have an in-depth knowledge of the current operations of government organizations. The firm must have adequate staff to complete the engagement in an efficient and timely manner, as well as available personnel experienced in government accounting and disaster management for our relationship to be meaningful on a continuing basis. We have identified a Client Service Team that has the capabilities and experience needed for this engagement.

One advantage of working with our Client Service Team is that the team members have previous experience working together as a team on other disaster management, and public sector engagements. As a result, they work as a balanced, multidisciplinary team to perform a seamless, smoother, efficient, and cost-effective engagement.

By dedicating an engagement team of industry specialists who spend the majority of their time on public sector engagements, we understand your objectives and are well positioned to deliver the highest-quality, cost-effective services as outlined in your RFQ. Our local resources afford the State of New Jersey the benefits of engaging professionals and staff that know and understand the State of New Jersey's needs, so that we may provide a timely and insightful disaster management and long term recovery services. The following organizational chart lists each of the client service executive team members that will be providing services to the State of New Jersey.



Responsibilities of team members

To help you understand our client service team organization and the roles of key individuals, the following section contains an explanation of the major functions of the individuals selected to serve you. The individuals will be involved in the engagement to varying degrees as appropriate, providing specialized disaster recovery, long term planning, and other consultative services.

All key team members listed will be associated with services provided for Pool 1, Pool 2, and Pool 3.

Team member	Experience
Matt Jadacki, CPA Program Manager (Executive Director)	▶ Matt brings more than 30 years of public service as a senior executive with the Federal government. The past 20 years were devoted to FEMA and disaster-related activities. He has managed compliance and performance audits of disaster funds in almost every State and FEMA region. Matt has worked on dozens of major disasters, including Hurricanes Katrina and Andrew, the Northridge earthquake, the space shuttle crash and the Midwest floods.
Allen Melton, CPA Partner (Claims Practice Leader)	▶ Allen provides comprehensive financial, economic and strategic advice to companies with complex business problems and disputes. He has supervised and performed FEMA and insurance claims to measure property damage, mitigating extra expenses and other economic losses. Allen has lead claim resolutions on catastrophic events such as, March 2011 Japan Earthquake and Tsunami, Hurricanes Georges, Mitch, Floyd, Lenny, Jeanne, Ivan, Katrina, Rita, Gustav and Ike; Typhoon Nari; the September 11th terrorist attacks; the 09/21/99 Taiwan earthquake; and the Fort Worth tornado.
Richard (Rick) Skinner Subject Matter Expert (First Senate confirmed Inspector General of the Department of Homeland Security)	▶ Rick's extensive experience in identifying vulnerabilities in government programs and management support operations and facilitating excellence in government by recommending needed performance and management improvements. As the first Senate confirmed Inspector General of the DHS, Rick was responsible for conducting, coordinating, and supervising all audits and inspections of departmental programs and operations, as well as all criminal and civil investigations involving departmental employees; detecting and preventing fraud, waste, and abuse; and promoting economy, effectiveness, and efficiency within the department. Additionally, Rick led the DHS OIG community's oversight of the Federal government's response to Hurricane Katrina, which exceeded \$100 billion in grants, contracts, and loans. Rick will serve as a subject matter resource on Federal, State, and local government and private sector financial management, grants management, acquisition management, and IT management, as well as homeland security, emergency management, inspector general, audit/inspection, and law enforcement matters.
Robert Reeves, CPA Partner	▶ Robert assists clients with complex FEMA and insurance claims and other dispute-related services. He has helped clients reach settlements on claims, including property and extra expense, and he has worked for insurance and reinsurance companies in arbitration and litigation matters. Robert brings more than 22 years experience providing comprehensive financial and strategic advice.

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Team member	Experience
Michael (Mike) Herman Subject Matter Expert (Senior Manager)	Mike brings extensive experience in providing policy, programmatic and strategic analysis and guidance to government agencies, non-profit organizations, trade associations and businesses on Federal disaster relief programs. In addition to leading the Legislative Regulatory and Policy Team in FEMA's Office of General Counsel, Mike provided legal counsel to program officials throughout the Agency, including the Public Assistance program, the Individual Assistance program, the Hazard Mitigation Grant Program, the National Flood Insurance Program (NFIP), and the Disaster Declaration Unit. He managed FEMA's disaster deployed attorneys. Mike will serve as a subject matter resource to our team on FEMA policy and programmatic matters, the Stafford Act, Federal regulations, and grant issues.
David Milkosky, CPA Partner	▶ David is in charge of Ernst & Young's Northeast Area Public Sector practice, and is EY's coordinating Partner for the State of New Jersey. He has served our most prominent public sector clients, including large State agencies, cities and counties. David has worked on multiple prior engagements for the State of New Jersey and various Divisions. This experience will be utilized for this engagement to enhance the understanding and needs specific to the State of New Jersey.
Randy Nelson, CPA Subject Matter Expert New Jersey Licensed Municipal Accountant (Executive Director)	▶ Randy has more than 35 years of experience providing accounting, auditing, and governmental consulting services to a number of public sector entities, Randy will assist in the services provided to the State of New Jersey and serve as a subject matter resource.
Louis Roberts, CPA Project Manager New Jersey Licensed Municipal Accountant (Senior Manager)	▶ Louis has more than 18 years of experience providing accounting, auditing and governmental consulting services to public sector entities. Louis will assist in the services provided to the State of New Jersey and serve as a project manager.
Nigel Henley Project Manager (Senior Manager)	Nigel specializes in assisting and advising clients with the preparation, presentation, and settlement of large FEMA, property damage and extra expense claims. He has more than 25 years of experience in the commercial property insurance industry, including 16 years as a claims manager and adjuster. Nigel will be assisting with the day to day operations, directly reporting to Matt and Allen.
Bradley Nichols, CPA Project Manager (Senior Manager)	▶ Bradley has assisted dozens of clients with the preparation, presentation, and resolution of their claims resulting from catastrophic hurricanes, tornadoes, earthquakes, fires, floods, as well as other catastrophes. He has assisted numerous subgrantees with their successful recovery of FEMA and other public assistance funds. Bradley will be assisting with the day to day operations, directly reporting to Matt and Allen, and overseeing all seniors, and staff assigned to the project.
Jill Powell Project Manager (Senior Manager)	▶ Jill's extensive knowledge and experience assisting companies with the preparation, presentation, and settlement of their claims resulting from catastrophic Hurricanes, tornadoes, earthquakes, fires, floods, and other catastrophes, including the calculation, documentation, and successful recovery of FEMA and other public assistance funds. Jill will be assisting with the day to day operations, directly reporting to Matt and Allen, and overseeing all seniors, and staff assigned to the project.

Team member	Experience
Brad McCloskey, CPA Project Manager (Senior Manager)	▶ Brad has extensive experience in complex FEMA and insurance claims. Brad has assisted numerous clients on complex FEMA and insurance claims resulting from disasters such as hurricanes, Japan Tohoku Earthquake, the September 11th Terrorist Attack, tornadoes, floods, and other catastrophes. Brad will be assisting with the day to day operations.
Francine Barone Consultant (Senior)	► Francine spent six years with the Federal Government as a Forensic Auditor, including performing FEMA compliance audits. She has experience conducting an audit in accordance with a Presidential Executive Order to determine the effectiveness of FEMA's central claims website DisasterAssistance.gov, its ability to effectively intake and process all claims, and determined any waste, fraud and abuse of claims intake and improper payments.
Vince Walden, CPA Subject Matter Expert (Partner)	 Vince will be responsible for information technology services and data analytics to support the disaster management processes.
Gary Barard Subject Matter Expert	► Gary has over 40 years of audit and management experience in the Federal Government. While working for the DHS Office of Inspector General, Gary served as the Gulf Coast Audit Coordinator, and performed several program evaluations of FEMA operations and recommended areas in need of improvement during his time at the DHS. Gary will serve as a subject matter resource to our team for matters related to FEMA operations and analysis of performance improvement areas.
Rene Enriquez, CPA Project Manager (Executive Director)	René has more than 28 years of experience with Mitchell & Titus and Ernst & Young, and provides accounting, auditing, and financial advisory services to various governmental, public sector and not-for-profit organizations as well as companies in other industries.
Kia Buckner, CPA Project Manager (Senior Manager)	► Kia has more than 15 years of audit experience. Part of Kia's experience includes assisting with assessing and filing of an insurance claim with a large organization post Hurricane Katrina. Additionally, Kia reviewed all accounting policies and procedures utilized during the hurricane recovery period to determine if there were critical reviews, authorization, reconciliations and overall monitoring functions that were absent.
Amy Wong, CPA Senior Consultant (Manager)	Amy is with Ernst & Young's Northeast Area Public Sector Practice and has six years of experience providing audit services to various public sector entities throughout the Metro New York area. Amy's clients have included state authorities, counties, municipalities, school districts and hospitals.

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Resumes

(Covers Pool 1, Pool 2, and Pool 3)

Matthew Jadacki, CPA Executive Director +1 202 327 6807 matt.jadacki@ey.com

Matt joined EY after 30 years of public service as a senior executive with the Federal government, with the last 20 directly related to FEMA and disaster-related activities. He has managed compliance and performance audits of disaster funds in almost every State and FEMA region.

Matt has worked on dozens of major disasters including Hurricane Katrina, the Northridge Earthquake, the Space Shuttle crash, Midwest floods, and Hurricane Andrew. His reports identified hundreds of millions in ineligible and disallowed expenses and non-compliance with laws and regulations, including significant violations of Federal procurement regulations, internal control weaknesses, and related project accounting issues. As a result of his work, Matt has testified as an expert witness before both Senate and House committees more than 30 times on various topics, including disaster management, fraud, contracting issues, budget, insurance, improper payments, disaster preparedness, and other related issues.

Matt held several senior financial and emergency management positions in the Federal government. He was Chief Financial Officer/Chief Administration Officer for the National Weather Service, a component of the National Oceanic and Atmospheric Administration of the U.S. Department of Commerce. Matt spent 15 years in FEMA in various senior level positions, including Chief Financial Officer and Audit Director for the Office of Inspector General. Mr. Jadacki played an instrumental role in integrating FEMA programs, budget, and financial operations into the Department of Homeland Security in 2003.

