

## **BEST AND FINAL OFFER (BAFO) - PRICE SCHEDULE**

**RFP 14-X-23110**

### **AUDITING AND OTHER RELATED SERVICES FOR DISASTER RECOVERY (HURRICANE SANDY)**

Refer to RFP [Section 3.0](#) (Scope of Work) for task requirements and deliverables, [Section 4.4](#) (Organizational Support and Experience), and [Section 6.7.2](#) (Bidder's Price Schedule) for additional information regarding this Price Schedule. Failure to submit all information required will result in the proposal being considered non-responsive.

**Bidder's Name:** McGladrey LLP

#### **POOL 1: PROGRAM AND PROCESS MANAGEMENT AUDITING**

<b>LINE #</b>	<b>STAFF CLASSIFICATIONS</b>	<b>YEAR 1 HOURLY RATE</b>	<b>YEAR 2 HOURLY RATE</b>	<b>YEAR 3 HOURLY RATE</b>
1	Partner/Principal/Director	\$245	\$255	\$265
2	Program Manager	\$175	\$182	\$189
3	Project Manager	\$175	\$182	\$189
4	Subject Matter Expert	\$245	\$255	\$265
5	Supervisory/Senior Consultant	\$135	\$140	\$146
6	Consultant	\$110	\$114	\$119
7	Associate/Staff	\$110	\$114	\$119
8	Administrative Support Staff	\$80	\$83	\$86

<b>Line #</b>	<b>Pass Through Price Lines *</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
9	Other Direct Costs	N/A	N/A	N/A
10	Travel Expenses and Reimbursements	N/A	N/A	N/A

- The State makes no guarantee of volume of work effort.
- \* The Pass Through Price Lines shall be used to reimburse for Travel and Other Direct Costs only. No mark-up will be provided for Price Lines 9 and 10.

Bidder's Name: McGladrey LLP

**POOL 2: FINANCIAL AUDITING AND GRANT MANAGEMENT**

LINE #	STAFF CLASSIFICATIONS	YEAR 1 HOURLY RATE	YEAR 2 HOURLY RATE	YEAR 3 HOURLY RATE
11	Partner/Principal/Director	\$245	\$255	\$265
12	Program Manager	\$175	\$182	\$189
13	Project Manager	\$175	\$182	\$189
14	Subject Matter Expert	\$245	\$255	\$265
15	Supervisory/Senior Consultant	\$135	\$140	\$146
16	Consultant	\$110	\$114	\$119
19	Associate/Staff	\$110	\$114	\$119
18	Administrative Support Staff	\$80	\$83	\$86

Line #	Pass Through Price Lines *	Year 1	Year 2	Year 3
19	Other Direct Costs	N/A	N/A	N/A
20	Travel Expenses and Reimbursements	N/A	N/A	N/A

- The State makes no guarantee of volume of work effort.
- \* The Pass Through Price Lines shall be used to reimburse for Travel and Other Direct Costs only. No mark-up will be provided for Price Lines 9 and 10.

Bidder's Name: McGladrey LLP

**POOL 3: INTEGRITY MONITORING/ANTI-FRAUD**

LINE #	STAFF CLASSIFICATIONS	YEAR 1 HOURLY RATE	YEAR 2 HOURLY RATE	YEAR 3 HOURLY RATE
21	Partner/Principal/Director	\$245	\$255	\$265
22	Program Manager	\$175	\$182	\$189
23	Project Manager	\$175	\$182	\$189
24	Subject Matter Expert	\$245	\$255	\$265
25	Supervisory/Senior Consultant	\$135	\$140	\$146
26	Consultant	\$110	\$114	\$119
27	Associate/Staff	\$110	\$114	\$119
28	Administrative Support Staff	\$80	\$83	\$86

Line #	Pass Through Price Lines *	Year 1	Year 2	Year 3
29	Other Direct Costs	N/A	N/A	N/A
30	Travel Expenses and Reimbursements	N/A	N/A	N/A

- The State makes no guarantee of volume of work effort.
- \* The Pass Through Price Lines shall be used to reimburse for Travel and Other Direct Costs only. No mark-up will be provided for Price Lines 9 and 10.



STATE OF NEW JERSEY, DEPARTMENT OF THE TREASURY

PREQUALIFICATION POOLS: AUDITING AND OTHER RELATED  
SERVICES IN SUPPORT OF DISASTER RECOVERY (HURRICANE  
SANDY) –RFP 14-X-23110

VOLUME 2, TECHNICAL PROPOSAL

May 31, 2013



McGladrey LLP

May 31, 2013

State of New Jersey  
Department of the Treasury  
Division of Purchase and Property  
33 West State Street, 9<sup>th</sup> Floor, P.O. Box 230  
Trenton, New Jersey 08625-0230

Dear Selection Committee Members:

McGladrey LLP (McGladrey) is pleased to submit our proposal to assist the State of New Jersey Department of Treasury (the State) with Prequalification Pools for Auditing and other Related Services in Support of Disaster Recovery for Hurricane Sandy.

As residents and taxpayers in New Jersey, it is McGladrey's goal to assist the State in achieving your mission to support small business recovery and provide financial assistance to renew our communities.

It is essential for the State to enforce the highest level of accounting control and business standards as it manages the initial grant application and the subsequent recovery process. The \$1.8 billion of funding requested in the State's Community Development Block Grant Disaster Recovery (CDBG-DR) Action Plan to the US Department of Housing and Urban Development (HUD) is unprecedented for New Jersey. The \$300 million allocated for Small Business Grants and intended for economic development is a significant program.

Our experience has shown that other major disaster recovery efforts, such as those related to Hurricane Katrina and the events of September 11, 2001, have demonstrated the need for strong skills, knowledge, methods and systems. These must be established to manage the risks of unallowable costs, fraud and adverse publicity. A management effort of this magnitude requires the experience and skills from a nationally recognized firm which possesses all the requisite capabilities requested in your RFQ.

McGladrey offers a unique combination of **qualifications in disaster assistance and recovery and grants management**, coupled with our strong **credit risk application and application management** credentials. Our operational expertise will provide a logical, integrated and smooth solution to your consulting needs.

We are enthusiastic about the prospect of helping the State with your CDGB-DR federal grants program needs and are pleased to present our qualifications for your consideration. McGladrey brings customized solutions that deliver excellence and observable results. We offer the following to the State:

- **Federal Disaster Assistance Program Experience**

McGladrey and our team have disaster programs and grant processing experience. We have supported major recovery efforts that were funded by CDBG-DR and other federal programs, including Hurricanes Katrina, Ike and Rita, and the Iowa floods of 2005 and 2008. We are aware of the the economic development and job creation benefits that these funds provide. We are familiar with the application process, allowable costs and compliance requirements.

We have identified some of our most experienced resources in grant application processing, project management, public sector operations, disaster recovery claims processing, internal controls, systems and technology, and fraud prevention,. Our industry specialists and our subject matter specialists will provide the highest degree of quality service to the State on this very significant project.

- **Financial Services and Regulatory Perspective**

McGladrey has a leading Financial Services practice, with over 300 experienced professionals. We specialize in serving financial institutions with more than 1,500 clients across the country ranging in size from small community banks to multi-billion dollar banking organizations. As part of our industry focus on Financial Services Consulting and Risk Advisory services, we have been on the forefront of crisis management as one of eight approved bank resolution contractors to the Federal Deposit Insurance Corporation (FDIC). To date, we have performed on over 100 Task Orders on behalf of the FDIC – Division of Resolutions and Receiverships (FDIC-DRR) where we have directly managed over \$13 billion of failed bank assets, as well as monitored the acquisition and resolution of over 288,000 loans totaling over \$50 billion under FDIC Loss Share Agreements. Each engagement on behalf of the FDIC-DRR requires a team of skilled professionals with business loan underwriting and evaluation expertise, as well as a thorough understanding of the underlying program guidelines under which they operate.

Our team includes loan review specialists who have experience as former bank examiners with the Office of the Comptroller of the Currency (OCC) and FDIC. We have direct experience as regulators as part of the Shared National Credit (SNC) program. We understand the unique underwriting and compliance requirements of highly regulated lending and grant programs, including the CDBG provisions.

- **Government Industry Focus**

Government is a priority industry for McGladrey. Our national government industry practice offers a significant number of Partners and Principals who are dedicated to handling the complex needs of public sector entities. McGladrey serves more than 2,800 public sector entities on a yearly basis. We work with state agencies, cities, counties and all forms of government agencies. We are familiar with a myriad of federal grant and state regulatory requirements. This knowledge of federal programs and agency processing will be invaluable to supporting a fast project ramp-up.

- **National Strength and Service Philosophy**

McGladrey was founded in 1926 and today is the fifth largest accounting and consulting firm in the U.S. (Accounting Today's 2013 Report) and the fifth largest firm in the New Jersey and New York area. We have over 6,500 professionals in 75 offices across the U.S. and 1,050 professional staff and partners in our northeast region offices.

While we are a national firm, McGladrey remains committed to personal and timely service. State management will see our Partners and Supervisors frequently. We will create a Program Management Office (PMO), comprised of our management

team, Claims Director and Closing / Disbursement Director. We will be on-site to proactively manage the field office operations and application intake, performance metrics, and issue resolution. We will actively lead regular status meetings with EDA project managers, Department of Community Affairs (DCA) liaisons for HUD funding, the Contracting Officer and other key stakeholders.

- **New Jersey and EDA Experience**

McGladrey has an existing Financial Auditing Services contract with the Department of the Treasury for use by various State agencies. We also are currently working with NJEDA to implement a Property Site Management System solution, which will be integrated with EDA's Microsoft Dynamics GP package. We will leverage any applicable existing knowledge as we build our project plan.

- **Alliance Firm**

The State will be served by a team of professionals representing both McGladrey and Mercadien, P.C. CPAs (Mercadien). Mercadien is a member of the McGladrey Alliance.

In working with our integrated team, the State will benefit from the resources of a national firm with an extensive government practice, while retaining access to personal attention from professionals based in New Jersey.

- **Support of Small Business and Subcontracting Goals**

McGladrey fully supports small business and diversity goals. We have an established program that has worked successfully with hundreds of S/M/WBE firms. McGladrey proposes to work with the following highly qualified firm:

- BCA Watson Rice LLP (BCA)– a NJ certified small business enterprise.

- **Conflict of Interest Considerations**

We are aware of the separate Request for Quotation (RFQ) issued on behalf of the Governor's Office to solicit services for 1) Program and Process Management Auditing, 2) Financial Auditing and Grant Management and 3) Integrity Monitoring / Anti-Fraud. We noted that the RFQ's provisions state that "Firms are prohibited from acting as a contractor for both the auditing and integrity monitoring requirements for the same project" and that "Any contractor already engaged in providing oversight, compliance or consulting services regarding the use of federal disaster relief funds shall be ineligible to submit a proposal for any other services related to that engagement".

Therefore, McGladrey has chosen not to submit a bid on the above RFQ. This ensures that *McGladrey will not have any conflict with regards to supporting the EDA* with the requested Business Process Consulting services.

- **McGladrey's Commitment to the Sandy Recovery Effort**

The State has a commitment from McGladrey's national Firm leadership that the Sandy Recovery project will be a Top 50 priority account. We will make your success and the critical elements of this engagement our priority. With McGladrey, the State will have a service provider with a strong local presence in New Jersey and New York, supported by national subject matter experts from Chicago and other offices. We recognize the importance of getting New Jersey's small businesses re-established as soon as possible.

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McGladrey's response is intended for the following pools:

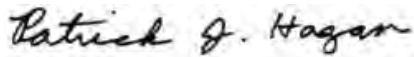
- POOL 1: Program and Process Management Auditing
- POOL 2: Financial Auditing and Grant Management
- POOL 3: Integrity Monitoring/Anti-Fraud

We look forward to your review of our qualifications and encourage you to contact us during the selection process. You may reach Patrick Hagan at 312.634.3981 or [patrick.hagan@mcgladrey.com](mailto:patrick.hagan@mcgladrey.com) or Bob Rooney at 212.372.1033 or [robert.rooney@mcgladrey.com](mailto:robert.rooney@mcgladrey.com).

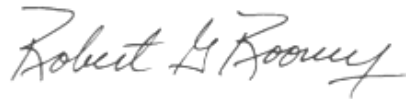
Thank you for considering McGladrey for this important economic recovery effort and your business process consulting needs.

Sincerely,

**McGladrey LLP**



Patrick J. Hagan  
National State and Local Government Leader



Robert G. Rooney  
Director

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### 4.4.3 TECHNICAL PROPOSAL

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Understanding of RFP requirements and experience successfully completing comparable work are described below.

#### Statement of Need

Superstorm Sandy hit New Jersey on October 29, 2012, resulting in significant property and economic damage. The State and its affiliated agencies have been leading the recovery effort by supporting families and communities impacted by the storm, as they rebuild their lives, properties, and neighborhoods. New Jersey businesses, especially in the shore communities, also face major challenges to return to full operations and employment.

Governor Christie assigned the New Jersey Economic Development Authority (EDA) to lead and administer the State's post-Sandy community and economic revitalization efforts. The Department of Community Affairs (DCA) will serve as the lead agency for the HUD funding.

President Obama signed the Disaster Relief Appropriations Act on January 29, 2013. The Act provided Community Development Block Grant Disaster Recovery (CDBG-DR) funding from the U.S. Department of Housing and Urban Development (HUD) to help affected states. The State submitted an Action Plan to HUD on March 27, 2013 to request \$1.829 billion of those funds.

The Action Plan detailed the proposed use of funds, including criteria for eligibility and how the use of these funds will address disaster relief, long-term recovery, restoration of infrastructure and housing and economic revitalization in the most impacted and distressed areas. A summary of the proposed programs is as follows:

- Economic Programs (\$400 million) – including **Small Business Grants** (scope of this RFP)
- Homeowner Programs (\$855 million)
- Local Government and Property Tax Programs (\$116 million)
- Vulnerable Citizens and Protecting Shore Community Programs (\$224.5 million)

The Business Grant Program is a \$300 million component of the State's expected CDBG-DR funding. The grants will provide capital to an estimated 10,000 to 20,000 small businesses. The grants, up to \$50,000 to eligible businesses that sustained physical damage, can be used for rehabilitation, new construction, equipment, inventory, mitigation, refinancing and working capital. Businesses will be required to apply to the Small Business Administration for one or both of their applicable disaster-related loan products until the respective SBA application deadlines pass.

Geographically, we understand that there are 61 municipalities which experienced the highest impact from the storm (red zones), and 53 municipalities which experienced a very significant impact (orange zones), as well as other priority areas.

#### About McGladrey

McGladrey is the fifth largest provider of assurance, tax and consulting services in the United States, with over 6,500 professionals and associates in approximately 75 offices nationwide. Over the past 85 years, McGladrey has earned nationwide recognition as an expert service provider within the industries that are key to this engagement. McGladrey brings the experience of our national practices such as financial institutions, real estate, grants management, private equity and capital markets, financial services, and large trust and estate administration,



among others with dedicated professional resources ready to serve the the State of New Jersey Department of Treasury (the State).

### McGladrey History

McGladrey, founded in 1926, has a distinguished history of growth, client-centered expansion and leadership within complex industries relevant to this engagement. Our growth has been the result of our ability to provide our clients with combined expertise in finance, lending and real estate expertise as well as personal attention, continuity and accessibility of all professional personnel, including partners, directors and managers; and prompt, quality services in a cost-effective and innovative manner. We are ready to work with NJEDA as we have done for our largest and most important clients to understand their business objectives, aspirations and challenges. This allows us to help you succeed and has been our philosophy for 85 years and this philosophy continues to direct our endeavors as we look toward the future.

### McGladrey's Firm Resume

In choosing McGladrey to lead this engagement, the State receives the assurance of the fifth largest U.S. provider of audit, tax and consulting services, with over 7,000 professionals and associates in approximately 85 offices nationwide.

Our local office footprint is larger than most Big Four accounting firms. Therefore we bring to the State the combined resources of a large, world-class firm with the personal service and attention to detail of a local firm. Furthermore, McGladrey is a licensed CPA firm and is a member of RSM, the seventh largest global network of independent accounting, tax and consulting firms. RSM member firms comprise 32,500 professionals from approximately 700 offices located in more than 100 countries.

We have the ability to provide the State with a full suite of services, taking into consideration accounting, tax and business implications. We serve our clients with multi-functional teams that provide complete and well thought out solutions.

### McGladrey's Recovery Assistance Experience

McGladrey was hired in July 2010 to assist the Iowa Economic Development Authority (IEDA, formerly Iowa Department of Economic Development) in administering and distributing approximately \$85 million in funding provided by the US Department of Housing and Urban Development (HUD) in response to catastrophic flooding that occurred in June of 2008.

Initially, McGladrey provided advisory services in relation to appropriate control procedures associated with distributing the funds, and process improvement in relation to the applicant file review process. These services were of particular

THE 2012 <b>accountingTODAY</b> TOP 100 FIRMS													
RANK	12-11 Firm	Headquarters	Chief executive	Year	Revenue	%	Offices	Partners	%	Professionals	%	Total	%
					\$								
1	1. Deloitte & Touche	New York City	Joe E. E. E. E.	Dec	11,995.00	9.15	150	2,886	9.15	38,301	13.49	51,242	12.10
2	2. PwC	New York City	Robert M. M. M.	June	8,844.00	36.88	73	2,270	3.90	25,237	14.01	32,913	11.67
3	3. Ernst & Young	New York City	James H. H. H.	June	7,300.00	3.61	28	2,403	6.23	19,400	10.86	26,308	7.72
4	4. KPMG LLP	New York City	John W. W. W.	Sept	5,361.00	9.65	81	1,144	-0.85	15,664	6.11	22,278	4.67
5	5. McGladrey & Pullen	Bloomington, Minn.	Joe Adams	April	1,370.42	-0.61	85	708	-4.58	4,843	-1.06	7,046	-1.18
6	6. Grant Thornton	Chicago	Stephen C. C. C.	Dec	1,146.12	3.2	74	349	6.81	4,642	13.67	5,847	11.39
7	7. CBIZ / Mayer Hoffman McCann	Cleveland	D. E. E. E.	Dec	899.90	1.1	11	1,015	-0.72	1,692	1.28	4,023	5.14
8	8. BDO USA	Chicago	Jack W. W. W.	June	572.00	-2.2	11	1,015	-0.72	1,692	1.28	4,023	5.14
9	9. Crowe Horwath	Oak Brook Terrace, Ill.	Charles A. A. A.	March	529.71	8.1	11	1,015	-0.72	1,692	1.28	4,023	5.14
10	10. BDO	Springfield, Mo.	Niall S. S. S.	May	291.20	0.1	11	1,015	-0.72	1,692	1.28	4,023	5.14
11	11. Moss Adams	Seattle	Rick A. A. A.	Dec	321.00	2.2	11	1,015	-0.72	1,692	1.28	4,023	5.14
12	12. Plante Moran	Southfield, Mich.	Gordon K. K. K.	June	304.35	2.6	11	1,015	-0.72	1,692	1.28	4,023	5.14
13	13. Dixon Hughes Goodman	Charlotte, N.C.	Ken H. H. H.	Dec	298.00	12.6	11	1,015	-0.72	1,692	1.28	4,023	5.14
14	14. Lerner Allen	Minneapolis	Stacy W. W. W.	Dec	285.00	35.5	11	1,015	-0.72	1,692	1.28	4,023	5.14
15	15. Munn	New York City	Jeffrey S. S. S.	Dec	274.20	9.3	11	1,015	-0.72	1,692	1.28	4,023	5.14
16	16. Clifton Gunderson	Minneapolis	Krista M. M. M.	May	254.65	7.6	11	1,015	-0.72	1,692	1.28	4,023	5.14
17	17. EisnerAmper	New York City	Charles W. W. W.	Jan	254.60	1.1	11	1,015	-0.72	1,692	1.28	4,023	5.14
18	18. J.H. Cohn	Roseland, N.J.	Thomas M. M. M.	Jan	243.00	3.1	11	1,015	-0.72	1,692	1.28	4,023	5.14
19	19. Baker Tilly Virchow Krause	Chicago	Timothy C. C. C.	May	242.00	1.1	11	1,015	-0.72	1,692	1.28	4,023	5.14
20	20. Breuck Group	Bethesda, Md.	Kenneth B. B. B.	Sept	202.50	5.4	11	1,015	-0.72	1,692	1.28	4,023	5.14
21	21. UHY Advisors	Chicago	K. S. S. S.	Dec	186.03	-0.6	11	1,015	-0.72	1,692	1.28	4,023	5.14
22	22. Roberson, Kass & Co.	Roseland, N.J.	S. K. K. K.	Dec	175.90	-0.9	11	1,015	-0.72	1,692	1.28	4,023	5.14
23	23. ParnellBard	Philadelphia	Robert C. C. C.	Dec	170.00	4.1	11	1,015	-0.72	1,692	1.28	4,023	5.14
24	24. Eide Bailly	Fargo, N.D.	Jerry T. T. T.	April	151.60	-0.6	11	1,015	-0.72	1,692	1.28	4,023	5.14
25	25. Wipac	Minneapolis	Rick D. D. D.	May	142.17	24	11	1,015	-0.72	1,692	1.28	4,023	5.14

Firm	US Revenue (\$M)
Deloitte	\$11,939
PricewaterhouseCoopers	\$8,844
Ernst & Young	\$7,500
KPMG	\$5,361
McGladrey	\$1,370

Key and notes: Last year's rankings have been revised based on 2010 revenue provided by firms. Some firms may not appear in this list. \* Firm estimate or projection. 1. Accounting Today estimate. 2. Gross revenue. 3. No. of offices. 4. No. of partners. 5. No. of professionals. 6. Total revenue. 7. U.S. revenue. 8. Revenue per office. 9. Revenue per partner. 10. Revenue per professional. 11. Revenue per office per partner. 12. Revenue per office per professional. 13. Revenue per office per partner per professional. 14. Revenue per office per partner per professional per office. 15. Revenue per office per partner per professional per office per partner. 16. Revenue per office per partner per professional per office per partner per professional. 17. Revenue per office per partner per professional per office per partner per professional per office. 18. Revenue per office per partner per professional per office per partner per professional per office per partner. 19. Revenue per office per partner per professional per office per partner per professional per office per partner per professional. 20. Revenue per office per partner per professional per office per partner per professional per office per partner per professional per office. 21. Revenue per office per partner per professional per office per partner per professional per office per partner per professional per office per partner. 22. Revenue per office per partner per professional per office per partner per professional per office per partner per professional per office per partner per professional. 23. Revenue per office per partner per professional per office per partner per professional per office per partner per professional per office per partner per professional per office. 24. Revenue per office per partner per professional per office per partner per professional per office per partner per professional per office per partner per professional per office per partner. 25. Revenue per office per partner per professional per office per partner per professional per office per partner per professional per office per partner per professional per office per partner per professional.