Selected previous experience in completing similar contracts

- Department of Homeland Security (Hurricane Katrina) 2005 to 2008
 - Matt assisted with overseeing the work to ensure that agency internal controls were in place to prevent fraud, waste, and abuse; ensure the IG investigative activities were coordinated with the Department of Justice's Hurricane Katrina Fraud Task Force; ensure agency stewardship plans for hurricane relief activities were in place and operating as intended; and ensure the IG community was executing its hurricane relief oversight efforts in a coordinated fashion so its resources were utilized efficiently and effectively.
 - Department of Homeland Security (Hurricane Katrina), 301 7th St SW, Washington, DC 20407, Michael Chertoff, (former) Secretary of Homeland Security, +1 202 552 5280

- ► Federal Emergency Management Agency (9/11) 2001 to 2003
 - Matt served as the Chief Financial Officer responsible for all FEMA disaster funding (\$8.8 billion) associated with the 9/11 terrorist attacks.
 - ► Federal Emergency Management Agency (9/11), 500 C St SW, Washington, DC 20472, Dave Paulison, (former) FEMA Director, +1 202 309 3427
- Department of Homeland Security FEMA (Hurricane Ike)
 2008 to 2010
 - Matt conducted real time reviews and inspections of FEMA's Hurricane Ike response and recovery efforts.
 - Department of Homeland Security FEMA (Hurricane Ike), 500 C St SW, Washington, DC 20472, Dave Paulison, (former) FEMA Director, +1 202 309 3427

Professional qualifications

- Certified Public Accountant
- BS in Business Management from the University of Maryland
- Certified Government Financial Manager
- American Institute of Certified Public Accountants
- Association of Government Accountants

Allen Melton, CPA, CFF
Partner & Claims Practice Leader
+1 817 706 7108
allen.melton@ev.com

Allen is the Americas Leader for Ernst & Young's Claims Services practice. His responsibilities include providing comprehensive financial, economic and strategic advice to companies with complex business problems and disputes. Allen has spent the majority of his career assisting clients with FEMA and insurance claims resulting from a variety of disasters.

Throughout his career, Allen has supervised and performed numerous claims procedures and tasks to calculate property damage, mitigating/extra expenses and other economic losses. He has worked on behalf of numerous clients stemming from damages as a result of events such as Hurricanes Georges, Mitch, Floyd, Lenny, Charley, Frances, Jeanne, Ivan, Katrina, Rita, Gustav and Ike; Typhoon Nari; the September 11th Terrorist Attack; the 09/21/99 Taiwan Earthquake; and the Fort Worth Tornado.

Selected previous experience in completing similar contracts

Columbus Regional Hospital

- 2008 to present
- Allen served as the engagement partner for Columbus Regional Hospital to assist with the calculation and analysis of its FEMA and property claim assembly, hazard mitigation grant assistance, and alternate grant funding assistance.
- Columbus Regional Hospital, 2400 E. 17th Street, Columbus, IN 47201, Marlene Weatherwax, Chief Financial Officer, +1 812 376 5205
- Department of Homeland Security (Cerro Grande)2000 to 2002
 - Allen served as the Project Manager on the Department of Homeland Security (Cerro Grande) contract that consisted of assisting FEMA with the review, scrutiny and quantification of more than 13,000 residential, small business, governmental and native American-Indian tribe claims resulting from a government "controlled burn" that destroyed thousands of homes and businesses, a national forest and native American-Indian lands. The claims, which totaled in excess of \$550 million+, ranged from real and personal property claims to more complex issues such as allegations of real estate devaluation, claimants seeking reimbursement for future flood insurance premiums and claims for specialized and unique personal property. In addition, assisted FEMA to estimate, for accounting reporting purposes, the total liability that the government faced as a result of the claims, and our estimate came within 0.5% of the total funds (\$550 million+) ultimately paid out.
 - Department of Homeland Security (Cerro Grande), 1101 Vermont Avenue NW, Washington, DC 20005, Kaye McTighe, Division Director – Emergency Management Oversight, +1 202 254 4216
- General Motors

2003 to 2012

 Allen served as Partner on the General Motors contract. These services included assisting with the preparation of the clients' property damage, business

- interruption, and extra expense insurance claim resulting from numerous disasters around the globe such as tornadoes, fires, floods, and hurricanes.
- General Motors, 300 Renaissance Center, Detroit, MI 48243, Al Gier, Director of Global Risk Management & Insurance, + 1 313 665 3452
- Procter & Gamble

2005 to 2008

- Allen served as Partner on the Procter & Gamble contract. These services included assisting with the preparation of the clients' property damage, business interruption and extra expense insurance claims resulting from numerous disasters around the globe such as tornadoes, fires, floods, and hurricanes.
- Procter & Gamble, One Procter & Gamble Plaza, Cincinnati, OH 45202, Chris Gallagher, Director of Global Risk Management, +1 513 983 5013

Professional qualifications

- ► Certified Public Accountant
- Bachelor of Business Administration in Accounting, Summa Cum Laude, Texas Tech University
- Juris Doctorate, The University of Denver, College of Law
- Certified in Financial Forensics
- ► American Institute of Certified Public Accountants
- Texas Society of Certified Public Accounting
- Risk and Insurance Management Society
- American Bar Association
- State Bar of Texas



Richard L. Skinner
Subject Matter Expert
+1 202 247 7864
Richard.skinner@ey.com

Richard is an accomplished leader, with more than 42 years of extensive experience in identifying vulnerabilities in government programs and

management support operations and facilitating excellence in government by recommending needed performance and management improvements. He is a subject matter expert on Federal, State, and local government and private sector financial management, grants management, acquisition management, and IT management, as well as homeland security, emergency management, inspector general, audit/inspection, and law enforcement matters.

Richard served as the first Senate confirmed Inspector General of the Department of Homeland Security. He provided oversight of all 30 components within the department, which had more than 130,000 employees and an annual operating budget of \$40 billion dollars. He managed the OIG's annual budget of \$135 million and 670 employees, was responsible for conducting, coordinating, and supervising all audits and inspections of departmental programs and operations, as well as all criminal and civil investigations involving departmental employees; detecting and preventing fraud, waste, and abuse; and promoting economy, effectiveness, and efficiency within the department. Richard led the OIG community's oversight of the Federal government's response to Hurricane Katrina, which exceeded \$100 billion in grants, contracts, and loans. In addition, he served as the Vice-Chairman of the Recovery and Transparency Board, which provided oversight of more than \$700 billion in grants, contracts, and loans to State and local governments.

Additionally, Richard's experience includes serving as principal policy adviser to the Inspector General and supervising day-to-day operations of office's audit, evaluation, and investigation activities.

Selected previous experience in completing similar contracts

- Department of Homeland Security (Hurricane Katrina) 2005 to 2008
 - Richard oversaw the work to ensure that agency internal controls were in place to prevent fraud, waste, and abuse; ensure the IG investigative activities were coordinated with the Department of Justice's Hurricane Katrina Fraud Task Force; ensure agency stewardship plans for hurricane relief activities were in place and operating as intended; and ensure the IG community was executing its hurricane relief oversight efforts in a coordinated fashion so its resources were utilized efficiently and effectively.
 - Department of Homeland Security (Hurricane Katrina), 301 7th St SW, Washington, DC 20407, Michael Chertoff, (former) Secretary of Homeland Security, +1 202 552 5280
- ► Federal Emergency Management Agency (9/11) 2001 to 2003
 - Richard was responsible for all FEMA disaster funding (\$8.8 billion) associated with the 9/11 terrorist attacks.

- ► Federal Emergency Management Agency (9/11), 500 C St SW, Washington, DC 20472, Dave Paulison, (former) FEMA Director, +1 202 309 3427
- Department of Homeland Security FEMA (Hurricane lke)
 2008 to 2010
 - Richard was responsible for overseeing and conducting real time reviews and inspections of FEMA's Hurricane Ike response and recovery efforts.
 - Department of Homeland Security FEMA (Hurricane Ike), 500 C St SW,
 Washington, DC 20472, Dave Paulison, (former) FEMA Director, +1 202 309 3427

Professional qualifications

- ▶ Bachelor of Science, Fairmont State College, Fairmont, West Virginia
- Master of Public Administration, George Washington University, Washington, DC

Robert Reeves, CPA Partner +1 214 969 8875 robert.reeves@ey.com

Robert is a Partner in Ernst & Young's Claims practice. His focus is assisting clients with complex FEMA and insurance claims and other dispute-related services. His experience includes assisting clients to reach settlements on claims, including property and extra expense, along with working for insurance and reinsurance companies in arbitration and litigation matters. Robert brings more than 22 years experience providing clients with comprehensive financial and strategic advice to resolve complex claims and business disputes. He has also testified as an expert witness.

Robert spent the first six years of his career with Campos & Stratis, where he audited claims for insurance companies. While at Campos & Stratis, he worked closely with both adjusters and policyholders to resolve complex claims accounting issues. This experience working for insurance companies provided insight into the methods used to evaluate complex claims.

Selected previous experience in completing similar contracts

Memorial Hermann Healthcare System

- 2001 to 2011
- Robert served as the engagement partner for the Memorial Hermann Healthcare System contract to assist with the calculation and analysis of its FEMA and property claim assembly, extra expense, and business interruption due to Tropical Storm Allison and Hurricane Ike.
- Memorial Hermann Healthcare System, 2626 West Sam Houston Parkway N.,
 Houston, TX 77043, Susie Ecklund, System Executive-Financial Management, +1
 713 448 4155
- Mercy Health

2011 to present

- Robert served as the engagement partner for the Mercy Health contract to assist with the calculation and analysis of its FEMA and property claim assembly, hazard mitigation grant assistance, and alternate grant funding assistance.
- Mercy Health, 14528 South Outer Forty Road, Suite 100, Chesterfield, MO 63017, Stephanie King, VP Finance, +1 314 628 3693

Professional qualifications

- Certified Public Accountant
- ► Bachelor's degree in Accounting, Texas Christian University
- American Institute of Certified Public Accountants
- Associate member of the Risk and Insurance Management Society (RIMS).
- ► Contributing author of the Business Interruption Book: Coverage, Claims and Recovery, published in 2004 by The National Underwriter Company
- Frequent speaker on insurance claim related topics, including presentations at several national RIMS conventions and local RIMS chapter meetings

Michael (Mike) Herman Senior Manager +1 202 327 6189 Michael.herman@ey.com

Prior to his tenure at EY, Michael had over 20 years of providing policy and strategic analysis and guidance to government agencies, non-profit organizations, trade associations and businesses. His primary focus has been on policy, legislative and grant issues, including audits and investigations.