McGladrey has successfully assisted IDED and the City of Cedar Rapids in overhauling the flood assistance programs. Over \$7 million were distributed to flood affected businesses in the first three months of the engagement. To date, nearly all of the available funds –approximately \$85 million dollars– have been distributed.



importance in getting funds moving in the Cedar Rapids, Iowa area where the most severe flood damage had been incurred. After assisting in establishing appropriate processes and procedures surrounding eight separate business grant programs, McGladrey assisted IEDA in reviewing the vast number of funding application files in Cedar Rapids.

The funds, which had been at a standstill for over two years, started being distributed to businesses in need within two weeks of McGladrey's involvement. To date, nearly all of the available funds have been distributed. The programs have been in an ongoing maintenance phase for the past year, and are now much more manageable for the State to administer with their resources.

#### Large Estate Administration and Public Sector Grant Administration

Our team has extensive engagement experience analyzing claims, cross-claims and counter-claims inherent in our Corporate Recovery Services practice. We have served in the role of Trustee and as Disbursing Agent for several creditor trusts with funds in excess of \$90 million, where we have been responsible for reviewing claims against the estate, making a determination as to the allowability of those claims, and distributing funds to allowed claimants in accordance with federal regulations. In addition, we have deep experience serving as Fiscal Agents, as well as grant program managers, for state and federal entities. In these roles, we are required to fully distribute the funds entrusted to us and ensure that all efforts are made to deliver funds to their intended recipients.

#### Fraud and Forensic Investigative Services

Our Financial Advisory Services Group has extensive experience providing forensic accounting, financial investigations, fraud detection and analysis and dispute resolution services to lenders and debtors. This experience includes both performing fraud and forensic accounting investigations, as well as serving as an expert witness. Our experience ranges from forensic accounting to fraud detection to discovery and document management. Our professionals hold a variety of professional designations, including Certified Fraud Examiner (CFE) and Certified Internal Auditor (CIA).



By selecting McGladrey, the State receives:

<b>Leadership</b> <ul style="list-style-type: none"><li>• Focusing senior resources at every stage of the delivery process</li><li>• Forging consensus around credible, executable solutions</li><li>• Engaging and partnering with our clients and their stakeholders</li></ul>	<b>Management Complexity</b> <ul style="list-style-type: none"><li>• Proven track record in managing complex, high profile situations such as FDIC, Washington Mutual and Government-Sponsored Entities (GSEs)</li><li>• Delivery through assured leadership and execution</li></ul>	<b>Operational Heritage</b> <ul style="list-style-type: none"><li>• Proven, fact-based, financial approach</li><li>• Combined track records of delivering in uncharted business and economic conditions</li><li>• Planning activities leverage our ownership perspective</li></ul>
<b>Senior Resource Depth</b> <ul style="list-style-type: none"><li>• National strength and global reach</li><li>• Senior government leadership from financial regulatory, grant management, lending and housing agencies</li><li>• Executives drawn from commerce, professional services firms, financial institutions and the public sector</li></ul>	<b>Speed to Execution and Bias Towards Action</b> <ul style="list-style-type: none"><li>• Focus on delivering rapid results</li><li>• Coordinate short- and medium-term objectives and credible plans with achievable milestones</li><li>• Practical and defensible strategies applied for employee retention and in communications</li></ul>	<b>Practical Bottom Line Orientation</b> <ul style="list-style-type: none"><li>• Keen awareness of what can be implemented in critical situations</li><li>• Able to achieve business transformation with restructuring speed</li></ul>

Our nationally recognized interdisciplinary team of professionals has a variety of backgrounds in finance, valuation, operations and accounting from different industries. Our extensive technical training and the complementary skill sets of our group allows us to provide creative strategies and innovative solutions for our clients.

Our experience includes due diligence, financial analysis, corporate finance, financial investigations, discovery and document management, and responding to complaints and document requests.

### Our Affiliates

The State will be served by a team of professionals representing both McGladrey and Mercadien. Mercadien is a member of the McGladrey Alliance.

In working with our integrated team, the State will benefit from the resources of a national firm with an extensive government practice, while retaining access to personal attention from professionals based in New Jersey.

Mercadien's local resources, specialization in service area and familiarity with the State position your engagement team to deliver professional services efficiently and in a manner that minimizes disruption for your personnel.

Established in 1988, the McGladrey Alliance is an association of more than 80 independent firms—with approximately 150 locations in 42 states and Puerto Rico—affiliated with McGladrey. McGladrey Alliance member firms maintain their names, autonomy and independence and are responsible for their own client fee arrangements, delivery of services and maintenance of client relationships. McGladrey Alliance is a business of McGladrey LLP.

## Our Sub-contractors

### BCA Watson Rice

BCA is a New York/New Jersey-based, certified minority-owned accounting firm, with a large government audit practice. BCA's team will work closely with our staff in performing the detail testing of transactions as well as the testing of compliance with state and Federal laws and regulations.

BCA was founded in 1971, and has offices in Florida, New Jersey, New York, Maryland, Pennsylvania, and California. BCA has over 200 professionals; and a management team consisting of 26 partners and principals, with support from managerial, supervisory and professional staff, many of whom are CPAs, CFEs, CIAs and CISAs.

BCA has an established Government Audit Division that serves state, local, regional, and federal government agencies, and has a keen understanding of the issues public agencies face. BCA has a comprehensive understanding of government and industry regulations and guidelines pertaining to the performance of government audits, including Government Auditing Standards; OMB Circulars A-102, Uniform Administrative Requirements for Grants-in-Aid to State and Local Governments, A-123, Internal Controls Systems, and A-133, Audits of States, Local Governments, and Non-Profit Organizations; Single Audit Act of 1984 and amendments; and auditing standards as prescribed by the American Institute of Certified Public Accountants, Government Accounting Standards Board, and the General Accounting Office ("Yellow Book").

## Our Understanding of Scope of Services

Under this response, McGladrey proposes to provide services for all three of the prequalification pools. Below is our understanding of the scope of services for each of the Pools.

### POOL 1: Program and Process Management Auditing

- Development of processes, controls and technologies to support the execution of the following FEMA-administered programs: Public Assistance, Hazard Mitigation, and Individual Assistance; HUD-administered Community Development Block Grant (CDBG) program; and other Federal and State grant and assistance programs in compliance with Federal and State guidance, including OMB circulars;
- Review and improve procedures addressing reimbursement review backlog and financial management;
- Resources to perform workload analysis; skills gap analysis, organizational effectiveness and workforce recruiting strategies;
- Compliance Sanctions Program for those applicants that fail to meet Federal and State program requirements;
- Consulting services to support account reconciliations necessary to control and report on existing Project Worksheet accounts, applicant balances, system interfaces, and other control balances;
- Quality assurance / quality control reviews and assessments associated with the payments process to ensure that they are in compliance with Federal and State regulations and conform to industry best practices;
- Risk analysis and identify options for risk management for the Federal and State grant payment process;
- Consulting services to reduce the reconciliation backlog for the Request for Reimbursements process;
- Consulting services providing Subject Matter Expert (SME) knowledge of required standards for related monitoring and financial standards for Disaster Relief set forth in HUD's Community Planning and Development Monitoring Handbook 6509.2; and
- Conducting on-site and remote monitoring for compliance with CDBG-DR requirements, cross cutting federal requirements including Section 3 compliance, FEMA, SBA, EPA, OMB circulars and other federal and State requirements.

**POOL 2: Financial Auditing and Grant Management**

- Plan, implement, administer, coordinate, monitor and evaluate the specific activities of all assigned financial and administrative functions. Develop and modify policies/procedures/systems in accordance with organizational needs and objectives, as well as applicable government regulations;
- Provide technical knowledge and expertise to assist in the integration of the Electronic Grants management program into the State finance and accounting system;
- Review and make recommendations to streamline the grant management and fiscal management processes and to ensure accountability of funds and compliance with Federal and State program regulations;
- Provide tools to be used by Using Agencies for the assessment of the performance of the financial transaction processes;
- Monitor all grant management, accounting, budget management, and other business office functions regularly;
- Provide and/or identify training for staff in the area of detection and prevention of fraud, waste and abuse; and
- Ensure compliance with all applicable Federal and State accounting and financial reporting requirements.

**POOL 3: Integrity Monitoring/Anti-Fraud**

- Forensic accounting and all specialty accounting services;
- Risk assessments and loss prevention strategies;
- Performance and program monitoring and promotion of best practices as applicable to each task order issued under this contract;
- Fraud and misconduct investigation, prevention, detection and remediation;
- Implementation and management of appropriate compliance systems and controls required by State and Federal governing guidelines, regulations and law;
- Development and implementation of policies and procedures to assist in ensuring that program requirements are met, including preventing a duplication of benefits, and measures to detect and prevent fraud, waste abuse and mismanagement of funds; Compliance with Federal and State laws, and DRGR regulations as applicable;
- Compliance with local regulations and ordinances as applicable;
- Disseminate information regarding the Anti-Fraud hotline maintained by the Office of the State Comptroller; and
- Provide data management systems/programs for the purpose of collecting, conducting and reporting required compliance and anti-fraud analytics.

#### 4.4.3.1 MANAGEMENT OVERVIEW

Our experience has shown that special projects frequently arise. Our organization has the depth of experience and resources to assist your team to respond to special project needs or requests in areas such as public sector industry risks, budget analysis, review of policies and procedures, review of information technology systems, and financial data analysis.

##### Summary of our services

Attest & Compliance Services	Non-Attest		
	Risk Advisory Services	Financial Advisory Services	Technology Services
<ul style="list-style-type: none"> <li>• External Audit</li> <li>• GAO Performance Audits</li> <li>• Federal Funds Compliance</li> <li>• IT Security</li> <li>• SOC 1 (SAS 70)</li> <li>• Tax Compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Enterprise Risk Management</li> <li>• Internal Audit</li> <li>• Contract Compliance and Cost Recovery</li> <li>• Security and Privacy Services</li> <li>• Construction Oversight</li> </ul>	<ul style="list-style-type: none"> <li>• Performance Improvement</li> <li>• Finance Operations and Controls</li> <li>• Anti-Fraud Consulting</li> <li>• Project Management</li> <li>• Litigation &amp; Dispute</li> <li>• Budgeting &amp; Modeling</li> </ul>	<ul style="list-style-type: none"> <li>• IT Strategy</li> <li>• Network</li> <li>• Infrastructure</li> <li>• Security Architecture</li> <li>• Business Continuity Plans</li> <li>• Program Mgmt Office</li> <li>• ERP Selection</li> </ul>

This section will describe our approach for the following selected services:

- I. Process Improvement
- II. Technology Business Solutions
- III. Project Management
- IV. Internal Audit
- V. Forensic Services
- VI. Fraud Risk Assessment

#### I. Process Improvement

The evolution of an organization creates complexity. This complexity can lead to ineffective accounting controls, inefficient processes and organizational misalignment, anchors that can drag down productivity and service. A core competency of the McGladrey consulting team is the capabilities to help improve your operations by improving processes, leveraging technology, defining organizational structures and improving operational efficiency. These improvements help to increase viability and value, and build a strong foundation for quality business operations. We work with organizations to achieve improved operational results. Our core service capabilities include:

- Strategy Development
- Process Reengineering
- Lean Six Sigma
- DMAIC Kaizen Events
- Other methodologies for BPI
- Tactical Business Plans
- Process flow mapping
- Financial Information Assessment
- Technology
- Operations
- Organizational
- Compensation and Incentives

Business process improvement initiatives can:

- Enable an organization to better serve internal and external customers
- Increase productivity and use resources/technology better
- Eliminate redundancy and align the organization for improved operational effectiveness
- Allow an organization to predict and control change
- Result in an environment of continued improvement

## **II. Technology Business Solutions**

Because of our extensive experience with the technology challenges and opportunities facing governmental entities, we have a core of professionals with the industry involvement you need. This helps us quickly pinpoint barriers, both internal and external, that could impede your success, so we can recommend strategic solutions. Whether your desired outcome is maximizing efficiency with a new software solution, decreasing technology risk or implementing a new network to increase the operational effectiveness of your business, we'll put together the right team of professionals to assist you.

McGladrey technology consultants offer a tailored approach that aligns your technology, processes, and people to help improve productivity and mitigate threats to your organizations goals. We know that technology is instrumental in driving efficiencies in government operations and programs. We have also seen examples of large-scale challenged and failed projects in the public sector. Therefore, we can understand the complex service delivery challenges our government clients face. We can successfully align people, processes and technology to help meet each organization's strategic goals. That takes more than skill, and more than experience. It takes understanding.

While the public sector challenges may be similar, the solutions are not. Each government entity has a unique culture, its own organization structure, union environment, revenue base and political history. Our challenge is to understand where the Division has been, where it wants to go and how best to help you drive it there. To understand what your organization is, and what you want it to be. That's the true power of our consulting solutions.

McGladrey's Technology Consultants can assist the Division in areas such as:

- Strategy and Advisory
- ERP & CRM
- Business Intelligence & Integration
- Infrastructure
- Technology Outsourcing
- Business Process Outsourcing

Providing clients direct access to our most seasoned professionals is a characteristic that sets McGladrey apart. We do it because it helps instill confidence in the services you receive. And with these relationships in place, you're assured of continuity and minimal disruption.

Our experience in this area includes:

- Served as the Data Architecture/Data Modeler for a PeopleSoft CRM4COM Oracle Customer Relationship Management and Portal Billing systems implementation and subsequent data conversion. Project size included over 200+ tables across multiple systems.
- Assisted financial services (insurance) client with data analysis and data correction for SQL Server DB errors due to ERP premium payments system implementation errors. Developed multiple data analysis reports and

data cleanup scripts to help back out incorrect transactions, reset balances, and identify conversion errors. Identified hard-dollar cost savings recovery of from original project errors. Identified further savings of in reduced manual recovery efforts based on recovered implementation.

- Automated a previously manual mortgage portfolio processing system for a financial services client. Reduced a multiple day manual procedure to a 30 second process using automated import and processing of mortgage information .CSV text files via Excel processing.
- Developed and managed an MS-Access DB for capture and analysis of ledger transaction data for a trucking transport company to support fraud/mismanagement analysis. Tables included upwards 6 million ledger transactions over two-year period.
- Developed and managed an MS-Access DB and Excel reporting model for import and review of invoice/workorder transaction processing to support billing validation and settlement for a Cable systems provider and installation vendor litigation dispute.

McGladrey has implemented customized technology solutions—including projects of the type the Division is considering—for over 30 years with more than 2,000 clients across the country. Our teams include hand-picked consultants with the right technical skills and specific experience in your industry.

Designed to cost-effectively address your needs, our implementation methodologies include:

**Initiate** – establish a clear vision of the objective for the implementation

**Analyze and Design** – understand the data/process flows, detailed business requirements, and integrations with existing technologies

**Build and Validate** – configure and test the solution, modifications, and product extensions with converted data/systems

**Deploy** – train end-users on new system and processes, complete final data migration, and cutover to new system

**Operate** – provide on-going support as needed, conduct project close, and transition to internal support team

### **Business Intelligence and Integration Overview**

We can help the Division make sense of the mountains of data residing in existing technology systems by converting it into information that enables critical policy and program decisions.

Services include:

- Business Intelligence Rapid Assessment
- Data Integration and Management
- Dashboards, Scorecards and Analytics
- Planning, Forecasting, Consolidations and Budgeting Systems
- Knowledge Management, Portals and Collaboration Systems

Value Proposition:

- Understanding of organizational costs and budgetary data
- Automation to alleviate manual data entry and consolidation
- Streamlined workflows that leverage key financial indicators
- Improved and more timely decision-making capabilities

### **III. Project Management**

The bedrocks of any successful change initiative are project management and change management. Keeping projects on time and within budget are often where organizations often fall short when driving new initiatives. Our project management approach, methodology and tools allow for consistent, high-quality delivery, communication and risk mitigation throughout the project lifecycle. Clients can leverage our project management services for any initiative that requires a structured approach, strategic focus and/or cross-functional teams.

Our proven techniques help our clients rapidly assess and mobilize their projects to consistently deliver value-added solutions. Regardless of the scope of the initiative, our consultants are able to facilitate the process, manage the resources and maintain quality control to increase the probability of success within an agreed-upon timeframe and budget.

Our consultants will provide skilled, deep-level leadership in helping guide project resources in completing the appropriate priorities.

- PMBOK/PMP and PMO approach
- Charter Development
- Benchmarking, Status Reporting, and Issue Resolution
- Change Management and Communication Plans
- Decision Management and Governance Models

The following are offered as a part of Project/Program Management Execution. These services are tailored by McGladrey professionals to meet each individual client's needs.

- Strategy. Provide direction in helping assess operational plans, and organizational objectives to determine project alignment to strategic goals.
- Stakeholders. Interview your stakeholders and assess their needs, the value they bring to the project's success and the potential impact to them in the near and long-term.
- Project Plan. Create a project plan to prioritize and communicate where impacts in efficiency and quality should be targeted.
- Communication Management. Document key constituent groups, identify the messages each needs to receive and determine the frequency and communication methods for each.
- Risk Management. Produce summary risk analysis documenting the risks associated with each project. If necessary, develop appropriate risk mitigation plans.
- Quality Management. Develop a project testing and quality assurance plan to ensure project deliverables meet expectations and requirements regarding fitness for use.

### **IV. Internal Audit**

McGladrey's Risk Advisory Services team includes in excess of 350 individuals nationally who are exclusively dedicated to internal auditing, Sarbanes-Oxley (SOX), fraud prevention and other risk management topics. Individuals within this group are distinguished from other consulting firms by the many special certifications they possess, including Certified Public Accountant (CPA), Certified Internal Auditor (CIA), Certified Management Accountant (CMA), Certified Fraud Examiner (CFE), Chartered Accountant (CA), Certified Information System Security Professional (CISSP), and Certified Information System Auditor (CISA).

McGladrey's team members bring an average of 15 years of internal and technology audit experience. Additionally, we have specialized knowledge relevant to the State in areas such as revenue/billing, disbursements, lobbying expenses, expense reporting, contract review and compliance, PeopleSoft or SAP system auditing, and information security.

McGladrey's Risk Advisory Services team brings the knowledge and resources to help organizations address complex business challenges. Our approach is tailored to the way organizations do business to provide practical and innovative solutions that fit their needs.

With our proprietary tools and project management experience, we've helped organizations manage risk, respond to changing conditions, and compete effectively by providing you with the following:

- Integrated Service Approach
- Information Technology Internal Audit Services
- Regulatory and Compliance Knowledge
- Project Management Expertise
- Fraud Prevention
- Electronic Integrated Internal Audit Tool and Project Management Application

McGladrey's core competencies in internal audit provide the following benefits:

- Delivering best practice solutions for process improvements
- Reducing the risks to the State by periodically testing process and transactional controls for proper effectiveness
- Identifying areas within a process that are redundant to reduce operating costs
- Highlighting the latest risks and issues for management
- Internal control optimization (ways to reduce the number of internal controls without sacrificing effectiveness)
- Providing a customized, holistic, risk-based approach to internal audit

Our internal audit approach will supply specialized skills for certain projects while helping you explore a realistic, customized solution to right-size internal audit. We help:

- Identify and prioritize areas of risk within your organization
- Mitigate business risk to an acceptable level
- Improve the value of your organization
- Address the changing environments within your organization, your industry, and the marketplace

We partner with you to provide specialized resources on a project-by-project basis in accordance with your audit plan.

## **V. Forensic Services**

Our Financial Advisory Services Group has extensive experience providing forensic accounting, financial investigations, fraud detection and analysis, dispute resolution services to lenders, creditors' committees, debtors, equity holders and trustees. This experience includes both, performing fraud and forensic accounting investigations, as well as, serving as an expert witness in complex litigation matters involving fraud and other types of white collar crime. Our experience includes the following service areas:

- Forensic accounting
- Reconstruction of books and records
- Fraud detection, analysis and documentation
- Documentation in proof of concealment
- Determination of financial and economic damages
- Discovery and document management
- Deposition preparation, participation, and analysis

- Expert testimony supporting all analyses and conclusions

McGladrey's Forensic Accounting and Investigative Consulting Services Team, within our Financial Advisory group, provides analytical and investigative services to companies involved in complex financial issues. The team's professionals are skilled in performing intricate investigations and providing in-depth analysis of financial transactions and economic impact of high-stakes issues ranging from internal matters to litigation. In addition, they can provide comprehensive reports and recommendations for improvements and support legal proceedings with expert testimony if needed. Our forensic accounting and investigative consulting professionals hold a variety of professional designations, including Certified Fraud Examiner (CFE) and Certified Internal Auditor (CIA), and bring exceptional skill and experience to your specific circumstances.

Our reactive forensic accounting and investigative services include:

McGladrey's forensics accounting and investigative consulting professionals are specialists in the investigation and analysis of complex issues. We have experience with:

- Financial fraud investigations
- Quantification of fraud damages
- Reconstruction or restatement of financial records
- Asset misappropriation and employee embezzlement
- Policy non-compliance issues
- Conflict of interest cases
- Investigatory data analysis and extraction
- Regulatory non-compliance issues

## **VI. Fraud / Risk Assessment**

McGladrey's approach to risk assessment utilizes the Committee of Sponsoring Organization's (COSO) industry-leading framework for evaluating the effectiveness of internal controls and is one of our proposal's defining elements. We will use a comprehensive and continuous Risk Assessment process that will help mitigate fraud, waste, and abuse risks. We will act proactively to mitigate potential risks, and react with informing analysis and controls to prevent future occurrences when negative events do occur. Whereas traditional program monitoring stresses after-the-fact audits, The State will benefit from the preventive emphasis in our project risk methodologies.

One of the most important aspects of the audit process is the proper analysis of your risk environment. To decide how audit resources can be used most cost effectively and efficiently, we will work with management to complete a risk assessment of your activities following the COSO framework presented below. Our risk assessment process provides:

- An assessment of your inherent risks at the financial record and account balance levels
- An evaluation of your internal control and the subsequent assessment of your control risk
- An assessment of the effectiveness of your analytical procedures in controlling and detecting risk

Fraud Risk Assessment Approach - McGladrey's internal audit approach uses the COSO guidelines to evaluate and define risk and expands beyond just policies and procedures:

*Monitoring*

- Supervisory and managerial reviews
- Internal and external audit
- Management and Board oversight
- Independent evaluation
- Approvals and authorizations

*Information and Communication*

- Internal management reports
- Business decision-making
- External information analyzed
- Organization communication programs
- Segregation of duties

*Risk Assessment*

- Management's objectives
- Identification of risk
- Analysis of risk
- Management of risk
- Management of change

*Control Environment*

- Control is everyone's job
- Integrity and ethical values
- Management philosophy
- Authority and responsibility
- Human resources policies

## Phases of our Approach

When it comes to providing services to organizations, we don't believe that one size fits all, nor do we believe that one solution fits all governments. Our approach to each engagement is to partner with our client to fully understand their needs. We then work with you to custom-design solutions responsive to those objectives.

McGladrey's enterprise risk assessment and internal audit approach is comprised of six phases. As illustrated below, our approach is predicated on the premise that the internal audit function is a continuous cycle supported by strong project management principles.

To complete the cycle, each phase of our approach serves as a building block to ensure that a strong foundation has been established enterprise-wide, the auditable entities have been adequately identified and evaluated, communication protocols are timely and effective, and deficiencies and weaknesses are properly monitored and resolved.

The six phases of the McGladrey internal audit approach include:

**Phase I – Governance/Strategic Analysis**

**Phase II – Risk Assessment**

**Phase III – Internal Audit Plan Development**

**Phase IV – Internal Audit Execution**

**Phase V – Reporting/Communication**

**Phase VI – Issue Resolution Tracking**

### Phase I – Governance/Strategic Analysis

The first phase of the McGladrey approach is ***Governance/Strategic Analysis***. We define **Governance** as the systems and processes an organization has in place to protect and enhance the interests of its diverse stakeholder groups. It involves establishing a company-wide culture of sound business practices and ethics to ensure management has a comprehensive understanding of how to manage risk.

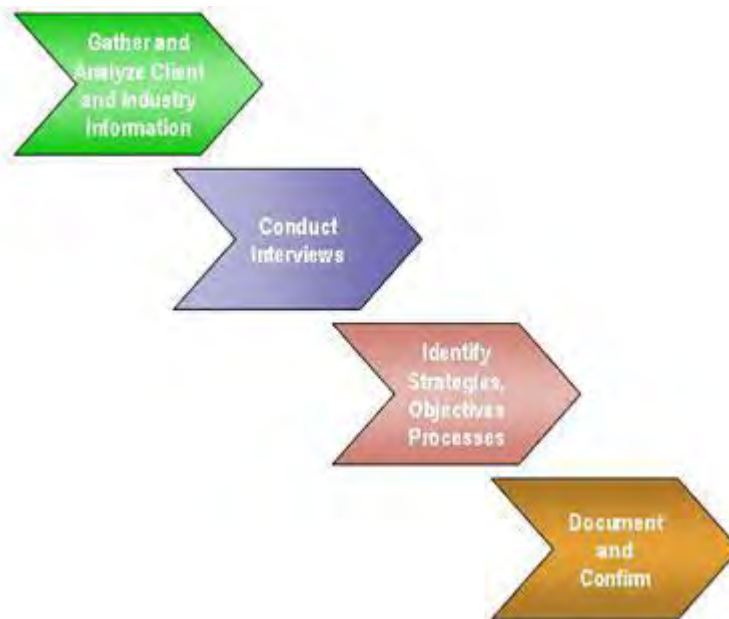
McGladrey relies on a Corporate Governance Framework which helps organizations reduce risks, identify gaps, and close them for improved performance.

More specifically, McGladrey's Corporate Governance methodology can help the Division:

- Identify areas where business risks are not being effectively mitigated
- Implement solutions to strengthen corporate governance
- Retain talented employees, executives, and directors
- Reduce the costs of capital and enhance value to stakeholders

**Strategic Analysis** provides an understanding of the Division's business. It is performed at a high level using a top-down perspective. This phase provides a framework for identifying relevant issues faced by governmental agencies of your size and complexity.

McGladrey's Strategic Analysis process is performed in four phases as illustrated below:



## Phase II – Risk Assessment

McGladrey's risk assessment process is flexible and scalable. It can be performed at an entity level or process level and can be applied to any level of the organization. The objectives of the risk assessment phase are to:

- Gain understanding of risks that threaten strategic objectives
- Assist in identifying key business processes
- Assist in forming the basis of the internal audit plan

McGladrey believes that a strong linkage between the risk assessment and the development of the audit plan is essential. The risk assessment impacts the audit plan in the following manner:

- Results of the risk assessment are used as input to develop the audit plan.
- The audit plan is generally risk-based, but may be modified based on client requests and other requirements.
- The risk assessment is dynamic and needs to be updated as the client risk profile changes, potentially impacting the audit plan.
- Updates flow to the audit plan and should be properly approved.

### **Phase III – Internal Audit Plan Development**

McGladrey's internal audit methodology defines the internal audit plan as being inherently dynamic and is used to:

- Set scope of work to be performed
- Define approximate timing and resources

McGladrey's approach to the development of an internal audit plan is risk-based and flows from the risk assessment. In addition, the plan should incorporate the flexibility to allow some projects to be driven by client requests. It is critical that the internal audit plan outlined in the request for proposal is directed, agreed to, and adopted by CCC's Audit Services Committee.

### **Phase IV – Internal Audit Execution**

Key elements of the McGladrey approach to audit execution include:

- Plan the project
- Obtain and document process understanding
- Perform process analysis and create the internal audit programs
- Execute the program – perform test work and document
- Summarize findings and performance improvement opportunities

### **Phase V – Reporting/Communication**

McGladrey's internal audit approach assumes that internal audit reporting/communication must occur throughout the internal audit engagement and should be both formal and informal in nature. In addition, reporting should not be isolated to engagement or project completion and must be adequately and clearly supported in workpapers. Internal audit reporting to the Audit Services Committee is typically scheduled quarterly.

Our internal audit reports will:

- Effectively communicate results of internal audit work
- Demonstrate the value of internal audit work
- Are timely, clear, constructive and concise
- Drive change contributing to achieving objectives
- Can encompass different needs/audiences:
- Status Reports
- Audit Reports (Project Reports)
- Audit Services Committee Reports

### **Phase VI – Issue Resolution Tracking**

Issue resolution tracking completes the audit cycle. It is a critical component of a successful internal audit function. It monitors the progress of management's agreed-upon action plans and reports progress to management. It is designed to address the need for the escalation and resolution of issues identified in the internal audit process by establishing protocols for:

- Determining Status of Corrective Actions
- Performance of testing
- Review of supporting evidence
- Management sign-off
- Clearing findings
- Protocol established with the Division
- Timing agreed to with Division

- Requirements by risk rating determined, as appropriate

Tracking issues

- Audit finding
- Function/location
- Management actions plans
- Implementation date
- Responsible person
- Status

## McGladrey Security Overview

### Physical Security

We have in place policies that establish generally accepted standards of physical security concerning the protection of non-public personal information and also client business information from loss, misuse, alteration or destruction. For example, the McGladrey data center, which contains the application and data processing and storage equipment, is physically secured and is isolated from the public. Only authorized personnel have access to the data center. Data is backed up regularly and stored off site in a secure location. A data center disaster recovery plan is in place and tested regularly.

In addition, McGladrey policies also require that paper documents be used and stored in a manner that will protect them from unauthorized disclosure.

### Electronic Security

Generally accepted controls have been adopted to protect electronically collected, processed and stored client business and non-public personal information. This includes, but is not limited to: network security tools, virus and malware protection; security patch maintenance, access to information and systems based on “need to know”; encryption or alternative security measures for email; laptop encryption, as well as standard authentication tools for all employees.

### Data Retention and Destruction

We have in place data retention and destruction standards, procedures and processes as required by law, regulation and professional standards that govern each segment of the business.

We have a comprehensive information security policy, covering all aspects of security including Acceptable Use. Major revisions occur annually and are approved by the appropriate management. All employees and those non-employees who access our systems receive the policy for review and agreement upon hire and then annually.

### Accountabilities

Our information security, compliance and privacy programs are headed by senior directors with an information security manager and team. Program priorities are regularly reviewed on the basis of risk. The group is accountable for policy development, consulting, monitoring and assessing risk to information assets. It provides guidance and education on the use of confidential information. It approves major initiatives to enhance information security. It performs due diligence on all new vendors that have access to confidential information and ensures that contracts with such vendors require adequate safeguards. It also assesses our firm’s compliance obligations for managing risks to information and takes steps to support compliance.

### **Access Controls**

McGladrey uses the industry standard “defense in depth” approach to systems access. Laptop computers have whole disk encryption, and firm-issued portable devices are encrypted. All computers utilize standard hard drive authentication tools. Network access and access to business applications is controlled, the configuration of which is based on generally accepted industry practices. Security practices, such as user provisioning and de-provisioning, one ID per user, password standards and management, etc. are based on standard industry practices. There is an established patch management program to review and apply security patches.

### **Data Disposal**

McGladrey uses generally accepted practices for the secure disposal of its computing assets. All assets are permanently “wiped” of information prior to disposal. It is our company policy to destroy paper-based confidential information in accordance with industry standards and prevailing laws.

### **Incident Detection and Response**

Industry standard intrusion detection technology and monitoring has been applied to the McGladrey WAN. There is an incident response plan. McGladrey has established processes for managing data losses and takes action in compliance with prevailing laws and regulations.

### **Security Audits**

McGladrey security is audited as part of an internal audit schedule. Ad hoc assessments also are conducted by McGladrey personnel. A vulnerability scan of the McGladrey Network is conducted on a quarterly basis. There is also an annual review of internal controls.

### **Audit Documentation Retention and Access Policies**

Audit documentation is the property of the auditor. It is not a part of, or a substitute for, a client’s records. During the course of an audit, we accumulate records containing data that should be reflected in the client’s books and records. Accordingly, copies of such records in our possession are not returned to the client. The engagement office and the engagement team adopt reasonable procedures to maintain the confidentiality of the audit documentation. Our firm retains audit documentation in accordance with our firm policy, which complies with professional standards that currently require retention of audit documentation for a minimum of seven years after the issuance of our report.

Our firm has policies and procedures in place to prevent unauthorized access to audit documentation, including during a review of the audit documentation by a successor auditor. Professional standards require, under normal circumstances, that we make available for review by a successor auditor, audit documentation related to documentation of audit planning, internal control, audit results, and other matters of continuing accounting and auditing significance. In the absence of unusual circumstances, and assuming: (a) the successor has been appointed by our former client; (b) written authorization by our former client has been obtained; and (c) a written letter of acknowledgment from the successor auditor has been obtained, we will determine which of our audit documentation should be made available for review and which may be copied. The extent to which the engagement partner agrees to permit access to audit documentation by a successor auditor is a matter of professional judgment.

### Deliverables

We will provide the following deliverables to the Using Agency:

- 1) Monthly reports on activities conducted on or for each task to include the type of activity, results, recommendations and analysis;
- 2) Monthly reports on analysis of data as to fraud detection, outlier trends and progress by agencies or contractors to correct anomalies and system processes to provide verification of resolution and prevention of reoccurrence;
- 3) Monthly reports on the resolution and closure of issues identified as result of any audit or monitoring from agencies providing oversight; and
- 4) Reports required by P.L. 2013, c. 37, N.J.S.A. §52:15D-2e.

A deliverable schedule will be provided as requested by each Using Agency for each task order.

### Management letter and suggestions for improvements

If requested, we will provide a written letter with comments, findings and observations for improvements. The diverse experience of our personnel, combined with their independent and objective viewpoints, make the comments, observations and conclusions a valuable source of information.

The findings and other comments may contain, as warranted and appropriate, based on the services provided:

- Specific recommendations for improvement of the accounting practices and procedures and the internal accounting and administrative controls
- Comments on the design, controls and audit trails of new and redesigned automated systems, along with suggestions to improve processing methods and procedures
- Suggestions for operational improvements or cost efficiencies noted during the course of our examination
- Findings relative to compliance with the applicable rules and regulations
- Comments regarding compliance with laws
- Comments regarding implementation of the new accounting pronouncements
- Other comments or recommendations that we believe may be of interest

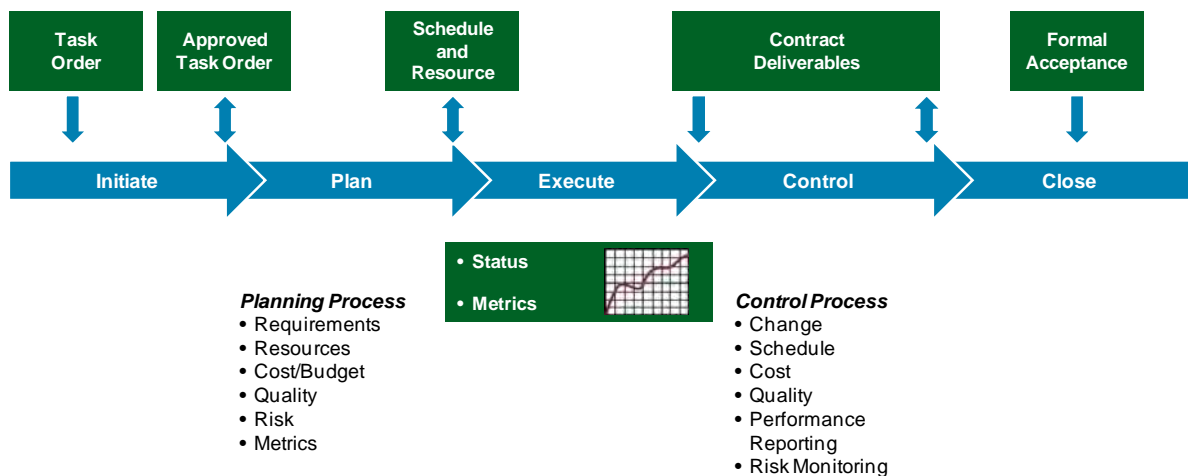
### 4.4.3.2 CONTRACT MANAGEMENT

At McGladrey, our Program Management Office (PMO) is modeled after our successful performance on our current engagements of similar size and complexity in the public and commercial sectors. Our methodology typically includes: program management between stakeholders, coordination including sharing best practices across task orders, conflict management and legal review, billing/invoicing/contract compliance, cost management and financial reporting, and rapid conflict resolution.

Our PMO provides functional support and is sourced from the existing Team McGladrey's infrastructure, ensuring consistency across the contract as we interface with all stakeholders. We excel at managing contracts and task orders and meeting all contractual requirements including: management of team members, quality assurance, recruitment and retention, and employee training. When executed together, each of these efforts help ensure successful completion of required tasks.



McGladrey brings the processes, tools and a deep team of experts that provide an efficient response to support new or changing task requirements. As noted below, the McGladrey process is composed of five activities: Initiate, Plan, Execute, Control, and Close. Our approach is both disciplined and flexible. Each of these phases is inclusive of a set of activities that are performed based on the particular task requirements, schedule considerations, level of priority, and criticality.



The benefits of our contract management process are that they are:

- Inclusive —All team members are notified of every contract requirement and execution in accordance with those requirements is consistently applied
- Repeatable —Team McGladrey has employed this same process over multiple large and high profile contracts

### Project Risk Management

McGladrey recognizes that technical, schedule, and cost performance risks must be managed throughout the period of performance. Risk is best mitigated through a proactive approach of identification, assessment, response, execution and evaluation. The PMO holds the accountability for risk mitigation.

Once a risk is identified and communicated to all stakeholders, it is assessed based on:

- Impact—the severity if risk should materialize
- Probability—the likelihood of risk occurrence
- Timeframe—when the risk may occur in relationship to the time of risk identification

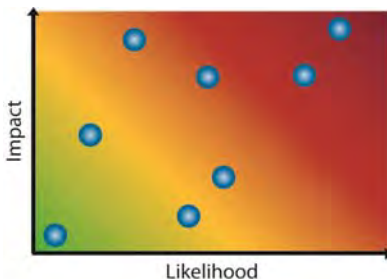
Activities then focus on what should be done, when it should be accomplished, who is responsible, and associated cost and schedule impacts. Immediately upon receipt of these results, the plan of action to mitigate the risk is shared with our task order client. After mitigation plans are approved for action and implemented, results are tracked and shared with all stakeholders until the risk threat is reduced to an acceptable level or eliminated.

Escalation is part of this process. Issues that cannot be resolved at the lowest applicable level of the organization are escalated quickly until resolution is achieved. The effectiveness of the mitigation activities is evaluated at regularly scheduled review meetings and reflected in weekly PMO meetings. We regularly reassess risk probability, impact, and mitigation actions—adjusting the mitigation plan and documenting any lessons learned.