From 2007 to 2011, Michael served as Senior Counsel for the Emergency Management Subcommittee of the U.S. House of Representatives, Committee on Transportation and Infrastructure. In this capacity he prepared and served as Counsel for 25 hearings on FEMA's programs including the Public Assistance program, the Individual Assistance program, hazard mitigation programs, the National Flood Insurance program, and HUD's disaster programs. This also included numerous hearings on the recovery from Hurricane Katrina and Hurricane Ike.

Michael served at FEMA from 1995 to 2007, where he was deployed as a Field Attorney to numerous disasters from the Virgin Islands to Wasilla, Alaska; worked with all three National Emergency Response Teams (ERT-N); and served on both National Response Coordination Center (NRCC) Teams. In addition to leading the Legislative Regulatory and Policy Team in FEMA's Office of General Counsel, Michael provided legal counsel to program officials throughout the Agency, including the Public Assistance program the Individual Assistance Program, the Hazard Mitigation Grant Program, the National Flood Insurance Program (NFIP), and the Disaster Declaration Unit. He also managed FEMA's disaster deployed attorneys.

Michael also worked as an attorney and policy analyst in emergency management at the State and Federal level. He was involved in the response to and the recovery from disasters that included: "the Perfect Storm" in 1991, both the 1993 and 2001 World Trade Center attacks and Hurricane Katrina.

Selected previous experience in completing similar contracts

- ► US House of Representatives Transportation & Infrastructure Committee, Emergency Management Subcommittee (Hurricane Katrina) 2007 to 2011
 - Michael drafted legislation, conducted oversight and investigations of Hurricane Katrina recovery and mitigation programs of FEMA and the Department of Housing and Urban Development (HUD). Additionally, Michael developed and led Congressional staff field investigations of HUD and FEMA recovery activities, and prepared numerous Congressional hearings on Hurricane Katrina recovery and mitigation grants and activities and served as Counsel for those hearings.
 - US House of Representatives Transportation & Infrastructure Committee, Emergency Management Subcommittee (Hurricane Katrina), Susan F. Brita, Deputy Administrator General Services Administration, +1 202 501 1226
- ► Federal Emergency Management Agency (9/11) 2001 to 2007

- Michael provided counsel to FEMA emergency response teams and Senior Agency officials in the immediate aftermath of the attacks related to all aspects of Agency programs and operations, reviewed all draft legislation related to the response and recovery from 9/11 attacks, and prepared witnesses for Congressional hearings and investigations. He also served as lead regulatory attorney for the rulemaking in 2002 on major changes to the Individual Assistance program.
- Federal Emergency Management (9/11), 500 C St SW, Washington, DC 20472, Dave Paulison, (former) FEMA Director, +1 202 309 3427
- US House of Representatives Transportation & Infrastructure Committee, Emergency Management Subcommittee (Hurricane Ike)
 2008 to 2011
 - Michael conducted oversight and investigations of activities of FEMA and the Department of Housing and Urban Development (HUD) in the aftermath of Hurricane Ike. He developed and led Congressional staff field investigations of HUD and FEMA recovery activities, and prepared several Congressional hearings on Hurricane Ike recovery and served as Counsel for those hearings.
 - ► US House of Representatives Transportation & Infrastructure Committee, Emergency Management Subcommittee (Hurricane Ike), Susan F. Brita, Deputy Administrator General Services Administration, +1 202 501 1226
- ► State of Florida Division of Emergency Management (Hurricane Ivan) 2012 to 2012
 - Michael provided advice and support to Florida Division of Emergency Management, in response to an audit by the Department of Homeland Security Office of Inspector General for a FEMA Hazard Mitigation Grant Program grant for mitigation activities after Hurricane Ivan, and successfully responded to all findings in the audit.
 - State of Florida Division of Emergency Management (Hurricane Ivan), 2555
 Shumard Oak Boulevard, Tallahassee, Florida 32399, Miles E. Anderson, Chief, Bureau of Mitigation State Hazard Mitigation Officer, +1 850 413 9816
- Association of State Floodplain Managers (ASFPM)
 2012 to 2012
 - Michael conducted a review of disaster recovery and mitigation programs of a number of Federal agencies, including the Federal Emergency Management Agency, the United States Army Corps of Engineers, the United States Small Business Administration and the United States Department of Transportation.
 - Association of State Floodplain Mangers (ASFPM), 575 D'Onofrio Drive, Suite
 200, Madison, WI 53719, Chad Berginnis, Executive Director, +1 608 271 0123

Professional qualifications

- Bachelor of Arts in Political Science, Rutgers University
- Master of Arts in Political Science/Public Policy, Rutgers University
- Juris Doctorate, Rutgers University School of Law
- International Association of Emergency Managers



David J. Milkosky, CPA Partner +1 732 516 4225 david.milkosky@ev.com

David is the Partner in charge of Ernst & Young's Northeast Area public sector practice, coordinating Partner for the State of New Jersey, and has

been with the firm for more than 30 years. During this time, he has served our most prominent public sector clients, including large state agencies, cities and counties.

He is the Partner in charge of all services rendered to the New York Power Authority, Morris Energy Corporation, AES Red Oak, LLC, New York City Housing Development Corporation, New York Economic Development Corporation, the City of New York Department of Education, New Jersey Turnpike Authority, New Jersey Transit Corporation, Middlesex County College, Essex County College, St. Peter's College, Suffolk County Community College, Suffolk County, State of New Jersey Division of Investment, State of New Jersey Division of Pensions, New Jersey Economic Development Authority, the US Virgin Islands and the Commonwealth of Puerto Rico.

He is the Partner in charge of all financial advisory services performed for the Middlesex County, Hudson County, Monmouth County and Union County Improvement Authorities.

He is also the Partner in charge of work performed for the New Jersey Department of Community Affairs in developing uniform accounting and financial manuals for New Jersey Authorities in their conversion to GAAP.

Selected previous experience in completing similar contracts

- New Jersey Economic Development Authority
- 1978 to present
- Dave served as the Partner in charge and was responsible for the overall completion of the audit as well as other required services.
- New Jersey Economic Development Authority, Greg Ritz, Chief Financial Officer, West State Street, Trenton, NJ 08625, 609-858-6994, gritz@njeda.com
- New Jersey Transit Corporation

- 1992 to present
- Dave served as the Partner in charge and was responsible for the overall completion of the audit as well as other required services. In connection with our professional services provided to New Jersey Transit Corporation, we audit five defined benefit plans and seven defined contribution plans. The aggregate amount of net assets for these plans exceeds \$1.5 billion.
- New Jersey Transit Corporation, Fred D'Ascoli, Deputy CFO and Controller, One Penn Plaza East, Newark, NJ 07105-2246, 973-491-7623, fdascoli@njtransit.com
- New York City Housing Authority

- 2005 to present
- Dave served as the Partner in charge and was responsible for the overall completion of the audit as well as other required services.
- New York City Housing Authority, Brenda Keating, Director of Audit, 250 Broadway, New York, NY, 10007, 212-306-3433, <u>brenda.keating@nycha.nyc.gov</u>

- New York City Department of Education
- 2000 to present
- ► For The New York City Department of Education engagement Dave serves as Partner and coordinates all internal audit services to the Department. Such work entails auditing the Department's numerous grant programs.

Professional qualifications

- ► Bachelor of Science degree, with highest honors, from the Boston College Carroll School of Management
- Certified Public Accountant in NJ, NY, MA and CT
- Member of the American Institute of Certified Public Accountants and the New Jersey Society of Certified Public Accountants
- Served on the New Jersey Governor's Financing Strategies Task Force and is a former member of the Board of Directors for the Association of Environmental Authorities.

Randy Nelson, CPA Executive Director +1 732 516 4340 randy.nelson@ey.com

Randy Nelson, an Executive Director in Ernst & Young's Metro New York Area Public Sector Practice, has more than 35 years of experience providing accounting, auditing and governmental consulting services to a number of public sector entities. Randy has been actively involved with state and local authorities, counties, municipalities and school districts, with total assets ranging from \$1 million to \$4 billion.

Selected previous experience in completing similar contracts

- New Jersey Economic Development Authority
- 1978 to present
- Randy served as the engagement executive director and was responsible for the overall completion of the audit as well as other required services.
- New Jersey Economic Development Authority, Greg Ritz, Chief Financial Officer, West State Street, Trenton, NJ 08625, 609-858-6994, gritz@njeda.com
- New Jersey Transit Corporation

- 1992 to present
- Randy served as the engagement executive director and was responsible for the overall completion of the audit as well as other required services. In connection with our professional services provided to New Jersey Transit Corporation, we audit five defined benefit plans and seven defined contribution plans. The aggregate amount of net assets for these plans exceeds \$1.5 billion.
- New Jersey Transit Corporation, Fred D'Ascoli, Deputy CFO and Controller, One Penn Plaza East, Newark, NJ 07105-2246, 973-491-7623, fdascoli@njtransit.com
- New York City Housing Development Corp.
- 1999 to present
- Randy served as the engagement executive director and was responsible for the overall completion of the audit as well as other required services.
- New York City Housing Development, Cathleen Bauman, Treasurer, 110 William Street, New York, NY, 10038, 212-227-9681, cbaumann@nychdc.com

Professional qualifications

- Certified Public Accountant in New Jersey and New York and a Registered Municipal Accountant
- M.B.A., Accounting and Taxation, Fairleigh Dickinson University; B.S., Accounting, William Paterson University
- Past Chairman of the Committee on Governmental Accounting and Auditing of the New Jersey Society of CPAs
- Member of Executive Committee of the NY/NJ Intergovernmental Audit Forum
- Member, New York and New Jersey Society of Certified Public Accountants, American Institute of Certified Public Accountants and Board of Examiners for the Municipal Finance Officers Certificate Program in the State of New Jersey

Louis Roberts, CPA Senior Manager +1 732 516 4669 louis.roberts@ey.com

Lou is a Senior Manager with the Northeast Area Public Sector practice. He has more than 18 years of experience providing accounting, auditing and governmental consulting services to public sector entities. As part of his responsibilities on this engagement Lou will assist in the planning, coordination and execution of the engagement.