One of the key elements to successfully monitor our projects and manage expectations of our clients is our McGladrey PMO process. Our PMO process is based on the leading practices in the Project Management Institute's (PMI) Project Management Body of Knowledge (PMBOK) that actively address schedule, cost, and quality risks, and optimize the use of resources. McGladrey's PMO process provides summary status for all task orders, teammates and the overall program. McGladrey uses these program management tools across many of our strong relationships, supporting many large complex projects such as our assistance to the FDIC. At the FDIC, McGladrey has maintained three contracts requiring ongoing management and coordination of an average of 250 assigned personnel with surges of up to 330 resources.

One of McGladrey's typical dashboard tools is a project scoring tool pictured below as a Heat-map to evaluate key project attributes and an overall project assessment rating. Our Heat-map dashboard allows the task order team to quickly mitigate areas of risk as noted above.



Likelihood of Occurrence	Magnitude of Impact			
	Threatening	Severe	Moderate	Immaterial
High	High	High	High	Moderate
Moderate-High	High	High	Moderate	Moderate
Moderate-Low	High	Moderate	Moderate	Low
Low	Moderate	Moderate	Low	Low

McGladrey uses Microsoft Project for automated tracking of resources, milestones, and progress. During contract start up, the PMO, in conjunction with the government task order personnel, develops a master schedule to document program objectives that includes key program and contractual milestones, associated staffing, critical path items and deliverables. Progress is measured and reported in a Weekly Status Report against this baseline

Management Plan schedule. If it is deemed necessary to make an adjustment to our plan, revisions are made and the schedule is re-published with a revision indication to ensure the team stays on plan and manages expectations of all stakeholders.

McGladrey has established a Project Management Office (PMO) for its contracts with the FDIC. The PMO has developed and implemented systems and procedures through close interaction with senior level FDIC employees to ensure compliance with various programs, especially those with potential exposure to fraud and abuse. Specifically, the PMO has developed systems and procedures for fee bill and expense capture that have multiple checks and balances and assure that McGladrey employees are in compliance with FDIC regulations and procedures. These procedures are relied upon by the FDIC for ultimate review by third parties such as the Office of Inspector General.

Under RAC engagements, McGladrey has extensive experience and expertise in the analysis of various factors leading to the failure of financial institutions, and has developed and presented restructuring and compromise scenarios for the best possible outcome to the FDIC as Receiver on over \$13 billion of assets under management. Such analyses and presentations were performed under the FDIC's delegation of authority infrastructure, and required extensive credit underwriting, financial analyses of borrowers, and detailed review of current collateral valuations. In addition, our RAC engagements required our field teams to capture, stratify and map failed bank loan information systems to the FDIC's 4C loan accounting system and perform daily reconciliations of data into the FDIC's system of record.

McGladrey's role under the DD contract allowed us to develop and implement systems and procedures that allow for huge amounts of data to be downloaded, organized, analyzed, summarized and uploaded to a virtual website. Databases were developed and systems designed to organize and present loan data from multiple sources into a consistent format. The website is used by third party investors for performing due diligence on portfolios of assets being sold by FDIC under a structured sale transaction, or as a securitized pool of assets, and complies with the FDIC's stringent standards for IT security due to the personal nature of the information contained within. Team McGladrey can readily translate this expertise to manage the grant application, review and disposition process required by the NJEDA.

Team McGladrey has frequently been called upon to perform extensive forensic investigations in the financial services marketplace such as reviewing loan files to determine whether there had been material omissions or falsification of key data in the origination process or suspicious appraisals; reconstructing trading activity and identifying assets that had been improperly transferred in a variety of trading or investment management systems; demonstrating how an investment manager was paid millions in fees for fictitious performance; and discovering the existence of unknown trading accounts used to further fraudulent activity.

#### 4.4.3.4 POTENTIAL PROBLEMS

##### Topic: Data Security

##### Risks:

- Unauthorized access to Personally Identifiable Information (PII)
- Newly "stood-up" system has not been "stress tested" due to accelerated timetable and is vulnerable to attack and penetration (i.e., "hacking") efforts

**Proposed Solution:**

- Utilize existing State technology infrastructure (as feasible) to process within the State's firewall and security protocols.
- Provide State-issued email addresses to contractor personnel. Prohibit personal or other Contractor business communications on these channels.
- Consider building the claims or applications processes on a stand-alone or redundant server
- Establish process to comply with federal standards for data breach or loss

**Topic: Fraud Awareness and Mitigation****Risks:**

- Misappropriation or duplication of funding.
- Professional "fraudsters" target emergency assistance programs

**Proposed Solution:**

- Develop and implement controls to manage risk and meet CDBG federal fund audit requirements
- Establish a protocol with State Inspector General (IG) or General Counsel to refer or investigate potentially fraudulent transactions or applicants.
- Collaborate on establishing processing metrics to reflect industry averages

**Topic: Media Inquiries and Coverage****Risks:**

- Delays in delivery of grants to approved applicants
- Lack of public knowledge and understanding of grant program parameters (vs. other components of the total CDBG-DR funding)
- Addressing disgruntled applicants who are denied grants

**Proposed Solution:**

- Collaborate with a State Public Information Officer (PIO) or media liaison, to coordinate public project messages and respond to media inquiries.
- Establish a call center prompt which will route non-small business callers to a separate message center, to avoid adverse impact on call response times.

**Topic: Staff Management****Risks:**

- Unanticipated turnover, health issues or disciplinary action impacts the scheduled staff and shifts
- Individual staff members do not perform as expected
- State Project Manager (PM) is not available to timely approve back-up staff and production volume declines

**Proposed Solution:**

- Maintain an active roster of pre-screened "back-up" and replacement candidates (updated weekly)
- Plan for vacation, holiday and sick time, and build a potential turnover factor into staffing plan

## 4.4 ORGANIZATIONAL SUPPORT AND EXPERIENCE

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McGladrey, founded in 1926, has a distinguished history of growth, client-centered expansion and leadership within complex industries relevant to this engagement. Our growth has been the result of our ability to provide our clients with combined expertise in finance, lending and real estate expertise as well as personal attention, continuity and accessibility of all professional personnel, including partners, directors and managers; and prompt, quality services in a cost-effective and innovative manner. We are ready to work with the State as we have done for our largest and most important clients to understand their business objectives, aspirations and challenges. This allows us to help you succeed and has been our philosophy for 85 years and this philosophy continues to direct our endeavors as we look toward the future.

McGladrey is among the most experienced providers in the nation qualified to serve the State, in that our understanding of lending, compliance and reporting for financial institutions and all aspects of the requirements for this solicitation are currently being met through service to our current clients. For instance, McGladrey currently works with senior management at the FDIC Acquisition Services, as well as FDIC Division of Resolutions and Receiverships (DRR), to develop and implement best practices under the Loss Share Agreement Oversight, the Receivership Assistance Contract (RAC), and the Due Diligence contracts under which it currently performs services. Additionally, McGladrey assists Government-Sponsored Enterprises (GSEs) with Program Support, Quality Assurance and Testing and Monitoring for some of their programs.

### Iowa Economic Development Authority Catastrophic Flooding Recovery Assistance and Fraud

McGladrey was hired in July 2010 to assist the Iowa Economic Development Authority (formerly Iowa Department of Economic Development) in administering and distributing approximately \$85 million in funding provided by the US Department of Housing and Urban Development (HUD) in response to catastrophic flooding that occurred in June of 2008.

Initially, McGladrey provided advisory services in relation to appropriate control procedures associated with distributing the funds, and process improvement in relation to the applicant file review process. These services were of particular importance in getting funds moving in the Cedar Rapids, Iowa area where the most severe flood damage had been incurred. After assisting in establishing appropriate processes and procedures surrounding eight separate business grant programs, McGladrey assisted IEDA in reviewing the vast number of funding application files in Cedar Rapids.

The funds, which had been at a standstill for over two years, started being distributed to businesses in need within two weeks of McGladrey's involvement. To date, nearly all of the available funds have been distributed. The programs have been in an ongoing maintenance phase for the past year, and are now much more manageable for the State to administer with their resources.

McGladrey has successfully assisted IDED and the City of Cedar Rapids in overhauling the flood assistance programs. **Over \$7 million were distributed to flood affected businesses in the first three months of the engagement.** To date, nearly all of the available funds –approximately \$85 million dollars– have been distributed.

### McGladrey Complex Claims Solutions

Our team has substantial experience with a variety of complex insurance claims. Our clients indicate that we excel at what they value most:

- Working effectively as part of a team while fitting into our clients' cultures
- Emphasis on expediting the claims process and identifying the key issues
- A record of success and a reputation within the insurance claims industry for preparing well documented, cogent claim calculations appropriately grounded in policy coverage.

Typical Services provided to clients in complex claims consulting engagements include:

- Quantification of asset cost replacement/repairs and accumulation of documentation
- Quantification and documentation of lost sales:
  - Modeling expected "but-for" projection of results of operations
  - Identifying other (i.e., not insured) causes of shortfall from expected results, if any
  - Fixed v. variable cost analysis
- Performing econometric analyses to isolate and quantify the impact of the "but for" event
- Assessment of claim strengths and weaknesses developing negotiation strategy

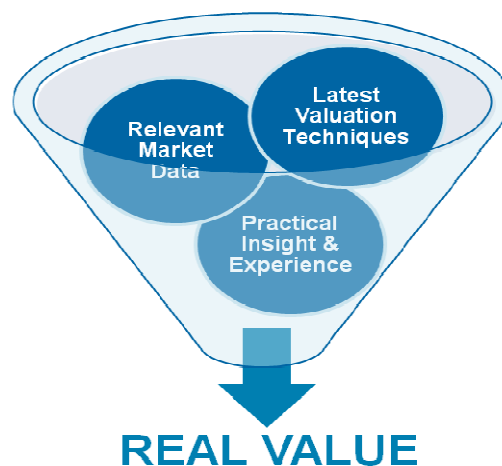
Our complex claims services result in objective and thorough assessments of liability and damage issues in preparation for possible recovery actions. We approach these engagements through a phased approach:



### McGladrey Business Valuation Services

Our Business Valuation Services practice within our Financial Advisory Services group includes professionals with extensive experience assisting clients on issues related to business valuation and financial reporting matters. We offer a full suite of valuation services that includes the technical aspect of business valuation as well as subsequent expert testimony supporting all analyses and conclusions.

We utilize a comprehensive valuation approach, regardless of whether we are valuing a closely held business, business interests, intangible assets or financial instruments. We include relevant market data, the latest valuation techniques and in-depth analysis, so we can provide you with an accurate and defensible valuation report. When providing a valuation opinion, our professionals offer practical insight into strategic, operational and financial affairs so the real value can be understood, no matter the industry.





Our professionals hold accreditations with the American Society of Appraisers, the Institute of Business Appraisers, the American Institute of Certified Public Accountants and the CFA Institute. We also closely monitor accounting pronouncements and interpretations, administrative rulings and judicial precedent for all types of valuations, so we are cognizant of the latest legal and professional standards.

We serve a wide variety of manufacturing, retail, service-based and technology-driven industries, and we regularly work with other national accounting firms. Our consultants work with you to determine the most cost-effective level of service for your needs, whether it is an informal calculation of value or a comprehensive opinion report.

Our business valuation experience includes:

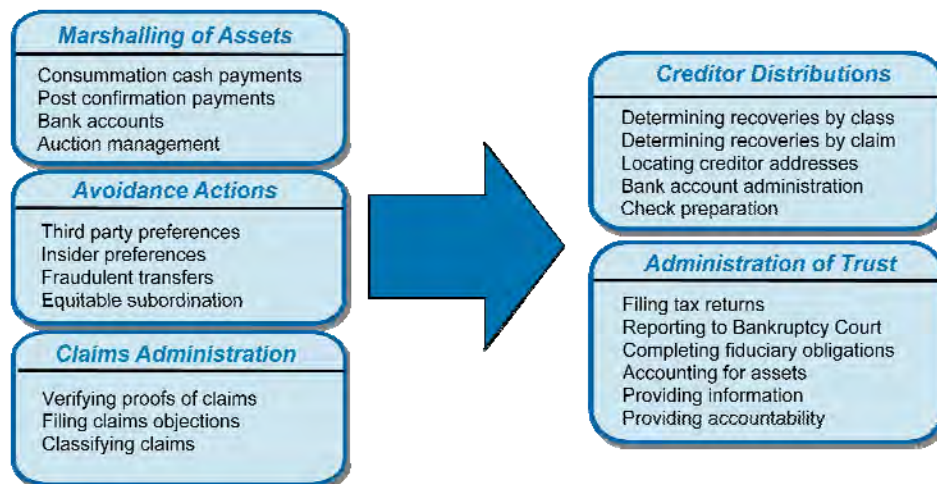
- Mergers and acquisitions
- Complex financial instruments
- Tax and business succession
- Fair value reporting
- Solvency opinions
- Dispute advisory
- Estate and gift tax

### McGladrey Trustee Services

Our Financial Advisory Services Group has extensive experience providing accounting and financial advisory services to creditors' committees, debtors, secured lenders, equity holders and trustees. This experience includes working with pre- and post-confirmation trusts, monitoring / evaluating operations, performing business valuations, conducting asset sales, providing trustee-type liquidation management services, management and operational consulting, performing forensic accounting investigations, pursuing avoidance actions, conducting investigations of management, structuring corporate reorganizations, and other matters.

Our experience includes the following service areas:

- Acting as Trustee, Receiver, Assignee or Disbursing Agent
- Corporate finance, business valuation, and asset sale services
- Accounting, financial, and economic analyses
- Corporate recovery services generally involving credits, bankruptcy and liquidations
- Director and officer liability investigations
- Fraud and wasteful expenditure investigations
- Financial and economic damage theories and calculations
- Due diligence investigations
- Discovery and document management
- Deposition preparation, participation, and analysis
- Expert testimony supporting all analyses and conclusions

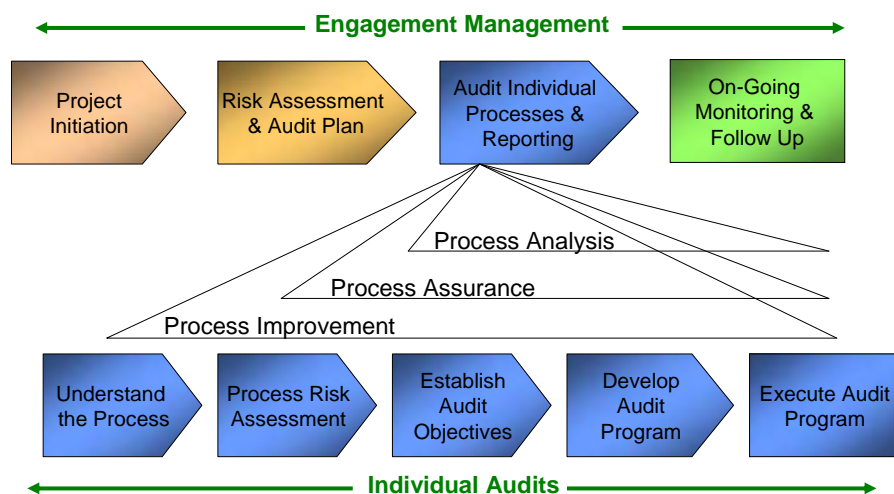


### McGladrey Risk Advisory Services

There is a clear trend in internal auditing – corporations are demanding value and innovation from internal audit (often with reduced cost), together with a greater contribution to the company's strategic objectives. As a result, internal auditors must increasingly focus on improving and supporting the business, not just playing the role of "corporate police." Traditional internal auditing is taking a back seat to more innovative, flexible risk management solutions.

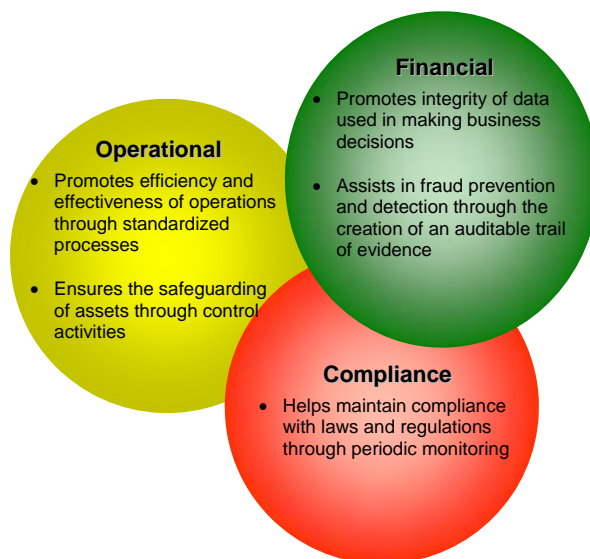
Our standard methodology (pictured below) encompasses three primary components, beginning with risk assessment and audit plan development. Specific objectives include:

- Establish a holistic understanding of business risks.
- Prioritize audit activities (targeting the risks with the greatest potential business impact) and optimize the assignment of resources.
- Provide assurance and consulting services designed to add value and improve operations.
- Optimize internal controls to reduce risk to an acceptable level.
- Ensure corrective action efforts are effective and implemented in a timely manner.



Our integrated risk-based approach incorporates the broad definition of internal control as described in the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control Framework, the standard of internal control. This is an integral component of our methodology and is built into our internal audit software platform – Auditor Assistant™. The COSO framework allows us to focus our internal audit approach on the relatively higher risk activities of your organization and your related control structure. Because we recognize that changes in the business process have IT implications, we don't audit around your IT system, we include technology risk consultants in the process. Our integrated approach results in value-added insights to your organization, including operational improvements that reduce costs, enhance revenue, and improve customer service.

This framework is a risk management tool that gives a big picture overview of the risks and related control environment. As management strives to achieve its business objectives, a direct relationship exists between an organization's goals and its processes, operations, regulatory control environment, and its assets and liabilities. Our enterprise-wide risk management approach will ensure that the company considers all of the primary risk categories when developing a risk management program. As the following diagram illustrates, there are many aspects of your internal control environment that should be considered for your overall benefit:



#### Approach to developing a loan management system

McGladrey provides services under the FDIC Due Diligence contract relative to single family and non-single family loans in the areas of data collection and organization, due diligence support, and quality control and information control. The subject contract required that McGladrey develop and implement a data capture methodology that is useful across multiple IT platforms encompassing billions of dollars worth of loans and collateral retained by the FDIC as Receiver. Performance under the subject contract has allowed us to develop and implement systems and procedures that allow for huge amounts of data to be downloaded, organized, analyzed, summarized and uploaded to a virtual website. Databases were developed and systems designed to organize and present loan data from multiple sources into a consistent format.

McGladrey also provides IT Consulting services to the US Department of Housing and Urban Development (HUD) for the National Loan Servicing Support Services Contract. Under this contract, McGladrey provides specific urgent changes for enhancements and/or modifications to the Extensions and Variances Automated Requests System (EVARS). This system applies to HUD's Insured Title II and Home Equity Conversion Mortgages for Senior (HECM) insured loan programs which provide specific time frames for initiation of foreclosure by servicing lenders. Prior to development engagement, McGladrey executed a ColdFusion review and directly followed with appropriate ColdFusion application development resources to provide modifications, feature and functionality upgrades to the EVARS system. These changes are made within a development environment utilizing McGladrey's best practice and application development lifecycle.

#### 4.4.4.1 LOCATION

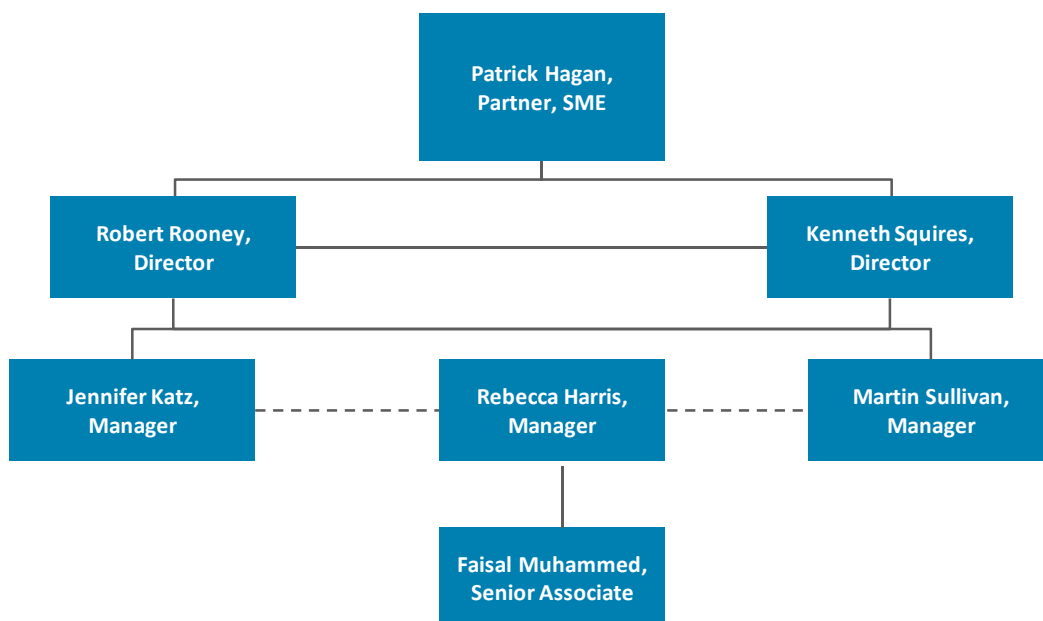
McGladrey will provide management of the contract from both our New Jersey office located at 224 Strawbridge Drive, Suite 110, Moorestown, NJ 08057 and our New York office located at 1185 Avenue of the Americas, New York, NY 10036.

#### 4.4.4.2 ORGANIZATION CHARTS

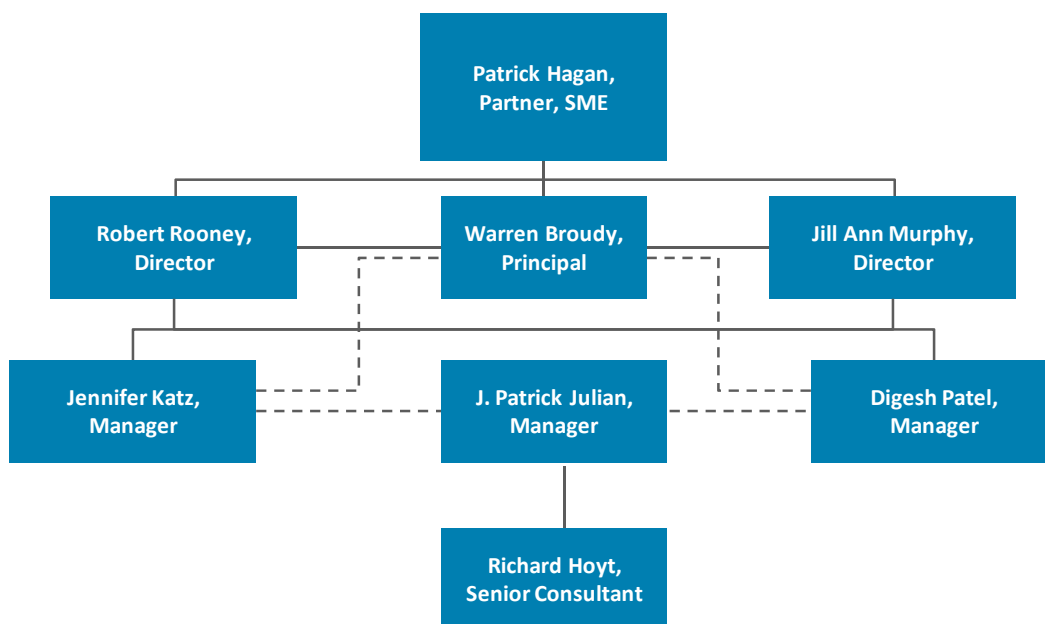
##### Contract-Specific Chart

McGladrey has assembled a team of professionals who have extensive industry knowledge and experience. The following organizational chart identifies our key team members.

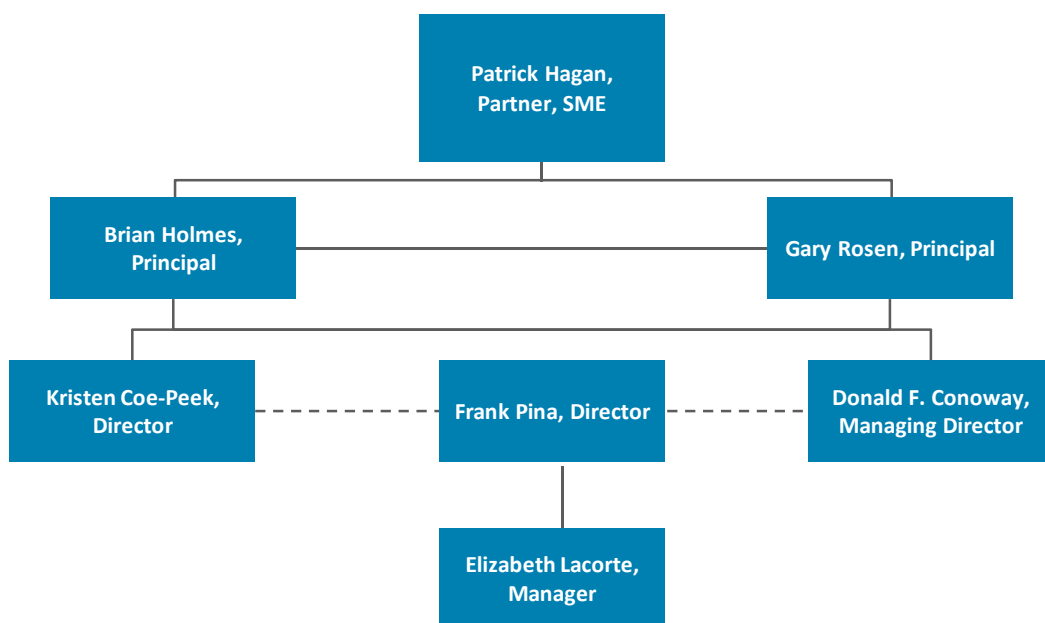
##### Pool 1



## Pool 2



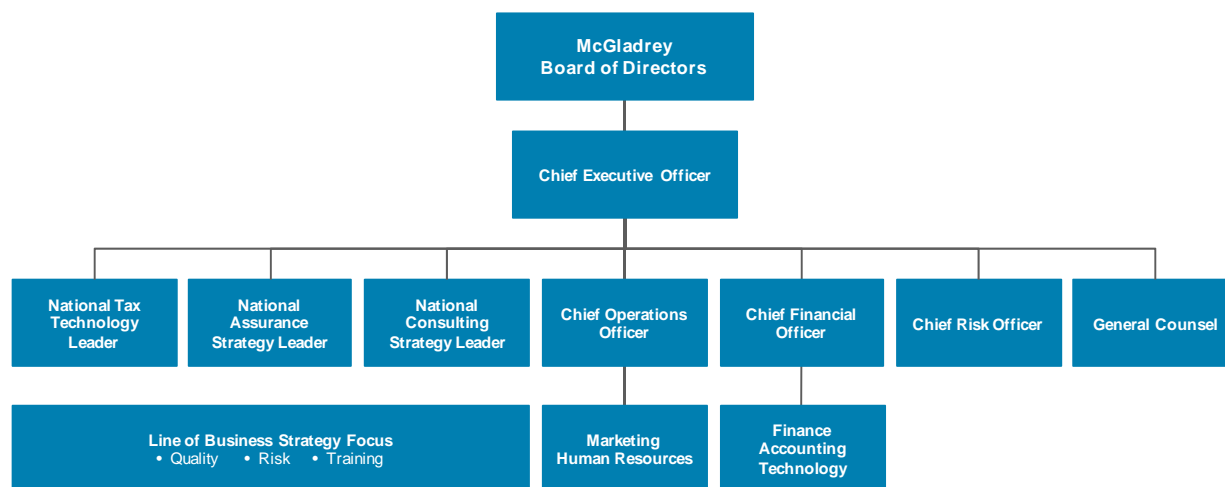
## Pool 3



## Chart for Entire Firm

McGladrey is a CPA-owned limited liability partnership. The McGladrey partnership is governed by a board of directors, which is composed of partners and principals who have been elected by written ballot. McGladrey is led by Managing Partner and Chief Executive Officer Joe Adams, who reports to the board of directors. The McGladrey Board of Directors is a 12-member, independent governing body elected by the firm's partners. Members are

elected for four-year terms. The Board of Directors sets McGladrey LLP's strategic direction on a national basis and oversees how the firm interacts with key regulators, such as the Securities and Exchange Commission, American Institute of Certified Public Accountants, Public Company Accounting Oversight Board, and state licensing bodies.



#### 4.4.4.3 RESUMES

We understand that the best way to provide responsive, quality services is to assign the most qualified individuals to the engagement and maintain continuity of staff on successive engagements. We are committed to maintaining the same staff on engagements year-after-year, and have one of the lower turnover rates.

Our Firm's focus is to attract and to retain the best people and to provide them with superior development opportunities. In fact, *Bloomberg BusinessWeek* named us as one of its "Best Places to Launch a Career" in the publication's third annual ranking of best companies for new college graduates. In addition, *Accounting Today* recently named us to its "Best Accounting Firms to Work For" list.

Our ability to retain the best people and provide project team stability comes from our significant focus on our people – the individuals who make our business what it is today and what it will be in the future. This focus has led us to implement a variety of work-life initiatives that improve our retention and allow us to serve you better. For example, we implemented an innovative Flex-Year work-life initiative to help attract and retain workers in a competitive environment. This initiative was recently highlighted in various national publications.

The following highlights specific experience and the role of the key engagement personnel. Detailed biographies may be found in Attachment A.

Name	Primary Function in Performing Services	Specialized Experience and Focus Areas
Patrick Hagan , CPA	Partner  Government Subject Matter Expert (Pools 1,2,3)	<ul style="list-style-type: none"> <li>McGladrey's national state and local government partner</li> <li>Leads national practice and selected compliance and regulatory assessment engagements</li> <li>Currently leading a Project Management Office (PMO) to oversee the implementation of a \$200 million+ health and human services system for a large State.</li> <li>Extensive risk management experience. Currently serving as Auditor General for a large transit authority. Previously led the first state-wide risk assessment for State of Illinois.</li> <li>Excellent communicator. Frequently presents project results in a public forum or on the record. Has developed communication strategies. Media trained.</li> </ul>
Brian Holmes	Principal (Pool 3)	<ul style="list-style-type: none"> <li>Focused on failed bank resolutions, loan portfolio recovery, fraud and forensic investigations, corporate turnaround services, loan review and crisis management</li> <li>Manages McGladrey's relationship with the FDIC to assist in efficient resolution of failed banks and monitoring of loss share agreements between the FDIC and acquirers of failed banks</li> <li>Managed the claims review, approval and pro-rata payment process on several trust estates with assets in excess of \$100 million</li> </ul>
Warren A. Broudy, CPA	Principal (Pool 2)	<ul style="list-style-type: none"> <li>Chairman of the Government Services Group</li> <li>Registered Municipal Accountant</li> <li>Advises various major New Jersey municipal audit clients on budgetary, financial, and compliance issues unique to this sector</li> <li>Certified Government Financial Manager</li> </ul>
Gary Rosen, CPA, CFE, CFF, CVA, CGMA	Principal (Pool 3)	<ul style="list-style-type: none"> <li>More than thirty five years of experience in fraud engagements, business valuations, contractual disputes, and other areas of investigative accounting</li> <li>Testifies as an expert witness in numerous litigation cases regarding valuations, agreed upon procedures reports, cash collateral orders, lost profits, business dissolutions, product liability, matrimonial matters, and criminal investigations</li> </ul>

Name	Primary Function in Performing Services	Specialized Experience and Focus Areas
Donald F. Conoway, CPA	Managing Director (Pool 3)	<ul style="list-style-type: none"> <li>• Specializes in securities fraud, forensic accounting, insolvency and reorganization, and litigation support</li> <li>• Experience includes forensic investigations relating to various forms of business transactions, including securities fraud, Ponzi schemes, bankruptcy fraud and money laundering. During these investigations, he has worked with the New Jersey Attorney General's Office, the New Jersey Bureau of Securities, the US Attorney General's Office, the Federal Bureau of Investigation, and the SEC Enforcement Division.</li> </ul>
Robert G. Rooney, CPA	Director (Pools 1,2)	<ul style="list-style-type: none"> <li>• Bob has 35 years of experience leading engagement teams in serving significant governmental, educational and not for profit entities</li> <li>• Experienced in the oversight of financial statement audits conducted in accordance with GAAS and GAGAS</li> <li>• Has served significant government entities throughout New York and New Jersey</li> </ul>
Kristen Coe-Peek, CFE	Director (Pool 3)	<ul style="list-style-type: none"> <li>• Ms. Coe-Peek is a Director in the Financial Advisory Services Practice of McGladrey LLC. Ms. Coe-Peek is a Certified Fraud Expert</li> <li>• Over 20 years of experience in managing and resolving troubled business issues</li> <li>• Intimately familiar with Grant accounting systems and with the intricacies of General Ledgers and Chart of Accounts established for Grant recipients.</li> <li>• Designed, created and implemented a Chart of Accounts for grant recipients of similar WIA Grants, in her role as Fiscal Agent for WIA LWIA, while implementing a new grant accounting software system</li> <li>• Extensive knowledge and understanding of A-133 and A-87 regulations particularly as they apply to the allowability of costs</li> <li>• Targeted experience managing and acting in the capacity as Fiscal Agent for Workforce Investment Act funds, a grant program administered by the State of Illinois, reconstructing the books and records of grant recipients, as well as performing business process review and improvement for fiscal functions of similar grant recipients providing Organizational, Management and Staffing consulting services to many State of Illinois agencies</li> <li>• Project manager on many similar projects</li> </ul>

Name	Primary Function in Performing Services	Specialized Experience and Focus Areas
Jill Ann Murphy, CPA, PSA	Director (Pool 2)	<ul style="list-style-type: none"> <li>• More than a decade of experience working with large nonprofit, municipal, and governmental entities, including local and state authorities and commissions</li> <li>• Member of the firm's GASB Task Force</li> <li>• Oversees various performance audit engagements for nonprofit and government organizations. In addition she has assisted state agencies in the development and implementation of monitoring techniques to ensure compliance.</li> <li>• Assists a number of organizations in streamlining their operations and works with both nonprofit and governmental entities on audit efficiency and internal control systems.</li> </ul>
Frank Pina, CPA, CFF, CFE	Director (Pool 3)	<ul style="list-style-type: none"> <li>• Director within the Litigation Support practice</li> <li>• Seasoned public accounting professional with over a decade of experience helping individuals, closely held corporations, emerging growth companies and international corporations across various industries manage business controversy, execute deals and maintain compliance</li> <li>• Highly regarded in the fields of corporate accounting/forensic investigations, fraud detection, bankruptcy and reorganization and other litigation support and dispute consulting areas</li> </ul>
Kenneth Squires, CPA	Director (Pool 1)	<ul style="list-style-type: none"> <li>• Ken is the National Practice Leader for Corporate Performance Management</li> <li>• Has been involved with corporate performance management, business intelligence, technology enablement, finance, business &amp; technology transformation programs for over 18 years</li> <li>• Specializes in providing comprehensive services to solve the complex business issues and challenges faced by organizations</li> </ul>
Jennifer Katz, CPA	Program Manager, Project Manager (Pools 1,2)	<ul style="list-style-type: none"> <li>• 9 years of public accounting experience serving public sector clients</li> <li>• Has performed financial and Single Audits of state and local governments</li> <li>• Work includes planning, internal control documentation and testing, fieldwork, staff supervision, financial statement analysis and management letters</li> </ul>
Rebecca Harris	Program Manager, Project Manager (Pool 1)	<ul style="list-style-type: none"> <li>• Over twelve years of progressive, functional experience in the research, design, deployment, and management of business applications and infrastructures</li> <li>• Expertise focuses on the implementation of software solutions that drive positive business outcomes</li> </ul>
Martin Sullivan	Program Manager, Project Manager (Pool 1)	<ul style="list-style-type: none"> <li>• Hyperion Planning Certified, Hyperion Essbase Certified</li> <li>• Has advised clients on implementing high value financial analysis solutions and providing advice and expertise in selecting and implementing the best toolset for clients' specific challenges</li> </ul>

Name	Primary Function in Performing Services	Specialized Experience and Focus Areas
Digesh Patel, CPA	Program Manager, Project Manager (Pool 2)	<ul style="list-style-type: none"> <li>Involved in performing and overseeing audits of municipal, governmental and nonprofit organizations</li> <li>Was awarded a Special Achievement Award by the Association of Government Accountants, Trenton Chapter, for his contribution in government accounting and auditing</li> <li>He is the lead manager of the firm's governmental practice and specializes in assisting clients with questions and concerns related to internal control over financial reporting, budgets, unaudited annual financial statements, annual and supplemental debt statements, bond ordinances and resolutions</li> </ul>
J. Patrick Julian, CPA	Program Manager, Project Manager (Pool 2)	<ul style="list-style-type: none"> <li>An expert in the areas of internal &amp; external audit design and management, fraud investigation, forensic audits, management reporting, financial reporting, systems documentation, and training</li> <li>Responsible for overseeing the audit group responsible for monitoring and testing compliance, State of New Jersey government agencies, authority and municipality audit and agreed-upon procedure engagements</li> <li>Designs and directs risk-based external and internal audits, performs system review and analysis, manages reporting, annual trends, project management and teaches audit concepts and approach</li> </ul>
Elizabeth Y. Lacorte, CPA, CIRA	Program Manager, Project Manager (Pool 3)	<ul style="list-style-type: none"> <li>Has over 22 years of experience in the accounting profession</li> <li>Has been quoted in the Practical Accountant and in New Jersey Business, regarding bankruptcy and forensic accounting topics</li> <li>Has expertise in records examination to determine fraudulent and hidden assets, internal control weaknesses and embezzlement of funds</li> </ul>
Faisal Muhammed	Senior Consultant (Pool 1)	<ul style="list-style-type: none"> <li>Experienced in designing, administering and troubleshooting the complete suite of Microsoft SQL Server products including the Database Engine, Integration Services, Analysis Services and Reporting Services</li> <li>Over 8 years of technology experience in a wide variety of roles including Data Warehouse Architect, Business intelligence Consultant, ETL Developer, DBA, Database Developer, Project Manager etc</li> </ul>

Name	Primary Function in Performing Services	Specialized Experience and Focus Areas
Richard Hoyt, MST, CPM	Senior Consultant/Manager (Pool 2)	<ul style="list-style-type: none"> <li>• Had an extensive auditing career with the State of New Jersey</li> <li>• Was responsible for the review of each NJ County's Central Services Indirect Cost Allocation Plan to determine compliance with federal cost principles under OMB Circular A-87, as well as financial and compliance audits of Federal pass through funds and performance audits under <i>Government Audit Standards</i></li> <li>• Responsible for planning and managing various government agreed-upon procedure, consulting and audit engagements of major New Jersey state agencies and commissions</li> </ul>

#### BCA WATSON RICE

Name	Primary Function in Performing Services	Specialized Experience and Focus Areas
Marcevir Bernardo, CPA	Partner	<ul style="list-style-type: none"> <li>• 23 years of extensive professional experience in providing various types of audit and consulting services to both the public sector and private entities</li> <li>• Leads the firm's professional development and quality control programs</li> </ul>
Cherry Ong	Manager	<ul style="list-style-type: none"> <li>• Over 10 years of extensive accounting and auditing experience, in private, governmental and not-for-profit organizations</li> </ul>
Leila Aquí	Senior	<ul style="list-style-type: none"> <li>• Over 10 years of combined professional experience in corporate accounting, financial analysis and compilations, and an extensive accounting and auditing experience in private, governmental and not-for-profit organizations</li> </ul>

#### 4.4.4.4 BACKUP STAFF

Team McGladrey has a deep bench of seasoned professionals with the requisite expertise to perform the tasks outlined in our proposed organizational chart. We currently maintain resources on an as-needed basis of over 100 professionals who are ready, willing and enthusiastic about performing services required under the statement of work. Team McGladrey's key personnel positions are fully staffed with career professionals. Field site personnel are scalable as needed and will be sourced from our extensive bench of financial professionals.

Name	Level	Expertise
Larry Levine	Principal	SME in business valuation techniques
Michael Sher	Partner	SME in large project management processes
Mitch Hirsh	Partner	SME in large estate and trust disbursing agent function
Dave Bart	Director	SME in large estate and trust disbursing agent function

Name	Level	Expertise
Suzanne Marra	Director	SME in business valuation
Larry Firebaugh	Contractor	Experienced large engagement/FDIC RAC project management
John Long	Contractor	Experienced large engagement/FDIC RAC project management

#### 4.4.4.6 PERFORMANCE OF THE BIDDER

We are proud of our client relationships and excellent service record. McGladrey is pleased to provide past performance description and references for previous contracts with services similar in size and scope to the services as described on the Statement of Work of this Solicitation. Client engagements include both governmental and private organizations.