Selected previous experience in completing similar contracts

New Jersey Transit Corporation

- 1992 to present
- Louis served as the senior manager and was responsible for the planning, coordination and execution of the day-to-day field work and other audit activities in connection with the audit. In connection with our professional services provided to New Jersey Transit Corporation, we audit five defined benefit plans and seven defined contribution plans. The aggregate amount of net assets for these plans exceeds \$1.5 billion.
- New Jersey Transit Corporation, Fred D'Ascoli, Deputy CFO and Controller, One Penn Plaza East, Newark, NJ 07105-2246, 973-491-7623, fdascoli@njtransit.com
- New York Homes and Community Renewal
- 2010 to present
- Louis served as the senior manager and was responsible for the planning, coordination and execution of the day-to-day field work and other audit activities in connection with the audit.
- New York Homes and Community Renewal, Gary Weinstock, Controller, 641 Lexington Avenue, New York, NY 10036, 212-872-0565, gweinstock@nyshcr.org
- New York City Housing Authority

- 2005 to present
- Louis served as the senior manager and was responsible for the planning, coordination and execution of the day-to-day field work and other audit activities in connection with the audit.
- New York City Housing Authority, Brenda Keating, Director of Audit, 250 Broadway, New York, NY, 10007, 212-306-3433, brenda.keating@nycha.nyc.gov

Professional qualifications

- Certified Public Accountant in New Jersey, New York, Massachusetts and Connecticut, a Registered Municipal Accountant, a Licensed Public School Accountant and a Certified Municipal Finance Officer
- B.S., Accounting, Rutgers University
- Member of the American Institute of CPAs, Government Finance Officers Association, the New Jersey Society of CPAs and is a trustee for the Registered Municipal Accountants Association

Nigel Henley Senior Manager +1 214 969 8627 nigel.henley@ey.com

Nigel is a Senior Manager in Ernst & Young's Claims practice, specializes in assisting and advising clients with the preparation, presentation, and settlement of large FEMA, property damage and extra expense claims. He has more than 25 years of experience in the commercial property insurance industry, including 16 years as a claims manager and adjuster. Nigel's prior experience as a claims manager and adjuster allows him to anticipate and develop creative solutions to complex loss measurement issues.

Selected previous experience in completing similar contracts

Mercy Health

- 2011 to present
- Nigel served as senior manager for the Mercy Health contract to assist with the calculation and analysis of its FEMA and property claim assembly, hazard mitigation grant assistance, and alternate grant funding assistance.
- Mercy Health, 14528 South Outer Forty Road, Suite 100, Chesterfield, MO 63017, Stephanie King, VP Finance, +1 314 628 3693

Professional qualifications

▶ B.S. in Mechanical Engineering at Texas A&M University

Bradley (BJ) Nichols, CPA, CFE Senior Manager +1 202 327 8719 bradley.nichols@ey.com

Bradley Nichols is a Senior Manager in Ernst & Young's Claims practice. His focus is in assisting and advising clients with the preparation, presentation, and settlement of large FEMA, property damage and extra expense claims. Mr. Nichols has assisted companies with the preparation, presentation, and settlement of their claims resulting from catastrophic Hurricanes, tornadoes, earthquakes, fires, floods, and other catastrophes. His experience in the above areas includes both public and private companies in various industries. He has had the opportunity to work closely with policyholders, adjusters, and attorneys in the resolution of these complex claims. Additionally, he has assisted numerous subgrantees with their successful recovery of FEMA and other public assistance funds.

Selected previous experience in completing similar contracts

Memorial Hermann Healthcare System

- 2001 to 2011
- Bradley served as senior manager for the Memorial Hermann Healthcare System contract to assist with the calculation and analysis of its FEMA and property claim assembly, extra expense, and business interruption due to Tropical Storm Allison and Hurricane Ike.
- Memorial Hermann Healthcare System, 2626 West Sam Houston Parkway N., Houston, TX 77043, Susie Ecklund, System Executive-Financial Management, +1 713 448 4155
- Mercy Health

2011 to present

- Bradley served as senior manager for the Mercy Health contract to assist with the calculation and analysis of its FEMA and property claim assembly, hazard mitigation grant assistance, and alternate grant funding assistance.
- Mercy Health, 14528 South Outer Forty Road, Suite 100, Chesterfield, MO 63017, Stephanie King, VP Finance, +1 314 628 3693
- General Motors

2003 to 2012

- Bradley served as senior manager on the General Motors contract. These services included assisting with the preparation of the clients' property damage, business interruption and extra expense insurance claims resulting from tornados and a fire.
- General Motors, 300 Renaissance Center, Detroit, MI 48243, AI Gier, Director of Global Risk Management & Insurance, + 1 313 665 3452
- Procter & Gamble

2005 to 2008

Bradley served as senior manager on the Procter & Gamble contract. These services included assisting with the preparation of the clients' property damage, business interruption and extra expense insurance claims resulting from numerous disasters around the globe such as tornadoes, fires, floods, and hurricanes.

 Procter & Gamble, One Procter & Gamble Plaza, Cincinnati, OH 45202, Chris Gallagher, Director of Global Risk Management, +1 513 983 5013

Professional qualifications

- Certified Public Accountant (CPA)
- M.B.A. from Babson College, Summa Cum Laude
- ▶ B.A. from Luther College, Cum Laude
- ► Certified Fraud Examiner (CFE)

Jill E. Powell, CFE Senior Manager +1 312 879 4683 jill.powell@ey.com

Jill Powell is a Senior Manager in Ernst & Young's Claims practice in Chicago, Illinois. The focus of Ms. Powell's practice is complex insurance claims and dispute-related services. She has experience in managing complex insurance and litigation claims and the quantum of financial and economic damages as a result of business interruption, property damage and catastrophic loss, including the calculation, documentation, and successful recovery of FEMA and other public assistance funds.

Prior to joining Ernst & Young, Ms. Powell spent four years working in Arthur Andersen's Value Solutions group and two years at a smaller accounting firm focusing primarily on litigation, forensic accounting, and business valuation. Throughout her career, Ms. Powell has had experience on a variety of engagements, including: business valuation, lost profits analyses, forensic accounting, strategic advising and complex insurance claims.

Ms. Powell has developed and delivered presentations and taught training courses on a variety of topics including: lost profits and business interruption claims and mitigating loss in complex insurance claims.

Selected previous experience in completing similar contracts

Mercy Health

- 2011 to present
- ▶ Jill served as an engagement Senior Manager for the Mercy Health contract to assist with the calculation and analysis of its FEMA and property claim assembly, hazard mitigation grant assistance, and alternate grant funding assistance.
- Mercy Health, 14528 South Outer Forty Road, Suite 100, Chesterfield, MO 63017, Stephanie King, VP Finance, +1 314 628 3693

Professional qualifications

- ▶ B.S. from Boston College
- Member of the Association of Certified Fraud Examiners
- Associate Member of the Risk and Insurance Management Society (RIMS)

Brad McCloskey, CPA Senior Manager + 1 214 969 9563 brad.mccloskey@ey.com

Brad is a Senior Manager in Ernst & Young's Claims practice. The focus of Brad's experience is complex FEMA and insurance claims. He has assisted numerous clients on FEMA and insurance claims resulting from disasters such as the Japan Tohoku Earthquake, the September 11th terrorist attacks, hurricanes, tornadoes, floods and other catastrophes.

Selected previous experience in completing similar contracts

Columbus Regional Hospital

- 2008 to present
- Brad served as the senior manager for Columbus Regional Hospital to assist with the calculation and analysis of its FEMA and property claim assembly, hazard mitigation grant assistance, and alternate grant funding assistance.
- Columbus Regional Hospital, 2400 E. 17th Street, Columbus, IN 47201, Marlene Weatherwax, Chief Financial Officer, +1 812 376 5205
- Department of Homeland Security (Cerro Grande)2000 to 2002
 - Brad served as the manager on the Department of Homeland Security (Cerro Grande) contract that consisted of assisting FEMA with the review, scrutiny and quantification of more than 13,000 residential, small business, governmental and native American-Indian tribe claims resulting from a government "controlled burn" that destroyed thousands of homes and businesses, a national forest and native American-Indian lands. The claims, which totaled in excess of \$550 million+, ranged from real and personal property claims to more complex issues such as allegations of real estate devaluation, claimants seeking reimbursement for future flood insurance premiums and claims for specialized and unique personal property. In addition, assisted FEMA to estimate, for accounting reporting purposes, the total liability that the government faced as a result of the claims, and our estimate came within 0.5% of the total funds (\$550 million+) ultimately paid out.
 - Department of Homeland Security (Cerro Grande), 1101 Vermont Avenue NW, Washington, DC 20005, Kaye McTighe, Division Director – Emergency Management Oversight, +1 202 254 4216
- General Motors

2003 to 2012

- Brad served as senior manager on the General Motors contract that included assisting with the preparation of the clients' property damage, business interruption and extra expense insurance claims resulting from numerous disasters around the globe such as tornadoes, fires, floods, and hurricanes.
- General Motors, 300 Renaissance Center, Detroit, MI 48243, AI Gier, Director of Global Risk Management & Insurance, + 1 313 665 3452
- Procter & Gamble

2005 to 2008

 Brad served as senior manager on the Procter & Gamble contract. These services included assisting with the preparation of the clients' property damage, business

- interruption and extra expense insurance claims resulting from numerous disasters around the globe such as tornadoes, fires, floods, and hurricanes.
- Procter & Gamble, One Procter & Gamble Plaza, Cincinnati, OH 45202, Chris Gallagher, Director of Global Risk Management, +1 513 983 5013

Professional qualifications

- Certified Public Accountant
- American Institute of Certified Public Accountants
- ► Texas Society of Public Accountants
- Risk and Insurance Management Society

Francine C. Barone, CFE Senior +1 212 773 4025 Francine.Barone@ey.com

Francine Barone is a Senior in the Fraud Investigation & Dispute Services practice in the New York office. She is a Certified Fraud Examiner. Prior to her joining the firm, she spent six years with the Federal Government as a Forensic Auditor. During those years she has worked on Money Laundering Investigations, Intellectual Property Rights Investigations, Anti-Fraud Importation Investigations, FEMA compliance audits and import/export compliance audits.

Francine was responsible for conducting FEMA audits as part of the Department of Homeland Security Inspector General Office - Emergency Management Oversight Division. This included conducting an audit in accordance with a Presidential Executive Order to determine the effectiveness of FEMA's central claims website DisasterAssistance.gov and its ability to effectively intake and process all claims. She assessed and determined any waste, fraud and abuse of claims intake and improper payments, interviewed FEMA personnel regarding the agency's ability to intake and process claims timely and accurately as well as the ability to work with partner agencies also involved in disaster claims intake (i.e. USDA, HUD, DOL, DOJ), and attended Congressional Hearings pertinent to the audit. Additionally, Francine developed and maintained audit program, work papers and composed a final audit report.

Professional qualifications

- Bachelor of Science in Business Administration: Accounting and Finance, Boston University
- Certified Fraud Examiner by the ACFE
- Association of Certified Fraud Examiners

Vincent M. Walden, CPA, CFE Partner +1 212-773-3643 vincent.walden@ev.com

Vincent Walden is a Partner specializing in forensic technology, business intelligence and fraud detection analytics. Vincent leads a national team of skilled forensic technology and data mining professionals. With a focus on anti-fraud analytics, forensic data mining, third party due diligence and electronic discovery services, Vincent has over fifteen years of experience handling the information management, forensic analysis and electronic discovery needs for large scale, complex litigations, investigations and proactive anti-fraud and compliance programs. Vincent is experienced with providing clients leading anti-fraud based innovation, research and analytics, including, anti-bribery & corruption analytics, Fraud Triangle analytics, text data mining, and statistical anomaly detection.

Prior to joining Ernst & Young, Mr. Walden spent five years specializing in litigation technology supporting investigative and legal matters at another Big Four firm. Before that, he served as president and CFO of a privately funded Internet company, which was subsequently sold as well as a large accounting firm specializing in economic and dispute advisory services.

Professional qualifications

- ► Bachelor of Science Business Administration from the University of Southern California (USC) in Los Angeles, CA (Cum Laude)
- Certified Fraud Examiner (CFE)
- Certified Public Accountant (CPA), licensed in New York, Texas and California
- Certified Information Technology Professional (AICPA designation)
- Six Sigma Green Belt
- Association of Certified Fraud Examiners
- American Institute of Certified Public Accountants
- Institute of Internal Auditors



Gary Barard, CIA
Subject Matter Expert
+1 1212 773 0205
gary.barard@ey.com

Gary has over forty years of audit and management experience in the Federal Government. While working for the DHS Office of Inspector General, Gary served as Gulf Coast Audit Coordinator. He provided technical advice to OIG Headquarters management on Hurricane Katrina operations in Louisiana (LA) and Mississippi (MS); interviewed and recommended for hire new audit staff of 20 employees for Hurricane Katrina operations; reviewed, modified and approved select audit reports generated by the LA and MS staff; and performed several program evaluations of FEMA operations and recommended areas in need of improvement.

Additionally, Gary was the Director of the Atlanta Field Office under the DHS OIG. He managed and directed audits of DHS grant programs (disaster grants, first-responder grants, and others) throughout the United States and territories. Gary will serve as a subject matter resource to our team for matters related to FEMA operations and analysis of performance improvement areas.

Professional qualifications

- Woodrow Wilson College of Law, Atlanta, GA Juris Doctor 1979
- Cornell University, Ithaca, NY, Graduate School of Business Admin 1975-1976
- Dillard University, New Orleans, LA Bachelor of Arts in Accounting 1967
- Member, Georgia Bar Association
- Certified Internal Auditor (CIA)

René Enriquez, CPA
Executive Director, Mitchell & Titus
+ 1 201 806 7900
Rene.enriquez@mitchelltitus.ey.com

René is an Assurance Executive Director with Mitchell & Titus, LLP. René has more than 28 years of experience with Mitchell & Titus and Ernst & Young, and provides accounting, auditing, and financial advisory services to various governmental, public sector and not-for-profit organizations as well as companies in other industries.

René has provided consulting and financial advisory services to governmental agencies, including assistance with development and/or review of capital financing plans, issuance of different types of public financing, and utility rate making, investigation, and structuring; and privatization of the operations of water and sewer utility services. Additional experience includes financial statement and single audits, in accordance with OMB Circular A-133, of local governments, school districts, higher education, and not-for-profit organizations.

His not-for-profit clients consist of organizations involved in open society development, health and social services and local community development. Some of these organizations require financial and single audits performed in accordance with the Government Auditing Standards and OMB Circular A-133.

Professional qualifications

- ▶ B.S. in Commerce, majoring in Accounting, at the Polytechnic University of the Philippines, graduated with honors
- Recipient of the Elijah Sells Award and Arthur Young Foundation Recognition for his academic achievement in the November 1988
- Certified Public Accountant in various states
- American Institute of Certified Public Accountants
- New York State Society of Certified Public Accountants

Kia Buckner, CPA Senior Manager, Mitchell & Titus + 1 215 825 8012 kia.buckner@mitchelltitus.ey.com

Kia Buckner is an Audit Senior Manager in the Philadelphia office of Mitchell & Titus, with more than 15 years of audit experience with Mitchell & Titus and Ernst & Young. Kia currently serves a diversified base, religious institutions, private and charter schools, foundations and commercial real estate and community-based healthcare organizations.

Her responsibilities include planning and developing audit strategies, directing the performance of financial and compliance audits, and providing Advisory services in connection with quality assurance and internal control process assessments.

Kia has taught courses on governance to members of the firm, as well as within the Greater Philadelphia Government and Not-for-Profit sectors. She has also trained Mitchell & Titus staff on internal controls and accounting and auditing research techniques.

Professional qualifications

- ► B.S. in Accounting from North Carolina A&T State University (magna cum laude)
- Certified Public Accountant in Pennsylvania and various states
- American Institute of Certified Public Accountants
- Pennsylvania Institute of Certified Public Accountants
- National Association of Black Accountants
- Greater Philadelphia Chamber of Commerce

Amy Wong, CPA Manager +1 732 516 4388 amy.wong1@ey.com

Amy Wong is a Manager with Ernst & Young's Northeast Area Public Sector Practice and has six years of experience providing audit services to various public sector entities throughout the Metro New York area. Amy's clients have included state authorities, counties, municipalities, school districts and hospitals.

Selected previous experience in completing similar contracts

- New Jersey Schools Development Authority
- 2006 to present
- Amy served as the manager on the New Jersey Schools Development Authority contract and was responsible for the managing of field work execution and other audit activities in connection with the Single Audit.
- New Jersey Schools Development Authority, Donald Guarriello, Vice President & CFO, 1 West State Street, PO Box 991, Trenton, NJ, 609-633-9737

Professional qualifications

- ► B.S., Accounting, Rutgers University
- Certified Public Accountant in New Jersey

Experience of bidder on similar contracts

(Covers Pool 1, Pool 2, and Pool 3)

EY has one of the largest Public Sector Practices in the profession; annually, we serve hundreds of public sector audit and financial advisory clients. Included on this list are some of the largest and most prominent Federal, State, and local governments, their departments, special districts, and authorities. Some of these are groups as large as the U.S. Postal Service, with its 700,000 employees, 40,000 branches, and annual revenues exceeding \$58 billion. At the Federal level, we have performed one or more services for nearly every major division or department, e.g., U.S. Department of Education, the Department of Homeland Security, the Health Care Financing Administration, Centers for Disease Control and Prevention, and the Patent and Trademark Office. We have served some of the most varied, complex, and prestigious public sector organizations in the world. EY has conducted audits for half of the states whose activities are audited by independent auditors (including Ohio, Pennsylvania, Maryland, Maine, New Hampshire, Vermont, Delaware, Hawaii, and West Virginia).

Our Metro New Jersey/New York Area public sector practice

Viewed from the outside, the similarities between one public accounting firm and another may seem more striking than the differences. All of the major professional services firms provide essentially the same kinds of financial services, each enjoys a large and diverse clientele, and most of them can point to an impressive record of growth. On closer examination however, there are certain characteristics that distinguish EY from other public accounting firms. The most important of these characteristics is that EY has dedicated a number of its top public sector professionals to providing services to the Metro New Jersey/New York Area Public Sector.

Our Public Sector Practice is composed of more than 50 professionals skilled in the auditing, accounting, and budgeting methods, systems, and controls that are currently utilized by State and local governments. Our professionals have years of experience with the systems, programs, and issues of the public sector.

Accordingly, they keep close tabs on the industry they serve through a variety of professional networks, ensuring that their advice to you will be both timely and relevant. They work closely with standard-setting and professional organizations, such as the Governmental Accounting Standards Board; Government Finance Officers Association; National Association of State Auditors, Comptrollers and Treasurers; Council of State Governments; Association of Government Accountants; Intergovernmental Audit Forum and Joint Financial Management Improvement Program; and the American Institute of Certified Public Accountants.

Our Public Sector Practice and the commitment and involvement of our leaders are your assurance that the knowledge available to you is always state-of-the-art. But, equally important, our professionals can do more than respond to your needs—they can anticipate them. Throughout many proposals you hear a lot about commitment and dedication. To test the sincerity of that commitment and dedication, we encourage you to look at the top leadership that we have assigned to this engagement: Matt Jadacki, former CFO of FEMA

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and former Assistant Inspector General for Emergency Management Oversight with the Department of Homeland Security, Allen Melton, who is our Americas Leader for EY's Claims Services practice, and Dave Milkosky, who leads our Metro New Jersey/New York Area Public Sector Practice, comprise a seasoned group of exceptional professionals that has been committed to providing services to the public sector in this area for many years.

EY's Metro New Jersey/New York Area Public Sector Practice, which is located in New Jersey, utilizes a creative business-minded approach to client service, rather than implementing standardized approaches or pre-packaged solutions. As a result, we have built one of the largest governmental practices in the country and have established a list of prestigious public sector clients.

Our dedication to the State of New Jersey reaches even beyond technical expertise to the highest levels of leadership in EY. EY Global Chairman, Mark Weinberger; Northeast Area Managing Partner, Scott Halliday; and New Jersey Office Managing Partner, Carolyn Slaski, are all committed to our successful completion of these engagements. For the State of New Jersey, that commitment translates into resources and responsiveness.

Following is a representative list of clients that we currently or have recently served in the Metro New Jersey/New York Area:

- New Jersey Division of Investment
- New Jersey Economic Development Authority
- ► New Jersey Transit Corporation
- New Jersey Educational Facilities Authority
- New Jersey Schools Development Authority
- New York City Housing Authority
- New York City School Construction Authority

- State of New York Housing and Community Renewal
- New York City Department of Education
- New York City Economic Development Corporation
- New York City Housing Development Corporation
- New Jersey Housing & Mortgage Finance Agency

Why we are different:

- Focused disaster management practice designed specifically for FEMA matters
- Our engagement Program Manager, Matt Jadacki, has extensive experience in managing large-scale, complex disaster programs
- Our team consists of dedicated senior staff with more than 50 years experience in FEMA disaster operations, grants management, acquisition management, and financial management
- Our team is capable of managing each task identified in the State of New Jersey's RFQ Scope of Services, thereby minimizing risks and the time to complete each task
- Over 2,100 professionals housed in New Jersey as well as Nationally supported practice with extensive experience supporting State and local governments
- Management approach is structured, yet scalable and flexible, to meet the State of New Jersey's requirements in an expedient manner
- ► Former DHS Inspector General is part of our engagement team

The following is a selection of contracts of similar size and scope performed by members of our proposed engagement team for the State of New Jersey.