The relevant engagements profiling our experience include:

- Iowa Economic Development Authority
- Small Business Administration
- Federal Deposit Insurance Corporation
- Bankruptcy Trust Administration
- MidCom Communications Creditors Trust
- State of Illinois Department of Commerce and Economic Opportunity (DCEO)
- Federal Deposit Insurance Corporation
- CBRE, Inc.

#### PAST PERFORMANCE –IOWA ECONOMIC DEVELOPMENT AUTHORITY

Customer Name:	Iowa Economic Development Authority	
Prime contractor	McGladrey	
Customer Address:	200 East Grand Avenue Des Moines, Iowa 50309	
Contract Title:	Catastrophic Flooding Recovery Assistance	
Contract Number:		
Project Start and Completion Dates:	July 2010 – Present	
Contract Pricing Type: (T&M, FFP, CPFF)		
Contract Value (\$):		
References	Reference 1	Reference 2
Name	Meridith Marshall	Peggy Russell
Title	Senior Project Manager	Team Leader
Telephone	(515)725-3012	(515)725-3009
E-mail	Meridith.marshall@iowa.gov	peggy.russell@iowa.gov

#### Detailed description of services performed

Starting the week of June 9, 2008, the city of Cedar Rapids experienced flooding of catastrophic proportions. Over 7,190 properties were damaged in the flood. This flooding event infiltrated well past the 100 and 500 year flood plains. The City of Cedar Rapids quickly realized workloads were significantly larger than previous years. The challenge was clearly defined by the need to maintain normal City operations for 85% of the population, while

planning and executing a recovery plan for one of the largest natural disasters in US history –estimated at over \$6 billion in damages.

Federal funds were promptly allocated to the Iowa Department of Economic Development (IDED) for the purpose of rehabilitating affected businesses. After a couple of marginally successful stimulus programs, IDED worked with the City of Cedar Rapids to put together a more aggressive menu of six flood grant programs. Due to the complexity of the various program requirements, and competing interests between administrative parties, these programs had distributed a minimal sum of funding as of July 2010.

During this critical period, McGladrey was engaged to help guide the City Manager and the City of Cedar Rapids' leadership team in an assessment of the City's program and project management capabilities, processes, and tools. McGladrey provided Strategic Program Management assistance focused on positively impacting the effectiveness and efficiency of the flood recovery program outcomes.

**Goals:** McGladrey was hired by IDED to assist in revitalizing the flood assistance programs. The goals of the engagement were:

- Get federal funds moving through the six flood programs to affected businesses in a timely manner
- Implement proper program controls to satisfy federal audit requirements
- Adjust flood program requirements to avoid fraudulent claims, and accommodate the affected businesses needs at the same time
- Assess and prioritize within the Flood Recovery Program, efforts that would most positively impact expected project results
- Assess all components of current program and project management capabilities against industry best practices
- Assess and implement best practices in Flood Program management reporting
- Develop a training plan to improve internal program and project management capacities
- Develop the structure for a Project Management Office (PMO)
- Improve stakeholder management communication tools, processes, and results

The long-term goal is for the City to become self-sufficient at project planning and consistently delivering project results including schedule, budget, communication, risk and stakeholder management.

#### **Our Role:**

- Assess the current state of program and project management capabilities; stakeholder needs and satisfaction; project management processes; project plans; risk management plans; communication plans; professional skills; resource capacity; and reporting tools
- Recommend and prioritize improvements impacting the effectiveness and efficiency of program and project management capabilities; project and resource plans; metrics tools; stakeholder management; communications; team collaboration; and project outcomes
- Design, structure, and coordinate a Program Portfolio, project planning tools, and weekly reporting processes.
- Implement best practice tools, processes, one-on-one training and coaching to improve immediate project results
- Develop consistent management level reporting by developing metrics, program scorecards, and communication reporting with City management; City staff, State and Federal Agencies; City, County, State and Federal Legislators; non-profit and business community based organizations; and the general public

- Develop an internal competency through training one-on-one with project managers on best practice tools and Project Management methods to expand internal project management capacities
- Align resources on priority projects, clearly identify resource gaps, and quantify potential project impacts
- Identify Flood Recovery project risk areas and work with project leaders to mitigate risks
- Coordinate the improvement of cross-functional stakeholder alignment improving communication, collaboration, and results within the City and across competing stakeholder interests.
- Assess and recommend improvements in strategy design and formulation, metric reporting processes city-wide, and provide recommendations for improving the connection between strategic planning, Council priorities, and staff execution
- Advise IDED on business documentation issues to mitigate fraud risk, and satisfy audit requirements
- Assist in implementing program requirement changes
- Evaluate administrative processes, and make improvement recommendations
- Review flood grant applications and make eligibility recommendations
- Coordinate with various administrative parties and affected businesses to make sure all interests and needs were met

**Results:** McGladrey has successfully assisted IDED and the City of Cedar Rapids in overhauling the flood assistance programs. **Over \$7 million were distributed to flood affected businesses in the first three months of the engagement. To date, nearly all of the available funds –approximately \$85 million dollars –have been distributed.** This has all been achieved through a collaborative effort between the cross functional McGladrey team and IDED's staff.

Clear program requirements have been defined and successfully implemented. These requirements not only have reduced audit and fraud risk, but have also made funds more accessible to flood affected businesses. Clear communication channels have been set up, and proper controls have been put in place to keep the programs on track. IDED plans to continue to distribute a substantial amount of money to businesses in need with McGladrey's continued assistance and support.

McGladrey worked with key project stakeholders and City staff to analyze, design and define recommended next steps. Based on McGladrey's deep understanding of the organization's needs and its strong expertise in such data matching tools such as ACL, we were able to work hand in hand with the City to provide recommended address process improvements while confirming revenue traceability. The project completed successfully on-time and on-budget delivering the following objectives:

- Verification of utility Gross Revenues reported to the City by referencing KCC Public filings
- Analyzed and documented net revenue adjustments and business rules used by the utilities
- Based on net revenue adjustments and business rules, confirmed there were no significant discrepancies from agreed-upon contract terms
- Confirmed the franchise fee percentages reported during the revenue assurance period were consistent with the utility franchise fee contracts
- Provided listings of all address discrepancies to the City and the utilities
- Completed manual reconciliation showing a high degree of matching for current addresses.
- Developed recommendations and requirements for implementing a true "match-up" project to review and correlate discrepancy addresses between the City and the respective utilities



## PAST PERFORMANCE –FEDERAL DEPOSIT INSURANCE CORPORATION

Customer Name:	Federal Deposit Insurance Corporation	
Prime contractor	McGladrey	
Customer Address:	1601 Bryan Street Dallas, TX 75201	
Contract Title:	Receivership Assistance Contract (RAC)	
Contract Number:	RECVR-05-G-0066	
Project Start and Completion Dates:	May 2008 to present	
Contract Pricing Type: (T&M, FFP, CPFF)		
Contract Value (\$):	\$132 million to date	
References	Reference 1	Reference 2
Name	Rochelle Nagel	John Sanford
Title	Senior Contracting Officer	Contracting Officer
Telephone	972-762-2116	972-560-3561
E-mail	<a href="mailto:rnagel@fdic.gov">rnagel@fdic.gov</a>	<a href="mailto:jsanford@fdic.gov">jsanford@fdic.gov</a>

### Detailed description of services performed

McGladrey has been performing RAC Services, including asset resolution tasks, in connection with failed bank receiverships. Since May 2008, the team has been engaged in 78 different receiverships in the closing of the failed financial institutions throughout the United States, managing over \$13 billion in assets.

Under RAC engagements, McGladrey has extensive experience and expertise in the analysis of various factors leading to the failure of financial institutions, and has developed and presented restructuring and compromise scenarios for the best possible outcome to the FDIC as Receiver. Such analyses and presentations were performed under the FDIC's delegation of authority, and required extensive credit underwriting, financial analyses of borrowers, and detailed review of current collateral valuations.

The accounting team within this contract reconciles the institution's general ledger accounts and closes out the failed institution's books. This task can be arduous if the institution is large and has a complex accounting system, or if the institution has accounts that are out of balance and have not been reconciled on a regular basis. This process is similar to completing a year-end audit. The accounting team reconciles each general ledger account and compiles a final balance sheet on the failed institution. From this balance sheet, the team will compile a new balance sheet (referred to as a pro forma statement) for the assuming institution. The pro forma statement shows the assets and liabilities the acquirer will have assumed. The team prepares another pro forma statement for the FDIC that reflects the assets and liabilities remaining with the receivership. Using these statements, the accounting team determines the amount of cash that must be wired to the assuming institution. The initial wire transfer occurs on the next business day.

McGladrey provides technical expertise to manage and facilitate the overall financial institution resolution. This expertise includes a full range of closing support functions, such as assistance with facilities, asset management, claims, investigations, settlement, employee benefit plans, financial closing processes, personnel administration, franchise marketing, branch marketing, and trust.

Our day-to-day involvement in RAC team management via a centralized Project Management Office (PMO) has provided valuable insight into the structure and management of successful work teams. For example, we conduct

weekly status calls with each team to share current policies and procedures of the FDIC and to discuss potential problems and pitfalls before they arise, enabling us to keep our teams focused on the FDIC's mission. We have found that a strong and harmonious team fosters success, and we reward our teams based on various success factors. We envision a similar approach to managing teams under the subject contract due to similarities in project timing, team composition, and the diversity of issues from assignment to assignment. We have also found that our PMO fosters quick resolutions to potential problems and/or unique situations through access to a broad range of experience within our organization. The PMO is viewed as a resource for administrative support as well as problem resolution, leaving the project manager and their team to focus on the immediate tasks central to the mission of the project. This, in turn, increases the efficiency of team personnel and provides greater value to our client. Finally, our PMO assures consistency in implementation of policies and procedures across all teams and Task Orders assigned under this RFQ.

As part of the Receivership, the McGladrey team has to coordinate and take lead on the communication between the FDIC and the financial organization that is in receivership. The Team is responsible for measuring and monitoring the performance of the project, the subcontractors, budget and deliverables.

Our firm has the depth necessary to provide project management and implementation of multiple RAC teams, ranging in size from 15 to nearly 90 people, responsible for operating the asset side of a failed bank, analyzing and negotiating loan settlements and compromises, collecting and applying loan payments, providing loan servicing reports, and digging deep into the mechanics of complex performing and non-performing loans.

A sub-contracting plan was not required by the contract, but was implemented voluntarily by McGladrey with The Corvus Group, a Minority-Owned Business and a certified SBA 8(a) Firm. Our initial sub-contracting plan was to achieve a ratio of fee billings between McGladrey and The Corvus Group of approximately 67% to McGladrey and 33% to Corvus. Total fee bills to date through March 31, 2013 reflect an actual fee ratio of 67% to McGladrey and 33% to Corvus.

## PAST PERFORMANCE –MIDCOM COMMUNICATIONS CREDITORS TRUST

Customer Name:	MidCom Communications Creditors Trust	
Prime contractor	McGladrey	
Customer Address:	c/o Mayer Brown LLP	
Contract Title:	Disbursing Agent for Creditors Trust	
Contract Number:	N/A	
Project Start and Completion Dates:	1998 – 2004	
Contract Pricing Type: (T&M, FFP, CPFF)	Time & Material	
Contract Value (\$):	\$10,000,000	
References	Reference 1	Reference 2
Name	Richard Ziegler, Esquire	
Title	Lead Attorney for Trust	
Telephone	312-701-7894	
E-mail	rziegler@mayerbrown.com	

### Detailed description of services performed

The MidCom Communications Creditors Trust was established as part of the Chapter 11 Bankruptcy resolution of a large telecommunications company (MidCom Communications, Inc.). Trust was established from the liquidation of assets of the bankruptcy estate and consisted of approximately \$90 Million.

McGladrey was appointed by the Federal Bankruptcy Court, at the recommendation of the Attorney for the Unsecured Creditors Committee, as Disbursing Agent for the Unsecured Creditors Committee representing over 2,200 unsecured creditors of the Chapter 11 estate. Duties as Disbursing Agent included:

- Serving as the single point of contact for estate creditors,
- Reconciling debtor's listed claims with claims filed with the Bankruptcy Court by potential claimants,
- Negotiating resolution of claims filed against the estate,
- Maintaining estate assets and cash,
- Investing idle estate cash,
- Processing periodic pro-rata distributions of cash to allowed claim holders, which involved
  - Identifying homogeneous pools of creditors
  - Thoroughly reviewing and substantiating creditor claims
  - Applying to the federal bankruptcy judge for permission to distribute cash to claim holders
  - Processing distributions to claim holders
  - Researching undeliverable distributions
  - Reconciling and reallocating undeliverable distributions to the remaining creditors in the pool.
- Monthly and quarterly reporting to U.S. Trustee's Office the status of the Creditors Trust, including liquid and non-liquid assets, pending distributions, outstanding distributions, and estimated completion of the estate liquidation and distribution process, and
- Completing all relevant tax returns and information, including annual tax notices to all allowed unsecured creditors.

McGladrey served in the role of bankruptcy estate disbursing agent or trustee for several large Chapter 11 estates similar in size and complexity to that of MidCom Communications.



## PAST PERFORMANCE –STATE OF ILLINOIS DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY (DCEO)

Customer Name:	State of Illinois Department of Commerce and Economic Opportunity (DCEO)	
Prime contractor	McGladrey	
Customer Address:	500 E Monroe Springfield, IL 62701-1643	
Contract Title:	Fiscal Agent LWIA 8	
Contract Number:	Grant Agreements.	
Project Start and Completion Dates:	June 2004 – June 2007	
Contract Pricing Type: (T&M, FFP, CPFF)	T&M	
Contract Value (\$):	\$2.5mm	
References	Reference 1	Reference 2
Name	Therese McMahon	Charles Dooley
Title	Deputy Director of the Office of Employment and Training	Office of Employment & Training
Telephone	217-785-6006	312-814-6645
Email	Therese.McMahon@illinois.gov	Charles.Dooley@illinois.gov

### Detailed description of services performed

The Governor took over Local Workforce Investment Area 8 (LWIA 8) as Chief Elected Official and DCEO engaged McGladrey (TBS) to act in the capacity of Fiscal Agent. In our role as fiscal Agent, McGladrey maintained an accounting of Workforce Investment Area (WIA) grant funds received and disbursed by LWIA 8. As Fiscal Agent, McGladrey requested and received funds, reviewed disbursement requests for grant compliance, disbursed, reported expenditures and closed-out grants. During tenure as fiscal agent over two and a half years McGladrey also assisted with a system selection, an accounting software selection, creation of a new chart of accounts and performed process improvement services for various aspects of operations at LWIA 8. In addition to the role as Fiscal Agent, McGladrey was engaged to reconstruct the books and records of LWIA 8 for the prior four years.

In conjunction with the Fiscal Agent role at LWIA 8, McGladrey was engaged to perform a review of processes and procedures for 13 critical business functions of LWIA 7. As part of McGladrey's review McGladrey identified existing processes and procedures, identified deficiencies and recommended improved procedures. McGladrey also performed a review and reconciliation of 31 Workforce Investment Act grants issued to the President's Office of Employment Training (LWIA 7 - Cook County) over approximately ten years. McGladrey identified \$2.5MM of grant funds due DCEO representing funds received in excess of allowable expenditures. McGladrey also assisted in identifying activity that appeared to be embezzlement and was turned over to the Office of Inspector General ("OIG") for investigation.

## PAST PERFORMANCE –MERCADIEN

Experience	Contact	Description
NJ Department of Community Affairs, 101 South Broad Street, PO Box 811, Trenton, NJ 08625-0811	Robert Bartalone, Director (609) 984-2698	Agreed-Upon procedures of Department of Energy Weatherization ARRA, LIHEAP, and CSBG Block Grant Programs; consisting of fiscal and programmatic monitoring of third-party sub-recipients of federal grant awards. Engagement hours are 3,500.  2008-2012
New Jersey State Parole Board, 171 Jersey St. Bldg. #2, P.O. Box 862, Trenton, NJ 08625	Leonard Ward, Director (609) 633-7703	Agreed-upon procedures; performance audits of residential and CRC programs  2009- present
NJ Environmental Infrastructure Trust, PO Box 440, Trenton, NJ 08625	David Zimmer, Executive Director John Hansbury, Chief Budget Officer (609) 219- 8600	NJEIT financial statement audit;  New Jersey Clean Water and Drinking Water State Revolving Loan Program-Financial Statement and Single Audits  2003- present
New Jersey HealthCare Facilities Financing Authority, PO Box 366, Trenton, NJ 08625-0366	Michael Ittleson, Controller (609) 292-8585	Annual financial statement audit, including single audit  2010-2012
County of Salem, Administration Building, 94 Market Street, Salem, NJ 08079	Evern Ford, Business Administrator (856) 935-7510	Annual financial statement audit including single audit (in process); budget advisory consulting services; AFS preparation  2010- present

## THE 2012 **accountingTODAY** TOP 100 FIRMS

RANK	Firm	Headquarters	Chief executive	Year end	REVENUE		Offices	Partners	% chg.	PERSONNEL		Total emp.	% chg.	FEE SPLIT (in percent)			
					\$ mn.	% chg.				Professionals	% chg.			A&A	Tax	M&S	Other
1	Deloitte §	New York City	Joe Echwaria	Dec	11,939.00	9.15	100	2,886	0.10	38,301	13.69	51,262	12.10	32	20	44	4
2	PwC §	New York City	Robert Moritz	June	8,844.00	10.08	73	2,290	3.90	25,237	16.51	32,993	11.67	48	29	23	0
3	Ernst & Young §	New York City	Steve Howe	June	7,500.00	5.63	78	2,400	4.35	19,400	10.86	26,500	7.72	40	31	23	6
4	KPMG §†	New York City	John Vehringer	Sept	5,361.00	9.65	88	1,744	-0.85	15,664	6.11	22,278	4.67	43	26	31	0
5	McGladrey & Pullen‡	Bloomington, Minn.	Joe Adams	April	1,370.42	-0.61	85	208	-4.58	4,843	-1.06	7,046	-1.18	48	36	20	1
6	Grant Thornton	Chicago	Stephen Chapman		1,146.12	5.57	54	549	6.81	4,048	13.07	5,947	11.39	42	29	26	0
7	CBZ / Mayer Hoffman McCann§	Cleveland	D. Sbitar/§. Hancock		897.50	1.17	150	415	0.72	1,692	1.28	4,523	5.14	23	27	50	0
8	BDO USA	Chicago	Jack Weinbaum			2.22	41	260	1.14	1,734	3.09	2,566	2.76	61	23	11	0
9	Crowe Horwath†	Oak Brook Terrace, Ill.	Charles Allen				29	247	1.65	1,579	2.54	2,420	3.42	45	23	18	14
10	BDO	Springfield, Mo.	Norl Spencer					314	0.81	1,223	1.16	1,344	1.65	53	32	18	0
11	Moss Adams	Seattle	Rick Anderson						0.36	1,081	1.22	1,741	3.20	51	35	14	0
12	Plant & Moran†	Southfield, Mich.	Gordon Krieger							975	-0.41	1,518	-0.85	62	32	16	0
13	Dixon Hughes Goodman	Charlotte, N.C.	Kari Hughes							52.25		1,616	49.63	41	35	23	0
14	LarsonAllen§	Minneapolis	Gundy Viera							1,734	28.25	46	34	17	3		
15	Marcom	New York City	Jeffrey Weiner							904	1.31	45	30	10	15		
16	Clifton Gunderson†	Milwaukee	Krista McMillan							1,671	0.42	48	26	26	0		
17	Ernst & Young	New York City	Charles Weinstein							986	-7.76	55	21	17	0		
18	J.H. Coker§	Roseland, N.J.	Thomas Marino							1,101	9.23	54	30	2	14		
19	Baker Tilly Virchow Krause	Chicago	Timothy Christian							1,300	-3.42	38	34	25	3		
20	Worick Group	Bethesda, Md.	Kenneth Baggett							167	0.62	57	29	13	1		
21	UHY Advisors†	Chicago	R. Shain/A. Frabotti							954	1.60	33	43	21	3		
22	Rothman, Kwik & Co.	Roseland, N.J.	S. Kasi/H. Altman							857	12.47	61	36	7	1		
23	PricewaterhouseCoopers	Philadelphia	Robert Caruffoli							1,336	0.48	54	28	18	0		
24	Fide Bailey	Fargo, N.D.	Jerry Topp							1,251	-5.73	44	30	19	7		
25	Wipfl	Milwaukee	Rick Dreher							1,035	33.89	35	30	35	0		

Key and notes: Last year's rankings have been revised based on 2010 revenue provided by firms. Some firms' rankings will therefore differ from those reported last year.