Mercy Health

Address:	14528 South Outer Forty Road, Suite 100, Chesterfield, MO 63017
Industry / business:	Healthcare
Contact:	Stephanie King, VP Finance, +1 314 628 3693
	Randy Combs, Executive Vice President, Strategic Growth & CFO, +1 314 628 3607
Scope of work:	Joplin Tornado, FEMA and property claim assembly, hazard mitigation assistance, alternate funding identification and assessment, extra expense and business interruption claims. Contract Period: May 2011 to Present
Individuals assigned to this engagement and the State's team	Robert Reeves, Matt Jadacki, Nigel Henley, Bradley Nichols, and Jill Powell

Department of Homeland Security / US House of Representatives Transportation & Infrastructure Committee, Emergency Management Subcommittee (Hurricane Katrina)

Address:	301 7th St SW, Washington, DC 20407
Industry / business:	Public Sector
Contact:	Michael Chertoff, (former) Secretary of Homeland Security, +1 202 552 5280 Susan F. Brita, Deputy Administrator General Services Administration, +1 202 501 1226
Scope of work:	Hurricane Katrina, (Matt, Richard, Gary, and Francine) ensure that agency internal controls were in place to prevent fraud, waste, and abuse; ensure the IG investigative activities were coordinated with the Department of Justice's Hurricane Katrina Fraud Task Force; ensure agency stewardship plans for hurricane relief activities were in place and operating as intended; and ensure the IG community was executing its hurricane relief oversight efforts in a coordinated fashion so its resources were utilized efficiently and effectively. Contract Period: October 2005 to October 2008. (Michael) Drafted legislation, conducted oversight and investigations of
	Hurricane Katrina recovery and mitigation programs of FEMA and the Department of Housing and Urban Development (HUD), developed and led Congressional staff field investigation of HUD and FEMA recovery activities, and prepared numerous Congressional hearings on Hurricane Katrina recovery and mitigation grants and activities and served as Counsel for those hearings. Contract Period: January 2007 to January 2011
Individuals assigned to this engagement and the State's team	Matt Jadacki, Richard Skinner, Gary Barard, and Michael Herman

New Jersey Transit Corporation

Address:	One Penn Plaza East, Newark, NJ 07105-2246
Industry / business:	Special Purpose Government-Transportation
Contact:	Fred D'Ascoli, Deputy CFO & Controller, +1 973 491 7623 Patricia Smith, Senior Director of Financial Reporting, +1 973 491 7616
Scope of work:	Annual financial statement audit services, OMB A-133 Single Audit, Section 15 Reporting, pension plan audits, which include alternative investments and other special projects; Audit Period: 1993 to Present
Individuals assigned to this engagement and the State's team	David Milkosky, Randy Nelson, and Louis Roberts

Department of Homeland Security (Cerro Grande Fire)

Address:	1101 Vermont Avenue NW, Washington, DC 20005
Industry / business:	Public Sector
Contact:	Kaye McTighe, Division Director - Emergency Management Oversight, +1 202 254 4216
	Greg Teets, (former) Director of Disaster Finance Center (FEMA), +1 540 504 8550
Scope of work:	Cerro Grande Fire, Los Alamos, New Mexico. Assisted FEMA with the review, scrutiny and quantification of more than 13,000 residential, small business, governmental and native American-Indian tribe claims resulting from a government "controlled burn" that destroyed thousands of homes and businesses, a national forest and native American-Indian lands. The claims, which totaled in excess of \$550 million+, ranged from real and personal property claims to more complex issues such as allegations of real estate devaluation, claimants seeking reimbursement for future flood insurance premiums and claims for specialized and unique personal property. In addition, assisted FEMA to estimate, for accounting reporting purposes, the total liability that the government faced as a result of the claims, and our estimate came within 0.5% of the total funds (\$550 million+) ultimately paid out. Contract Period: May 2000 to August 2002
Individuals assigned to this engagement and the State's team	Allen Melton and Brad McCloskey

Columbus Regional Hospital

Address:	2400 E. 17th Street, Columbus, IN 47201
Industry / business:	Healthcare
Contact:	Marlene Weatherwax, Chief Financial Officer, +1 812 376 5205 Doug Sabotin, +1 812 379 4441
Scope of work:	FEMA and property claim assembly, hazard mitigation grant assistance, and alternate grant funding assistance. Contract Period: June 2008 to Present
Individuals assigned to this engagement and the State's team	Allen Melton, Brad McCloskey, Matt Jadacki, and Gary Barard

Federal Emergency Management Agency (9/11)

Address:	500 C St SW, Washington, DC 20472
Industry / business:	Public Sector
Contact:	Dave Paulison, (former) FEMA Director , +1 202 309 3427
	Mark McLachlan, (former) Deputy Assistant Inspector General for Emergency Management Oversight, +1 202 359 2555
Scope of work:	9/11, (Matt & Richard) were responsible for all FEMA disaster funding (\$8.8 billion) associated with the 9/11 terrorist attacks. Contract Period: September 2001 to March 2003.
	(Michael) provided counsel to FEMA emergency response teams and Senior Agency officials in the immediate aftermath of the attacks related to all aspects of Agency programs and operations, reviewed all draft legislation related to the response and recovery from 9/11 attacks, and prepared witnesses for Congressional hearings and investigations. Contract Period: September 2001 to January 2007
Individuals assigned to this engagement and the State's team	Matt Jadacki, Richard Skinner, and Michael Herman

Department of Homeland Security - FEMA / US House of Representatives Transportation & Infrastructure Committee, Emergency Management Subcommittee (Hurricane Ike)

Address:	500 C St SW, Washington, DC 20472		
Industry / business:	Public Sector		
Contact:	Dave Paulison, (former) FEMA Director , +1 202 309 3427		
	Susan F. Brita, Deputy Administrator General Services Administration, +1 202 501 1226		
Scope of work:	Hurricane Ike, (Matt & Richard) responsible for conducting real time reviews and inspections of FEMA's Hurricane Ike response and recovery efforts. Contract Period: September 2008 to September 2010.		
	(Michael) Conducted oversight and investigations of activities of FEMA and the Department of Housing and Urban Development (HUD) in the aftermath of Hurricane Ike, developed and led Congressional staff field investigation of HUD and FEMA recovery activities, and prepared several Congressional hearings on Hurricane Ike recovery and served as Counsel for those hearings. Contract Period: September 2008 to January 2011		
Individuals assigned to this engagement and the State's team	Matt Jadacki, Richard Skinner, and Michael Herman		

New York City Housing Authority

Address:	250 Broadway, New York, NY 10007
Industry / business:	Public Housing Authority
Contact:	Brenda Keating, Director of Internal Audit, +1 212 306 3433 Jeff Pagelson, Controller, +1 212 306 6679
Scope of work:	Annual financial statement audit services, OMB A-133 Single Audit and other special projects; Audit Period: 2007 to Present
Individuals assigned to this engagement and the State's team	David Milkosky, Louis Roberts, Randy Nelson, Robert Reeves, Nigel Henley, and Michael Herman

Memorial Hermann Healthcare system

Address:	2626 West Sam Houston Parkway N., Houston, TX 77043		
Industry / business:	Healthcare		
Contact:	Susie Ecklund, System Executive-Financial Management, +1 713 448 4155 Jeff Brownawell, Chief Revenue Officer, +1 713 222 2273		
Scope of work:	Tropical Storm Allison and Hurricane Ike, FEMA and property claim assembly, extra expense and business interruption claims. Contract Period: 2001 to 2011		
Individuals assigned to this engagement and the State's team	Robert Reeves and Bradley Nichols		

New Jersey Economic Development Authority

Address:	P.O. Box 990, 200 South Warren Street, Trenton, NJ 08625			
Industry / business:	Special Purpose Government-Economic Development Financing			
Contact:	Gregory Ritz, Chief Financial Officer, +1 609 292 1800 Richard LoCasio, Controller, +1 609 858 6709			
Scope of work:	Annual financial statement audit services, debt issuance procedures, debt compliance reports; Audit Period: 1980 to 2007 and 2010 to Present			
Individuals assigned to this engagement and the State's team	David Milkosky and Randy Nelson			

New Jersey Division of Investment

Address:	50 West State Street, Trenton, NJ 08625			
Industry / business:	Public Investment			
Contact:	Ainsley Reynolds, Director of Accounting, +1 609 984 4189			
	Susan Sarnowski, Director of Operations & Compliance Officer, +1 609 292 8869			
Scope of work:	Annual financial statement audit services, Audit Period: 2008 to Present			
Individuals assigned to this engagement and the State's team	David Milkosky, Randy Nelson, and Louis Roberts			

General Motors

Address:	300 Renaissance Center, Detroit, MI 48243
Industry / business:	Automotive
Contact:	Al Gier, Director of Global Risk Management & Insurance, + 1 313 665 3452 Frank Huyberts, Manager - Claims Administration, +1 313 665 3447
Scope of work:	Tornado, assisted with preparation of its property damage, business interruption and extra expense insurance claims. Contract Period: May 2003 to December 2012
Individuals assigned to this engagement and the State's team	Allen Melton, Robert Reeves, Brad McCloskey, and Bradley Nichols

Procter & Gamble

Address:	One Procter & Gamble Plaza, Cincinnati, OH 45202
Industry / business:	Consumer Products
Contact:	Chris Gallagher, Director of Global Risk Management, +1 513 983 5013 Maurice Lee, Product Supply Chain Director, +41 58 004 8101
Scope of work:	Tornado, assisted with preparation of property damage, business interruption and extra expense insurance claims, and assisted with a loss in their European Operations. Contract Period: September 2005 to January 2008
Individuals assigned to this engagement and the State's team	Allen Melton, Bradley Nichols, and Brad McCloskey

Additional experience of bidder

The engagement will be managed by Matt Jadacki. Mr. Jadacki is an Executive Director who joined EY after retiring from the Federal government after 30 years of service, the last 20 of which were directly related to FEMA and disaster related activities. In his most recent position as Assistant Inspector General in the DHS Office of Inspector General, Mr. Jadacki was responsible for overseeing all disaster assistance activities in DHS FEMA as well as other Federal agencies. He managed a proactive program of audits, internal control reviews, and inspections to ensure that disaster assistance funds were spent wisely and disaster programs were operating in an effective and efficient manner. Mr. Jadacki has conducted compliance and performance audits in almost every state, including New Jersey and FEMA Region II. He is well versed on the activities and issues surrounding the Federal, State, and local response and recovery activities related to these hurricanes. In addition, Mr. Jadacki has established and maintained a solid working relationship with FEMA, State, and local emergency management officials throughout the United States.