\* Firm estimate or projection. † Accounting Today estimate. ‡ Gross revenue. § Not available/applicable. ¶ Not ranked.

1 Office figure represents business offices, not every physical location. 2 McGladrey & Pullen LLP and RSM McGladrey Inc. operated in an alternative practice structure in the periods reported. In November 2011, M&P acquired RSM. 3 CBZ and Mayer Hoffman McCann PC are associated through an alternative practice structure. Office figures are for CBZ; MHM has 36 offices nationwide. 4 Firm's year-end is March; figures given are for calendar 2011. 5 Changed name from Plants & Moran. 6 As of Jan. 1, 2012, Clifton Gunderson and LarsonAllen have combined to form CliftonLarsonAllen. The two together would have ranked No. 9, with app. \$540 million in 2011 revenue. 7 UHY Advisors and UHY LLP are affiliated through an alternative practice structure.



**Patrick J. Hagan**

National Managing Partner,  
State and Local Government and Higher Education  
Chicago, IL  
patrick.hagan@mcgladrey.com

**Summary of Experience**

Pat Hagan is a Partner in McGladrey's public sector industry group. He leads McGladrey's national state and local government practice, and is responsible for client relationships, service delivery and growth strategy. His team provides Technology, Financial Advisory and Risk consulting service, as well as Financial, Performance and Single Audits, to states, cities, counties, higher education entities and special purpose authorities.

Prior to joining McGladrey, Pat spent 29 years at Deloitte & Touche LLP, where he served as National Partner, Audit and Enterprise Risk Services, State and Local Government.

**Governmental Accounting and Auditing Experience**

Clients for which Pat has served as Audit Partner and issued financial and Single Audit reports include:

**Government**

- Cook County and Health Systems
- City of Chicago and airports
- City Colleges of Chicago
- Chicago Board of Education
- Chicago Transit Authority
- IL Municipal Retirement Fund
- IL Sports Facilities Authority
- METRA Commuter Railroad Corp
- Metropolitan Pier and Exposition Authority
- Public Building Commission of Chicago
- Regional Transportation Authority

**Education and Not-for-Profit**

- Archdiocese of Chicago, including Catholic Charities and School System
- Field Museum of Natural History
- Goodman Theater
- Government Finance Officers Association
- National Holocaust Memorial Museum
- Jane Addams Hull House
- Loyola University and Medical Center
- Ravinia Festival Association
- YMCA of the USA

Select client projects for which Pat has served as **Project Partner or Lead Consultant** include:

- **University of Illinois, Technology Transfer Office** – Reviewed backlog of 730 technologies and inventions to improve return on sponsored research expenditures and increase innovation-to-commercialization rate.
- **Loyola University, President's Office** – Performed an operations improvement study, including ratio analysis and comparison to peer universities, to prepare budget and financial recovery plan.
- **Fisk University, President's Office** – Provided litigation support to counsel in dispute related to deaccessioning of a donated art collection, including an expert statement on accounting principles.
- **City of Chicago, Budget Office** – performed an organizational redesign and led departmental consolidation effort. Developed organizational structure, operating budget and roll-out plan. Assessed overlapping functions and positions. Resulted in annualized \$43 million savings.
- **Cook County, Health and Hospitals System** – assessed operating costs and structure for 25 community based sites and three acute care hospitals, including FTEs per occupied bed, length of stay, skill mix, capital costs and non-salary expenses.

- **O'Hare International Airport** – reviewed \$4.2 billion capital program, and assessed construction management effectiveness, airport owner's representative contract compliance, and key areas of cost, schedule, and safety.
- **State of Illinois, Governor's Office** – led Risk Consulting workstream for Shared Services project, which redesigned state-wide business processes and internal controls, to facilitate ERP technology implementation. Created service centers for payroll and accounts payable processing, with demonstrated business case savings.
- **State of Illinois, Budget Office** – advised a Blue Ribbon Commission on Pension Benefits, modeled financial impact on five state plans for changes in pension age and service requirements, and employee contributions.
- **State of Illinois, Dept. of Healthcare and Family Services** – provided accounting advisory services related to reporting requirements under GASB 33 for a Health Assessment Tax, levied on local health care providers, under federal CMS Medicaid program guidelines.
- **State of Illinois, Office of Internal Audit** – led first state-wide risk assessment, prioritized risks across 52 departments, utilizing internal control software, and assessed culture and organizational ability to change.
- **State of Illinois, Department of Transportation** – issued close out audits for 425 Preliminary Engineering and Construction Engineering projects. Tested labor costs, provisional indirect overhead rates, subcontractor costs, and profits, for 65 construction, architectural and engineering firms. Recovered 3% of audited costs.
- **Philadelphia Public School District** – led a finance transformation process, which assessed policies and reengineered financial closing processes, resulting in reduced manual efforts and external auditor findings.
- **Santa Clara County (CA), Valley Transportation Authority** – served as Auditor General, developed initial risk assessment for light rail and bus operations, and ranked capital planning, transit operations and performance, contractual and grant compliance, municipal finance and technology risks. Presented results in public meetings.

#### Professional Certification

- Certified Public Accountant, licensed in Illinois and Arizona, license pending in Michigan.

#### Professional and Civic Affiliations

- Civic Federation (government research group), Board and Audit Committee Member
- City Club of Chicago (public policy group), Member
- Chicago Sister Cities International Program, Galway Committee, Board Member
- Illinois Governor Quinn's "Taxpayer Action Board", Human Services Subcommittee Leader
- Chicago Mayor Daley's "Committee for Better Government", Advisory Consultant

#### Education

BBA, accountancy, University of Notre Dame

**Brian Holmes**

Principal, Consulting Services  
McGladrey LLP  
Chicago, IL  
brian.holmes@mcgladrey.com  
312.634.4725

**Summary of Experience**

Brian is a Principal in the Firm's FDIC Project Management Office for the Great Lakes region where he is focused on serving the financial services industry and their clients in the areas of failed bank resolutions, loan portfolio recovery, fraud and forensic investigations, corporate turnaround services, loan review and crisis management. Since late 2007, he has managed the Firm's relationship with the FDIC to assist them in the efficient resolution of failed banks, monitoring of loss share agreements between the FDIC and acquirers of failed banks, and assisting the FDIC with seller due diligence services for disposition of assets acquired by the FDIC as Receiver. He developed and leads the Firm's FDIC Project Management Office, which has responsibility for managing all resolution assistance field personnel numbering over 280 employees and sub-contractors whose duties include management of over \$13 billion of assets; pro forma accounting; loan servicing; investigations; employee benefit plan terminations; and facilities services. He has more than 25 years of hands-on experience where he has served a vital role in the resolution of numerous distressed business scenarios, including:

- Treasury officer of a \$1.5 billion savings and loan, where duties included management of a fixed-income and derivative securities portfolio, loan securitizations and sales, and liquidity forecasting and management;
- Loan workout specialist providing services to numerous insolvent Texas S&L's during the late 1980's;
- Bank Liquidator for the Federal Deposit Insurance Corporation, where duties ranged from analysis of loan and asset portfolios of failing financial institutions, Liquidator-In-Charge to manage the wind-down of the failed institution and the transition to its successor institution, manage and liquidate acquired loan and asset portfolios in the role of FDIC as Receiver, and terminate and distribute failed institution's employee benefit plans;
- Consultant in corporate recovery services providing turnaround advice and analysis and/or wind-down and liquidation of numerous multi-million dollar businesses that include retail art galleries, real estate syndicates, custom home builders, dot-com entities, non-profit social service providers, telecom providers, law firms, issuers of derivative securities, and various manufacturing entities;
- Numerous fraud investigations involving embezzlement, insider loan dealings, and various asset misappropriation schemes.

Select client projects for which Brian has served include:

- Gander Mountain Stores (Retail – *Bankruptcy Administration*): Served as the point of contact for estate creditors and worked on liquidating trust for unsecured creditors committee representing over 1850 creditors. Also reconciled filed claims against scheduled claims and negotiated resolutions for filed claims. Additional work was done to maintain estate assets and cash, invest idle estate cash, process pro-rata distributions to creditors, complete trust tax returns, and issue annual K-1's to creditors / trust beneficiaries.
- MBC Greenhouse (Retail – *Bankruptcy Administration*): Lead Ch. 11 Liquidation as post-confirmation estate administrator. Key responsibilities included the supervision of the claims reconciliation process, distribution to creditors in accordance with Plan of Liquidation, compilation of monthly operating reports and remittance to U.S. Trustee, and completion of tax returns and distribution of information letters to beneficiaries of liquidating trust. Further management exercised in preference analysis to provide expert testimony in preference recovery actions, preparation and monitoring of liquidation budget, and liquidation of assets of the estate.
- MidCom Communications (Telecommunications – *Bankruptcy Administration*): Point of contact for estate creditors. Disbursed Agent for unsecured creditors committee representing over 2200 creditors and reconciled filed claims against scheduled claims while also negotiating resolutions for those filed claims. Conducted preference analysis, maintained estate assets and cash, invested idle estate cash, and processed pro-rata distributions to creditors while also completing tax returns.
- Proveta - desktop computers (Manufacturing – *Bankruptcy Administration*): Point of contact for estate creditors. Assisted client in liquidating Trustee for unsecured creditors committee representing over 400 creditors while reconciling filed claims against scheduled claims. Lead negotiation resolutions for filed claims, conducted preference analyses, maintained estate assets and cash, and invested idle estate cash. Facilitated the completion of tax returns and issued K-1's to creditors and processed pro-rata distributions to creditors.
- Golden Bear Oil Specialties – oil refinery (Manufacturing – *Bankruptcy Administration*): Point of contact for estate creditors. Assisted client in liquidating Trustee for unsecured creditors committee representing over 795 creditors while reconciling filed claims against scheduled claims. Negotiated resolutions for filed claims, conducted preference analyses, maintained estate assets and cash, and invested idle estate cash. Facilitated the completion of tax returns and issued K-1's to creditors and processed pro-rata distributions to creditors.
- Illinois Vehicle Premium Finance Co. (Auto Insurance Premium Finance – *Forensic Investigation*): Investigated cash flows and operations of auto premium finance operation on behalf of financing bond trustee and traced cash from multiple retail sites and through U.S. mail. Developed cash flow forecasts based on volume of loans outstanding and detailed misappropriation for over \$12 million of receipts. Provided litigation support on behalf of bond trustee regarding misappropriated funds and monitored court-ordered sale of business and servicing of outstanding loans by successor entity while supporting FBI in successful prosecution of CFO and CEO.

### Professional Affiliations

Brian is a Certified Insolvency and Restructuring Advisor (CIRA), is also a Certified Distressed Business Valuation (CDBV) expert, and is an active participant in the Association of Insolvency and Restructuring Advisors. He is also

an active participant in the Association of Certified Fraud Examiners. Brian has made presentations to various groups regarding the unique business considerations required in a distressed operating and lending environment, as well as providing insight into the current state of the banking industry and the strategies being employed to resolve the crisis.

**Education**

Brian graduated with a Bachelor of Business Administration degree from the University of Wisconsin at Madison with a major in banking, finance and investments, and a major in accounting.

## Robert G. Rooney

Director, Not-for-Profit Government Services Group  
 McGladrey LLP  
 New York, NY  
 robert.rooney@mcgladrey.com  
 212.372.1033



### Summary of Experience

Robert Rooney is a director with more than 35 years of experience leading engagement teams in serving significant governmental, educational and not for profit entities. He is experienced in the oversight of systems implementations and strengthening the internal controls for not-for-profit and public sector entities. Prior to joining the firm, Bob was a Director with Deloitte & Touche LLP, where his responsibilities included the oversight of the New Jersey Practice Human Resources function and the participation in various internal and external training programs. Bob was a designated specialist in Federal Compliance Regulations and Government Auditing Standards.

Clients served include:

- County of Albany, NY
- County of Rensselaer, NY
- County of Suffolk, NY
- County of Nassau, NY
- Morris County, NJ
- City of New York, Department of Education
- City of New York Retirement Plans
- MTA Triborough Bridge and Tunnel Authority
- MTA Long Island Railroad
- MTA Long Island Bus
- Nassau Community College
- MTA Staten Island Rapid Transit Operating Authority
- City of Trenton, NJ
- City of East Orange, NJ
- Trenton Board of Education
- Orange Board of Education
- Centenary College

### Professional Affiliations and Credentials

- Certified Public Account in the states of New York, New Jersey and Connecticut
- American Institute of Certified Public Accountants
- Association of Government Accountants
- New Jersey Society of Certified Public Accountants
- New York State Society of Certified Public Accountants
- Association of School Business Officials (Former Panel Review Member for Certificate of Excellence in Financial Reporting Program)
- Registered Municipal Accountant (New Jersey)
- Public School Accountant (New Jersey)
- Government Finance Officers Association

### Education

Bachelor of Science, accounting, Fairleigh Dickinson University

## **Kristen Coe-Peek**

Director, Financial Advisory Services  
McGladrey, LLP  
Chicago, IL  
Kristen.coe-peek@mcgladrey.com  
312.634.3174

### **Summary of Experience**

Ms. Coe-Peek has over twenty years of experience in managing and resolving troubled business issues. Ms. Coe-Peek has specific experience managing and acting in the capacity as Fiscal Agent for Workforce Investment Act funds, a grant program administered by the State of Illinois, reconstructing the books and records of grant recipients, as well as performing business process review and improvement for fiscal functions of similar grant recipients providing Organizational, Management and Staffing consulting services to many State of Illinois agencies. Ms. Coe-Peek is or has been project manager on many similar projects including all of those set forth above. Ms. Coe-Peek has extensive knowledge and understanding of A-133 and A-87 regulations particularly as they apply to the allow ability of costs. Ms. Coe-Peek is also intimately familiar with Grant accounting systems and with the intricacies of General Ledgers and Chart of Accounts established for Grant recipients. In her role as Fiscal Agent for WIA LWIA, Ms. Coe-Peek designed, created and implemented a Chart of Accounts for grant recipients of similar WIA Grants while implementing a new grant accounting software system.

### **Professional Affiliations**

Kristen is a Certified Fraud Expert (ACFE).

### **Education**

Ms. Coe-Peek received her Bachelor of Arts in Management from Michigan State University, her Bachelor of Science in Accountancy from Loyola University as well as her Post Graduate Coursework for M.S. in Taxation from Loyola University.

## **Kenneth Squires**

Director  
McGladrey LLP  
Boston, MA



### **Summary of Experience**

Ken is a director in McGladrey's Consulting Services practice. He is the National Practice leader for Corporate Performance Management and directly manages the team for the Northeast region. He has been involved with corporate performance management, business intelligence, technology enablement, finance, business & technology transformation programs for over 18 years. Ken works closely with senior management and c-level executives to address complex business problems and help improve profitability, reduce costs and better manage risks.

Ken specializes in providing comprehensive services to solve the complex business issues and challenges faced by organizations of today. Ken combines his consulting and direct functional experience to effectively deliver real value to clients. He focuses on providing clients with the ability to improve financial performance, confirm compliance and ultimately increase operational efficiency and value through the enablement of effective performance management, business intelligence and technology enablement.

He has been in consulting for the last 7+ years and prior to that he worked directly for Ernst & Young, National Financial, Fidelity Investments, and United Technologies.

### **Select Engagement Experience**

Provides leadership and project management on multiple diverse projects that included performance management design, business intelligence technologies, management reporting, financial analysis, benchmarking, strategic planning and driver-based forecasting.

### **Education**

- BA in Economics and Finance, Magna cum laude, Bentley University
- London School of Economics

## Jennifer M. Katz

Manager, Not-for-Profit Government Services Group  
McGladrey LLP  
New York, NY  
jen.katz@mcgladrey.com  
212.372.1617



## Summary of Experience

Jennifer Katz is a manager with more than 9 years of experience serving significant governmental and not for profit entities. She is well-versed in the requirements of OMB Circular A-133, Governmental Accounting Standards Board pronouncements, and Government Auditing Standards.

Prior to joining McGladrey LLP, she was a senior manager at Deloitte & Touche LLP where she served in a management development position for the public sector and not for profit groups. This role included researching and evaluating the impact of new accounting pronouncements and providing technical training.

Clients served include:

- City of New York Retirement Plans
- New York City Water and Sewer System
- New York City Other Postemployment Benefits Plan
- The Port Authority of New York and New Jersey
- Port Authority Insurance Captive Entity
- The Hearst Foundations
- The Paley Center for Media
- MTA Long Island Railroad
- MTA Staten Island Rapid Transit Operating Authority
- MTA New York City Transit Authority
- MTA Pension Plans

## Professional Affiliations and Credentials

- Certified Public Accountant in the state of New York
- American Institute of Certified Public Accountants
- New York State Society of Certified Public Accountants

## Education

- Bachelor of Accountancy, George Washington University

**Rebecca Harris**

Manager  
McGladrey LLP  
Boston, MA

**Summary of Experience**

Rebecca is a manager in the McGladrey management consulting practice. She has over twelve years of progressive, functional experience in the research, design, deployment, and management of business applications and infrastructures. Rebecca has been closely involved in working with organizations through the use of the discovery process to identify areas for strategic improvement and process automation. Rebecca's expertise focuses on the implementation of software solutions that drive positive business outcomes. Additionally, she provides end-to-end relationship engagement and management, liaising with vendors, business users and development teams to determine and implement mission-critical business needs.

**A sample of Rebecca's relevant experience includes:**

- Managed the implementation of a corporate performance management system for an international manufacturing client. The scope of the engagement included overall project oversight, managing a multi-disciplinary team, providing executive level updates to key C-level executives of the organization, application design, architecture development advisory and application testing advisory.
- Implementation of an IT project management office for a national engineering firm. The solution included an end to end process from project request through to C level approval for resources. Duties included designing appropriate workflow and progression for requests, working with users of all levels to adopt the new methodology and setting up a high level committee to approve projects, and assign accountability based on business needs.
- Project manager for the implementation of a custom developed data warehousing solution at a fast growing financial services company, allowing for the cross-referencing of sales data and pattern recognition, thereby enabling a refined sales process. Primary responsibilities included coordination of technical and business teams, architectural oversight, scope management and overall project oversight.
- Performed IT Director functions for a financial services firm. Duties included coordinating with multiple client vendors, oversight of core business systems selection and replacement, building a core team to support growing business needs and advising C-Level executives on IT strategy.

**Education**

- Rebecca has a Bachelor of Arts in English Literature from the State University of New York at Binghamton.

**Martin R. Sullivan**

Manager, Consulting  
McGladrey LLP  
Blue Bell, PA

**Summary of Experience**

For the past 12 years, Martin has advised clients on implementing high value financial analysis solutions and providing advice and expertise in selecting and implementing the best toolset for clients' specific challenges. Prior to joining the firm, he worked with Business Intelligence Consulting Group, where he produced organizational growth through assistance in expanding customer base beyond traditional business intelligence customers and improved internal readiness through tailored training programs. Earlier in his career, he was a senior manager at TopDown Consulting and a manager at AnswerThink Inc. (now The Hackett Group) where he focused on selling and managing the implementations of the full product suite of Hyperion products. He began his career as a consultant with Information Builders, Inc. where he designed and accomplished all activities around budgeting, forecasting, monthly analysis and reporting.

**Professional Affiliations and Credentials**

- Hyperion Planning Certified
- Hyperion Essbase Certified

**Education**

- BS in information systems with a minor in mathematical science from Bentley University

## **Faisal Muhammed**

Senior Associate, Consulting  
McGladrey LLP  
Boston, MA



### **Summary of Experience**

Faisal Muhammed is a Senior Consultant in our Business Intelligence & Integration practice with over 8 years of technology experience in a wide variety of roles including Data Warehouse Architect, Business intelligence Consultant, ETL Developer, DBA, Database Developer, Project Manager etc. Faisal is experienced in designing, administering and troubleshooting the complete suite of Microsoft SQL Server products including the Database Engine, Integration Services, Analysis Services and Reporting Services. He has substantial experience in end-to-end QlikView implementations - QlikView ETL scripting, data modeling, server-side administration, designing/developing QlikView analytical applications and dashboards. He is also experienced in day-to-day issues with SAP Business Objects XI R1/R2/3.x administration, universe and report design, security, system migrations and deployments.

### **Professional Membership and Qualifications**

- Faisal is a Microsoft Certified Technology Specialist in SQL Server and SQL Server Business Intelligence
- He is a Microsoft Community Contributor Award recipient
- He writes technical articles on SQL Server technologies and is a guest columnist for [www.SQLServerCentral.com](http://www.SQLServerCentral.com).