Members of our team have responded to and worked on recovery for both 1993 and 2001 World Trade Center attacks; oversaw response to and recovery from disasters in New Jersey, including October 1991, January 1992 and March 1993 coastal storms; developed and drafted New Jersey Executive Order 115 (1994) establishing State Hazard Mitigation Team, which is still currently in use; and served as Counsel for 25 Congressional hearings on Department of Homeland Security (DHS), Federal Emergency Management Agency.

FEMA provides for Hazard Mitigation Assistance Programs via several avenues. The most relevant are Section 406 Public Assistance Hazard Mitigation and 404 Hazard Mitigation Grant Program. Program funds are potentially available to the State and may be subject to a Benefits Cost Analysis by FEMA. It is important that the State begin discussions with FEMA early on in the reimbursement process to understand what funds will be available for hazard mitigation and FEMA is aware of the hazard mitigation proposals that the State would like to submit for consideration under the programs. Our team has worked extensively with applicants to develop and submit proposals to FEMA for these programs to mitigate future loss of life and property.

Commitment to Diversity & New Jersey Mitchell & Titus

EY is committed to the development of minority owned and small businesses. This commitment is demonstrated in part by our affiliation with Mitchell & Titus - the largest minority owned accounting firm in the country. EY has had many opportunities to support Mitchell & Titus across their business. EY will utilize Mitchell & Titus staff with appropriate skills in executing this project. This would not require separate contracting with the State of New Jersey, as Mitchell & Titus work would flow through our financial systems and be invoiced commonly with the EY time.

Mitchell & Titus is a member firm of Ernst & Young Global Limited, an organization consisting of separate member firms in 140 countries, including Ernst & Young LLP in the United States. As a member firm of Ernst & Young Global Limited, Mitchell & Titus follows our quality, risk management, and independence procedures. In addition, they have access to our leading technological resources, which enhances their efficiency and effectiveness in the delivery of services. As a member of the global organization, Mitchell & Titus has access to our network of other member firms around the world; this network can assist them in the delivery of services to clients with a similar global presence.

It is important to note that Mitchell & Titus' membership with Ernst & Young Global has not changed the ownership structure or leadership of the firm. Mitchell & Titus remains a minority business enterprise (MBE).

New Jersey Small Business Enterprises

In addition to EY's significant presence and employee base in the State of New Jersey, we are open to the use of qualified local subcontractors, consisting of New Jersey small business enterprises, dependant on the scope and need for each task order.

Global Talent Hub

In addition to the extensive resources located in the State of New Jersey, and through our Disaster Management Services practice and our public services practice, EY will also utilize the firm's Global Talent Hub (GTH). The GTH offers additional resources, with the same quality work, to provide assistance and analysis 24 hours a day, which will allow for a more efficient process of services.

Forensic Technology and Discovery Services Practice (FTDS)

EY's Forensics Data Analytics (FDA) platform utilizes an integrated approach that combines our deep industry expertise with advanced technology to build customizable data models that can represent and visualize data in a way that helps analysts ask and answer relevant questions. EY's data focused approach rapidly fuses disparate data sources and formats into sensible and intuitive views. These views can be used to trace the timing or flow of payments, communications, or other transactions and to make connections between seemingly unrelated entities or events. This integrated approach also helps to rapidly identify gaps, anomalies or areas requiring further reconciliation. Additionally, our industry leading FDA platform incorporates third party data integration, geospatial functionality, and provides a full range of decision support features and metrics.

EY's business intelligence and analytics reports summarize and visualize our findings for easy interpretation and review. Our customizable reporting framework allows for the quick and easy creation of both formal reports of findings and template based documents for required forms and filings. These features allow EY to communicate issues and create actionable improvement/remediation plans to help the State of New Jersey improve business performance, reduce unnecessary costs, and identify areas of risk throughout the grant process.

Disclosure

EY does not have any conflict of interest with the contractor providing services on State contract G-8034 Consulting: Disaster Recovery, or G-8037 Housing Strategy Advisor.

Financial capability of bidder

Ernst & Young US LLP is a limited liability partnership, and we do not distribute our financial statements to parties other than our partners, principals and lenders. However, the firm's size and strong track record of success provide compelling evidence of our having the financial resources needed to serve the State of New Jersey.

The firm is owned by approximately 2,500 US partners and principals and is a member of Ernst & Young Global Ltd., an organization who's locally owned member firms operate under the "Ernst & Young" name in approximately 140 countries around the world. Both the US firm and global organization are substantial entities, with over 27,000 people working in the US and upwards of 167,000 people working on a worldwide basis. The US firm's fiscal year 2012 total revenues exceeded US\$8.2 billion, while those of the combined worldwide EY global member firms were US\$24.4 billion.

The US firm's financial position as of the end of its most recent fiscal year (June 30, 2012) was strong, with total assets in excess of US\$3.2 billion, primarily consisting of cash and short-term investments and amounts due from clients which, together, represented over 80% of total assets. These quick assets, coupled with significant unused bank lines of credit, provide the firm with levels of liquidity more than sufficient to fund our operations as well as our investment needs.

The firm is in a very strong financial position. Partner and principal contributed capital (representing the partners' and principals' cash investments in the firm) as well as long-term borrowings from various banks and insurance companies represented approximately US\$1 billion at year-end of which approximately US\$190 million represents long-term borrowings.

The US firm's long-term debt and revolving credit facilities are rated annually by Fitch Ratings, the debt rating agency. Fitch Ratings recently affirmed EY's 'AA' debt rating and its 'Stable' Rating Outlook. In reviewing EY's 2011 annual financial statements, Fitch Ratings, in its letter of June 22, 2012, stated that "The 'AA' rating reflects EY's "conservative financial profile, strong and stable cash flow from operations and high client retention rates." Fitch also stated that the firm's "credit statistics have continued to remain strong as a result of strong cost controls and funded debt levels that remain low compared to operating earnings (measured by earnings before interest, taxes, depreciation and amortization (EBITDA)) and cash flow from operations". The rating agency defines an AA rating as follows: " 'AA' ratings denote expectations of very low default risk. They indicate very strong capacity of financial commitments. This capacity is not significantly vulnerable to foreseeable events".

In addition to maintaining a strong financial position, EY maintains a comprehensive professional indemnity insurance program that is continually monitored and modified so as to provide the firm with coverage considered appropriate in the current operating environment. We believe our coverage is commensurate with that carried by the other Big Four accounting firms. The firm continues to grow revenues, manage operating costs, driving operating efficiencies and generating significant operating cash flows. EY's success is attributable to many factors, including the firm's broad and diverse service offerings, our staff of highly experienced professionals and our ability to attract and maintain quality clients.

Additional documents

Subcontractor Utilization Form

EY does not plan to use a Subcontractor.

State of New Jersey Division of Purchase & Property

Subcontractor Forms

Subcontractor Utilization Plan Form

Any biddes intending to unboostract must complete the Subcontractor Utilization Plan. Bidders are instructed to Est all proposed subcontractors on the Plan. See attached form. Puresant to NJSA. 52-32-44, all subcontractors must have a valid Business Registration Contificate on file with the Division of Revenue and a copy of the registration contificate should be attached to this form.

Procedures For Small Business Subcontracting Set-Aside Contracts

If the RFP indicates that there is a Small Business Subcentracting Set-Axide requirement for this contract and the bidder intends to utilize any subcontractors during the course of the contract(s) to be arranded as a result of this Request for Proposal (RFP), the bidder will include small business subcontracting targets purposent to NIAC 17:13-4, and Executive Order 71. Each bidder is required to make a good faith effort to meet the set-axide subcontracting targets of arranding a total of twenty-five percent (2.7%) of the value of the contract to New Jersey-based, Division of Revenue - Small Business Enterprise Unit registered small businesses, with a minimum of five (5) percent awarded to each of the three categories set forth below, and the balance of ten (10) percent spread across the three categories.

Definitions:

- 1. Small business means a business that:
 - is independently curred and operated
 - is incorporated or registered in and has its principal place of business located in the State of New Juriey.
 - has 100 or fewer full-time employees
- has gross revenues falling in one of the following three categories:
 - a. 0 to \$500,000 (Category I);
 - b. \$500,001 to \$5,000,000 (Category II);
 - c. \$5,000.001 to \$12,000,000, or the applicable faderal revenue standards established at 13 CFR 121.201, whichever is higher (Category III);
- 2. Division of Revenue Small Business Enterprise Unit Registered Small Business means a small business that meets the New Jersey requirements and definitions of "small business" and has applied for and been approved by the Division of Revenue Small Business Emergine Unit as a small business.

Source Disclosure Certification Form

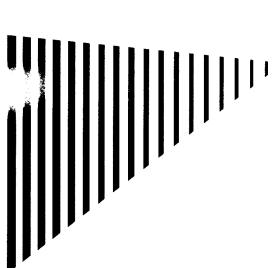
"N.J.S.A. 52:34-13.2 CERTIFICATION" SOURCE DISCLOSURE CERTIFICATION FORM

'	ing LLP Waiv	er Number: RF0768892S	
I hereby certify and say:			
I have personal knowledge the Contractor.	of the facts set forth herein a	nd am authorized to make thi	s Certification on behalf of
The Contractor submits this Purchase and Property, De requirements of N.J.S.A. 5	a Certification in response to to partment of the Treasury, Sta 2:34-13.2.	he referenced contract issued te of New Jersey (the "Division	t by the Division of on"), in accordance with the
if any of the services cannot	here services will be pe of be performed within the Uni cannot be so performed. Attac	ited States, the Contractor sh	ctor and all Subcontracto all state, with specificity the ary.
Contractor and/or Subcontractor	Description of Services	Performance Location[s]	Reasons why services cannot be performed in USA
Ernst & Young LLP	Program & process	United States	•
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Confidential

State of New Jersey Division of Purchase & Property

April 8, 2013

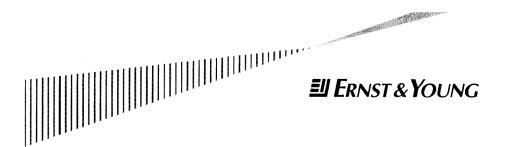


Volume 2

Request for quotation

Program and process management auditing, financial auditing and grant management, and integrity monitoring/anti-fraud services for disaster recovery assistance (Hurricane Sandy)





Ernst & Young LLP 99 Wood Avenue South Iselin, NJ 08830 Tel: (732) 516-4200 www.ey.com

Department of Treasury Division of Purchase and Property Procurement Bureau 33 W. State Street, 9th Floor P.O. Box 230 Trenton, NJ 08625-0230

April 8, 2013

RE: RFQ768892S - Program and process management auditing, financial auditing, and grant management, and integrity monitoring/anti-fraud services for disaster recovery (Hurricane Sandy)

Dear Evaluation Committee:

Ernst & Young LLP (EY) is pleased to respond to your request for proposal to provide program and process management auditing, financial auditing, and grant management, and integrity monitoring/anti-fraud services for disaster recovery related to Hurricane Sandy.

EY's Claims practice is a group of professionals dedicated to assisting governmental, nonprofit, and corporate entities to expedite financial recovery after catastrophic loss. We combine proven methodologies in disaster management and recovery with our deep knowledge of programs to assist our clients with identifying the available recovery and rebuilding options, applying for and using response, recovery and mitigation funding, and complying with the associated legal and regulatory requirements.

The road to recovery will be difficult and requires a robust and highly-effective disaster management response and recovery services function. We believe EY is the best choice to provide these services to you for the following reasons:

Our leadership in providing disaster management response and recovery services

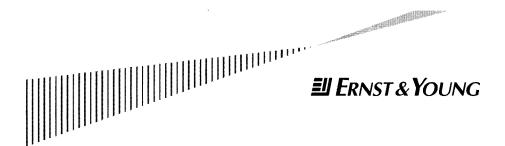
Our many years of serving public sector clients in the New Jersey metro area coupled with decades of disaster management experience provides us with a unique understanding of the distinctive issues New Jersev is facing today. Because of our experiences in working with the State and various other metro area agencies, we know your business environment and have a keen awareness of what is required to work successfully with you. That is why we have assembled a team of professionals who offer deep FEMA experience, CDBG-disaster relief experience, a history of public service and on point finance and accounting skills to serve this engagement. These professionals can offer a unique perspective by providing practical ideas on how to manage, improve, and expedite the State of New Jersey's disaster recovery efforts.

We have managed disaster recovery work in 40+ states and all FEMA regions, including FEMA Region II; and have experience with disaster programs at every level, including FEMA, state and local governments, and non-profits.

We have assisted FEMA grantees and sub-grantees in financial and programmatic areas, including grants management, contract management, accounting, internal controls, insurance, program assessments, disaster close-out, documentation, audit resolution, appeals, and a wide range of other services. Also, we assist our clients in preparing the necessary documentation for recipients of Federal funds to comply with Federal laws and regulations, including the Stafford Act, Post Katrina Emergency Management Reform Act, Code of Federal Regulations (44 CFR), the Federal Acquisition Regulation (FAR), FEMA policies and procedures, and the CDBG-disaster relief program. We are currently assisting a number of New York State subgrantees with their FEMA claims related to Hurricane Sandy.

Ernst & Young's Metro New Jersey/New York Area Public Sector Services Group

Viewed from the outside, the similarities between one public accounting firm and another may seem more striking than the differences. All the major professional services firms provide essentially the same kinds of services, each enjoys a large and diverse clientele and most of them can point to an impressive record of



growth. On closer examination however, there are certain characteristics that distinguish EY from other public accounting firms. The most important of these characteristics is that EY has dedicated a number of its top professionals to providing services to the Metro New Jersey/New York Area Public Sector.

Our Public Sector Services Group is composed of more than 75 professionals skilled in the auditing, accounting and budgeting methods, systems and controls that are currently used by state and local governments. Our professionals have years of experience with the systems, programs, and issues of the public sector. We are the only Big 4 public accounting firm whose staff includes 2 individuals that are New Jersey licensed Registered Municipal Accountants. These individuals have significant experience auditing not only State government but also County, Local Government, and School Districts throughout the State.

Our Public Sector Services Group and the commitment and involvement of our leaders are your assurance that the knowledge available to you is always state-of-the-art. Equally important, our professionals can do more than respond to your needs-they can anticipate them.

We offer an experienced, responsive engagement team that knows the State, County and Local Governments of New Jersey.

As a result of serving the public sector here in New Jersey for the last 40 years, we fully understand the challenges you face as a result of Hurricane Sandy and will proactively work with you to successfully address the requirements of FEMA. Each member of our team brings a wealth of financial audit, technical knowledge, and government service experience to this engagement.

Our Commitment

EY is committed to quality in all aspects of our client relationships. Along with substantial investments in technology, knowledge enablers and learning resources for our professionals, the quality controls and safeguards we have established enable us to deliver the high-quality services that are valued by our clients. We understand that our reputation for objectivity, independence, trust, and integrity rests on the quality of the service we deliver.

We understand that choosing a firm to assist you in recovering is a difficult process. We are excited about the opportunity to serve you and believe we can provide tremendous value to your organization. As an advisor that is committed to your success, we have provided rates that are discounted up to 30% off our GSA MOBIS rates.

Again, we are eager to feature our service offerings to you and thank the State for providing us with this opportunity. We look forward to introducing our leadership team to you and to answering your questions. In the meantime, should you have any questions regarding any aspect of our proposal, please call either of us.

Sincerely.

Matt Jadacki, Executive Director

Ernst & Young LLP 5 Times Square New York, NY 10036 + 1 202 237 6807 matt.jadacki@ey.com Allen Melton, Partner Ernst & Young LLP 5 Times Square New York, NY 10036 + 18177067108 allen.melton@ey.com

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Contents

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COST	proposa		۷

Information in these materials relating to our approach, methodologies or pricing is confidential and proprietary to Ernst & Young LLP and/or Ernst & Young.

Cost proposal

PRICE SCHECDULE

PROGRAM AND PROCESS MANAGEMENT AUDITING, FINANCIAL AUDITING AND GRANT MANAGEMENT, INTEGRITY MONITORING SERVICES, & OTHER RELATED SERVICES FOR DISASTER RECOVERY AND LONG TERM PLANNING PROJECT

(HURRICANE SANDY)

RFQ

Refer to RFQ Section 3.0 (Scope of Work) for task requirements and deliverable, Section 4.4 (Staff Classifications), and Section 6.0 (Cost Proposal) for additional information regarding this Price Schedule.

Bidder's Name: Ernst & Young, LLP

POOL 1: PROGRAM AND PROCESS MANAGEMENT AUDITING

LINE #	STAFF CLASSIFICATIONS	YEAR 1 HOURLY RATES	YEAR 2 HOURLY RATES	YEAR 3 HOURLY RATES
1	Partner/Principal/Director	\$ 329	\$ 339	\$349
2	Program Manager	\$ 319	\$ 329	\$338
3	Project Manager	\$ 274	\$ 282	\$ 291
4	Subject Matter Expert	\$ 274	\$ 282	\$ 291
5	Supervisory/Senior Consultant	\$ 236	\$ 243	\$ 250
6	Consultant	\$ 180	\$ 185	\$ 191
7	Associate/Staff	\$ 123	\$ 127	\$ 130
8	Administrative Support Staff	\$0	\$0	\$0

Bidder's Name: Ernst & Young, LLP

POOL 2: FINANCIAL AUDITING AND GRANT MANAGEMENT

LINE #	STAFF CLASSIFICATIONS	YEAR 1 HOURLY RATES	YEAR 2 HOURLY RATES	YEAR 3 HOURLY RATES
9	Partner/Principal/Director	\$ 329	\$ 339	\$349
10	Program Manager	\$319	\$ 329	\$338
11	Project Manager	\$ 274	\$ 282	\$ 291
12	Subject Matter Expert	\$ 274	\$ 282	\$ 291
13	Supervisory/Senior Consultant	\$ 236	\$ 243	\$ 250
14	Consultant	\$ 180	\$ 185	\$ 191
15	Associate/Staff .	\$ 123	\$ 127	\$ 130
16	Administrative Support Staff	\$0	\$0	\$0

Bidder's Name: Ernst & Young, LLP

POOL 3: INTEGRITY MONITORING/ANTI-FRAUD

LINE#	STAFF CLASSIFICATIONS	YEAR 1 HOURLY RATES	YEAR 2 HOURLY RATES	YEAR 3 HOURLY RATES
17	Partner/Principal/Director	\$ 329	\$ 339	\$349
18	Program Manager	\$ 319	\$ 329	\$338
19	Project Manager	\$ 274	\$ 282	\$ 291
20	Subject Matter Expert	\$ 274	\$ 282	\$ 291
21	Supervisory/Senior Consultant	\$ 236	\$ 243	\$ 250
22	Consultant	\$ 180	\$ 185	\$ 191
23	Associate/Staff	\$ 123	\$ 127	\$ 130
24	Administrative Support Staff	\$0	\$0	\$0

We have quoted as a part of this response rates from the requested GSA Mission Oriented Business Integrated Services (MOBIS) contract, category 874.1.

The rates offered to the State of New Jersey as part of this response have been discounted an additional 10% to over 30% off of the stated EY MOBIS rates which are already at a significant discount from our standard rates.

Category Rates per Hour

State of New Jersey Category	EY MOBIS Title	GSA Category 874.1 MOBIS Rate	% Discount	State of New Jersey Proposed Hourly Rate
Partner/Principal/ Director	Partner, Principal	\$469.91	30%	\$329
Program Manager	Executive Director	\$469.91	32%	\$319
Project Manager	Senior Manager	\$365.14	25%	\$274
Subject Matter Expert	Subject Matter Expert	\$365.14	25%	\$274
Supervisory/Senior Consultant	Manager	\$277.70	15%	\$236
Consultant	Senior Advisor	\$200.04	10%	\$180
Associate/Staff	Advisor	\$136.53	10%	\$123
Administrative Support	N/A	N/A	N/A	N/A