### **Education**

- Masters in Electronics and Computer Science Engineering from Texas A&M University, Kingsville
- Bachelors in Electronics and Communications Engineering from Osmania University, Ind



**WARREN A. BROUDY, CPA (NJ & PA), RMA, CGFM, PSA**

**Managing Director  
The Mercadien Group**

**Principal  
Mercadien, P.C., Certified Public Accountants**

Warren A. Broudy is a managing director of The Mercadien Group and a principal with Mercadien, P.C., Certified Public Accountants. In his capacity as chairman of the Government Services Group, Warren oversees the governmental department, which includes responsibility for overseeing all facets of the group including, business development, GASB and New Jersey municipal financial reporting and audit processes, training of staff, resolving audit issues with top client management, and evaluating and implementing internal control policies.

As a Registered Municipal Accountant (RMA), Mr. Broudy oversees and advises various major New Jersey municipal audit clients on budgetary, financial, and compliance issues unique to this sector. In addition, his experience includes review of Annual Financial Statements and Annual Debt Statements of municipalities and review and consultation relating to annual municipal and local authority budgets. He has also participated in municipal operational reviews as well as performance audits. Mr. Broudy additionally has experience with official statements and providing documents required by bond counsel in connection with municipal bond offerings.

Additionally, Mr. Broudy is a Certified Government Financial Manager (“CGFM”). The CGFM is the first certification broad enough to cover the whole field of government financial management – state and local. It deals with measuring a wide range of knowledge and skills that a professional needs to succeed in working in or with the state and local government environment or to meet the unique challenges faced by state and local government financial managers. Mr. Broudy specializes in financial statement and compliance audits of state and local authorities and has also assisted state agencies in the development and implementation of monitoring oversight of federal funds.

Warren is an active member of and frequent lecturer for the Association of Government Accountants. Presentations he has given include “GASB (Governmental Accounting Standards Board) 34: Implementing the New Reporting Model” and “GASB 43 and 45: Financial Reporting for Postemployment Benefit Plans and Accounting for Employers for Postemployment Benefits.”

As a lead member of Mercadien, P.C.’s GASB Task Force, Warren is responsible for interpreting and analyzing the impact of these accounting policies on governmental entities. Mr. Broudy assists executives of government organizations with his expertise to improve their own skills and operate their organizations more efficiently. Furthermore, he serves as the firm’s liaison to the AICPA’s Governmental Audit Quality Center.

He was instrumental in designing and implementing the automated financial reporting practices at the firm and is a recognized expert in this area. Warren is also responsible for continuing professional education programming and has successfully introduced seminars that address audit efficiency and streamlining procedures.



Warren is a graduate of Temple University with a BBA in accounting. He is licensed to practice in New Jersey and Pennsylvania, and he is a member of both the American Institute and the New Jersey Society of Certified Public Accountants. Additionally, Warren is Vice President of the Meals on Wheels of Trenton/Ewing Board of Directors and resides in Mount Laurel, New Jersey with his wife, Debbie, and their two children.



**GARY B. ROSEN, CPA, CFE, CFF, CVA, CGMA**

**Managing Director  
The Mercadien Group**

**Principal  
Mercadien, P.C., Certified Public Accountants**

Gary Rosen serves as a principal of Mercadien, P.C., Certified Public Accountants and a managing director of The Mercadien Group. Mr. Rosen has more than thirty five years of experience in fraud engagements, business valuations, contractual disputes, and other areas of investigative accounting. Mr. Rosen testifies as an expert witness in numerous litigation cases regarding valuations, agreed upon procedures reports, cash collateral orders, lost profits, business dissolutions, product liability, matrimonial matters, and criminal investigations. He has extensive experience testifying in a variety of state courts.

Mr. Rosen co-chairs the firm's Litigation Support Group where he is focused on assisting the firm in its strategic direction necessary to meet the ever-changing needs of clientele in that sector. He brings a unique vision to this practice area as a Certified Fraud Examiner, Certified in Financial Forensics, Charter Global Management Accountant and a Certified Valuation Analyst. Mr. Rosen is also certified as a Collaborative Divorce Practitioner. As a certified financial specialist able to assist in collaborative divorce, he would assist clients in gathering, organizing, and understanding the value of the financial data and clarification of the financial goals and interests of both parties. The financial specialist may also assist in the short and long term financial strategies and options of a pending settlement.

Mr. Rosen also provides accounting, audit, and various tax related services for numerous closely held corporations, emerging growth companies, and international corporations. A frequent lecturer, Mr. Rosen has presented for several organizations including national conferences on topics relating to internal controls, fraud, and audits. Mr. Rosen is also an adjunct professor at Monmouth University teaching real estate and finance at the graduate level.

Mr. Rosen is an active member of the New Jersey Society of Certified Public Accountants Valuation Services and Litigation Support & Forensic Accounting Interest Groups, an active member of the National Association of Certified Valuation Analysts Forensics Litigation Board, member of the advisory board to Brookdale College, trustee to the Brookdale College Foundation, and a member of the Monmouth University Business Council. He was formerly commissioner of the State Revenue Forecasting Advisory Commission, chairman of the CAI National Accountants Committee, board member of the Jersey Coast Chapter of the American Red Cross, board member for the New Jersey Apartment Association (formerly Multi-Housing Institute), and commissioner to the State Holocaust Education Commission. Mr. Rosen is a member of both the American Institute of Certified Public Accountants and the New Jersey Society of Certified Public Accountants. Mr. Rosen was also the past president of the Western Monmouth Chamber of Commerce, past president of Community Associations Institute's New Jersey Chapter, the past president of CA-PAC, charter member for the Manalapan Optimist Club, former member of the committee for an Affordable New Jersey, and former member of the State of New Jersey Department of Community Affairs Task Force to review and evaluate the Planned Real Estate Full Disclosure Act.

Mr. Rosen earned a Bachelor of Science in Accounting with honors from Rutgers University and is a life-long resident of New Jersey residing in Manalapan with his wife and daughters.



**DONALD F. CONWAY, CPA**

**Managing Director  
The Mercadien Group**

**Principal  
Mercadien, P.C., Certified Public Accountants**

Mr. Donald F. Conway, CPA, is a principal in Mercadien, P.C., Certified Public Accountants, a CPA firm with a multi-disciplined consulting practice. Mr. Conway specializes in securities fraud, forensic accounting, insolvency and reorganization, and litigation support. Additionally, Mr. Conway's experience in the sports and entertainment industry has included all facets of planning, managing, financing and operating major and minor league organizations, the financial management of individual athletes and the operation of both national and international events. His credentials include positions as controller of the New York Mets Baseball Club, executive director of the United States Tennis Association, director of operations for the U.S. Open Tennis Tournament, representative of the USTA to the U.S. Olympic Committee and president of a major theme park.

Mr. Conway's experience includes forensic investigations relating to various forms of business transactions, including securities fraud, Ponzi schemes, bankruptcy fraud and money laundering. During these investigations, he has worked with the New Jersey Attorney General's Office, the New Jersey Bureau of Securities, the US Attorney General's Office, the Federal Bureau of Investigation, and the SEC Enforcement Division.

His experience also includes developing, evaluating and negotiating reorganization plans, preference analysis, cash flow projections and liquidation analysis. Mr. Conway served as accountant to the trustee in such prominent cases as "Crazy Eddie" and as accountant and financial advisor to the Creditors' Committee in the Robert E. Brennan Chapter 11 bankruptcy proceedings. He is experienced in the area of out-of-court workouts and has successfully guided businesses out of difficult financial situations to avoid bankruptcy.

Mr. Conway has been responsible for the financial management and turnaround of a distressed property management business. He has also served as a consultant for other residential and commercial managements with properties in various states.

From June of 1997 to May of 2006, Mr. Conway served as the Chapter 11 Trustee for the Bankruptcy Estate of Robert E. Brennan. The Debtor's Chapter 11 case was precipitated by the entry of a judgment by the U.S. District Court in an action captioned "*Securities and Exchange Commission versus First Jersey Securities Inc. and Robert E. Brennan*," requiring the Debtor and First Jersey to disgorge profits and pay interest of approximately \$75 million.

During his term as trustee, Mr. Conway directed the litigation in a number of domestic and

foreign actions. He settled numerous suits including a class action suit brought by the Attorney General of New Jersey that was predicated on allegedly fraudulent conduct with respect to several securities in which the debtor and/or his affiliated entities held or controlled substantial ownership positions.

Mr. Conway has served as a witness before the U.S. Federal Grand Jury, the U.S. District Court of New Jersey and the U.S. Federal Bankruptcy Court for the District of New Jersey in matters of bankruptcy crimes, valuation, insolvency, fraudulent transfer and plans of reorganization. He has also served as a witness in various state courts in commercial litigation proceedings involving a wide array of accounting and valuation issues.

Mr. Conway successfully recovered substantial assets held in off-shore asset protection trusts. He is experienced in off-shore litigation and the retention and instruction of counsel in foreign jurisdictions such as Gibraltar and Nevis. He also directed forensic document examinations in foreign countries.

In addition, Mr. Conway served as liquidating trustee in a number of substantial cases. He was responsible for liquidating substantial assets including commercial and residential property and shares of publicly traded stock. Mr. Conway has served as Chapter 11 Trustee in a number of cases including for five Golden Corral franchises in the tri-state area and was appointed by the NJ Attorney General's office as Provisional Director/Fiscal Monitor for a not-for-profit organization. As a Chapter 11 Operating Trustee, he has extensive experience in selling residential and commercial property.

Mr. Conway served as the chairman of the NJSCPA's Insolvency and Reorganization Committee. During his association with that committee, he founded and served as chairman of the committee's annual Insolvency & Reorganization Conference, which attracted approximately 200 attendees consisting of CPAs and attorneys. Panel members consisted of judges, attorneys and nationally recognized authors and speakers.

Along with representatives from the Internal Revenue Service's Criminal Investigation Division, the Secret Service, and the FBI, Mr. Conway was a featured panelist for a presentation on cooperation with federal and state investigations at the Association of Insolvency & Restructuring Advisors' 2004 Annual Conference. This nationally recognized conference is the authoritative venue for government prosecutors, judges, attorneys and trustees.

Mr. Conway has spoken at the annual meeting of the NJCPA Society, as well as at various chapter meetings. In addition, the NJ Institute for Continuing Legal Education ("ICLE") invited Mr. Conway to participate in a number of their panels on such subjects as "Effective Debt Restructuring" and the "Financial Aspects of Chapter 11." Furthermore, Mr. Conway has been published by ICLE on such subjects as the "Meaning of the CPAs Report on Financial Statements," and New Jersey Municipalities with an article about forensic accounting as well as speaking at the NJ State League of Municipalities conference in November 2009. Mr. Conway also recently wrote a graduate-level forensic accounting course for Thomas Edison State College.



**JILL ANN MURPHY, CPA, PSA**

**Director  
Mercadien, P.C., CPAs**

A director at Mercadien, P.C., Ms. Murphy is a seasoned public accounting professional with more than a decade of experience working with large nonprofit, municipal, and governmental entities, including local and state authorities and commissions. Ms. Murphy's duties include overall responsibility for planning audit engagements, supervising and training staff, reviewing of work papers and financial statements, and meeting with client management on various nonprofit and governmental engagements.

Ms. Murphy is a member of the firm's Governmental Accounting Standards Board (GASB) Task Force, which analyzes and produces the criteria necessary to assist governmental agencies in implementing GASB pronouncements. Her experience and insight have provided governmental entities with the effective implementation of various GASB pronouncements.

Ms. Murphy is also a member of the Government Services Group. As a member of the Governmental Services Group she works with various counties, municipalities and other governmental units on managing large single audits. She has been instrumental in the preparation of manuals to assist nonprofit organizations in their financial reporting responsibilities relating to Yellowbook and A133 audits. She assists a number of organizations in streamlining their operations and works with both nonprofit and governmental entities on audit efficiency and internal control systems. Furthermore, Ms. Murphy is involved in presenting various seminars on nonprofit and governmental issues.

As a member of Mercadien, P.C.'s Audit Committee, she is highly regarded in the areas of internal control structures, audit program design, and implementation. In addition, her experience includes reporting, disclosures and compliance issues of entities subject to GASB 34, Single Audit OMB A-133, and state and local reporting requirements. Ms. Murphy also oversees various performance audit engagements for nonprofit and government organizations. In addition she has assisted state agencies in the development and implementation of monitoring techniques to ensure compliance.

A graduate of Kean University with a Bachelor of Science in Accounting, Ms. Murphy is a member of the New Jersey Society of Certified Public Accountants and the American Institute of Certified Public Accountants. She is also an active member of the Robert Wood Johnson Hamilton Hospital Foundation Young Professionals Group, the Mercer Regional Chamber of Commerce's Robbinsville Chapter, and the Trenton Chapter of the Association of Government Accountants.

Ms. Murphy resides in Robbinsville, New Jersey with her husband and their two children.



**FRANK PINA, CPA, CFF, CFE**

**Director  
Mercadien, P.C., Certified Public Accountants**

Frank Pina is a Director within the Litigation Support practice of Mercadien, P.C., Certified Public Accountants. Frank is a seasoned public accounting professional with over a decade of experience helping individuals, closely held corporations, emerging growth companies and international corporations across various industries manage business controversy, execute deals and maintain compliance.

Mr. Pina is highly regarded in the fields of corporate accounting/forensic investigations, fraud detection, bankruptcy and reorganization and other litigation support and dispute consulting areas. Mr. Pina has extensive experience assisting legal counsel and their clients with a variety of forensic investigations involving false financial reporting, misappropriation of assets, false claims allegations, vendor fraud, rebate payment evaluations, compliance reviews and contract inspections and assessments. He also advises private and not-for-profit companies on resolution strategies resulting from purchase price disputes, real property tax disputes and a variety of compliance-related issues.

As a member of the Litigation Support practice, Mr. Pina directs his focus toward providing valuable insight and clarity to legal counsel and their clients through the use of sophisticated forensic accounting techniques, data analytics, industry experience and business acumen. Before joining Mercadien, Mr. Pina was a Manager in the Forensic & Dispute Services practice of Deloitte Financial Advisory Services, LLP. In that role, he was responsible for developing investigative strategies, conducting forensic interviews, background searches and document reviews and tracing hidden assets to detect patterns and schemes of fraudulent activity to uncover complex financial crimes. His diverse background and unique experience working closely with large international law firms and federal and local law enforcement agencies including the U.S. Attorney's Office, Federal Bureau of Investigation and Department of Justice enables him to offer clients in both the public and private sectors sound financial and forensic investigative advice and expertise.

Mr. Pina currently serves on the Board of Directors and Speakers Committee of the Philadelphia Chapter of Certified Fraud Examiners and as an active member of the Philadelphia Metropolitan Area Chapter of the Healthcare Financial Management Association, the Philadelphia Chapter of the Turnaround Management Association, the American Institute of Certified Public Accountants and the AICPA Forensic and Valuation Services community. Mr. Pina has lectured locally and nationally in a variety of settings on topics related to fraud detection, corporate investigations, forensic interviewing and internal controls.

Mr. Pina graduated from Drexel University with a Bachelor of Science in Business Administration with dual concentrations in Accounting and Marketing. Frank is a life-long resident of Philadelphia, PA, where he currently resides with his wife and son.

**DIGESH PATEL, CPA, MBA****Manager****Mercadien, P.C., Certified Public Accountants**

Mr. Patel is a manager at Mercadien, P.C. and is involved in performing and overseeing audits of municipal, governmental and nonprofit organizations. As a member of the Government Services Group, Mr. Patel works on various municipality, State of New Jersey government agency and authority audit and agreed-upon procedure engagements, for which he performs account analysis, monitors bond compliance, inquiries of management and staff, as well as performs audit procedures, testing, adequacy of client internal controls, and adherence to Government Auditing Standards, OMB A-133 and 04-04 Single Audit compliance requirements. Additionally, he acts as a client service manager and ensures compliance with all state and federal deadlines.

Mr. Patel is the lead manager of the firm's governmental practice and specializes in assisting clients with questions and concerns related to internal control over financial reporting, budgets, unaudited annual financial statements, annual and supplemental debt statements, bond ordinances and resolutions. He is also involved in the technical training of the firm with new GASB pronouncements, local finance notices issued by the Division of Local Government Services and staff training on municipal financial reporting and requirements of audit and accounting.

While attending Rider University, Mr. Patel worked part-time for Mercadien as an auditor for the State of New Jersey Lottery Commission, where he observed the lottery drawings and performed audit procedures. He continues to work on this engagement as an auditor for the monthly and annual financial statement audit.

Mr. Patel is a graduate of Rider University with a Bachelor of Science in Accounting and a Masters of Business Administration. As an undergraduate, Mr. Patel was the treasurer for the Asian Students at Rider organization.

In May 2012, Mr. Patel was awarded a Special Achievement Award by the Association of Government Accountants, Trenton Chapter, for his contribution in government accounting and auditing for the past six years.

Currently, Mr. Patel is a member of American Institute of Certified Public Accountants, New Jersey Society of Certified Public Accountants and serves as a Finance Committee Chair of the West Central Region Salvation Army. He is also an active member of Mercadien, P.C.'s Associate Advisory Committee.

Mr. Patel resides in Bordentown Township, New Jersey with his wife, Sonal.



**J. PATRICK JULIAN, CPA**

**Manager**  
**Mercadien, P.C., Certified Public Accountants**

J. Patrick Julian, CPA is a manager at Mercadien, P.C., Certified Public Accountants and is a member of the firm's Government Services Group. As a manager, Mr. Julian is responsible for overseeing the audit group responsible for monitoring and testing compliance, State of New Jersey government agencies, authority and municipality audit and agreed-upon procedure engagements.

Mr. Julian is an expert in the areas of internal & external audit design and management, fraud investigation, forensic audits, management reporting, financial reporting, systems documentation, and training. He has provided services in the real estate, construction, hospitality/entertainment, professional services, retail, manufacturing, wholesale, and professional and college sports industries.

Mr. Julian designs and directs risk-based external and internal audits, performs system review and analysis, manages reporting, annual trends, project management and teaches audit concepts and approach.

Mr. Julian is a graduate of Rockhurst University with a Bachelor of Science in Accounting and Mathematics. Mr. Julian is a member of AICPA and the Missouri Society of CPAs.

Mr. Julian resides in Philadelphia, Pennsylvania with his wife.



**ELIZABETH Y. LACORTE, CPA, CIRA**

**Manager  
Mercadien, P.C., Certified Public Accountants**

As a manager with Mercadien, P.C., Elizabeth LaCorte is a member of the Litigation Support Services Group. Ms. LaCorte has over 22 years of experience in the accounting profession and has been with The Mercadien Group for over 15 years.

As a member of the Litigation Support Services Group she has expertise in records examination to determine fraudulent and hidden assets, internal control weaknesses and embezzlement of funds. Her litigation support experience includes providing business valuations and she has aided the NJ State Attorney General with records examination.

Additionally, Ms. LaCorte has bankruptcy experience that includes the preparation of engagement specific reports including fee applications and monthly debtor reports. She prepares bankruptcy tax returns and examines the debtor's records for preferences and fraudulent conveyances.

Ms. LaCorte received her certification as a Certified Insolvency and Restructuring Advisor (CIRA) from the Association of Insolvency and Restructuring Advisors. To receive this coveted certification, she successfully completed an in-depth financial insolvency and restructuring examination which covered all aspects of bankruptcy and reorganization, including, managing financial turnaround and bankruptcy cases, reorganization plan development, insolvency accounting, financial reporting and related tax issues. In addition to passing the comprehensive three-part examination, all CIRA recipients must have a minimum of five years of accounting or financial experience with a certified public accounting firm and must have completed 4,000 hours of specialized insolvency and reorganization experience within the last eight years. Ms. LaCorte's experience includes nine years of work on the Chapter 11 Bankruptcy Estate of Robert E. Brennan, for which she prepared financial analyses, required bankruptcy reports and filings, and schedules for the FBI, SEC, U.S. Attorney General and U.S. Trustee; researched tax issues and prepared tax returns; performed forensic accounting for the recovery of estate assets; and furnished testimony during the criminal trial.

Ms. LaCorte has been quoted in the Practical Accountant and in New Jersey Business, regarding bankruptcy and forensic accounting topics. Ms. LaCorte is Vice-Leader of the NJ Society of Certified Public Accountants Insolvency and Reorganization Interest Group. She has also been a speaker at the NJSCPA's Insolvency and Reorganization Committee on forensic accounting, in bankruptcy cases.

A Summa Cum Laude graduate of Long Island University, Ms. LaCorte is licensed to practice in the State of New Jersey. She is a member of the American Institute and New Jersey Society of

Certified Public Accountants, the American Bankruptcy Institute and the Association of Insolvency and Restructuring Advisors.



**W. RICHARD HOYT, MST, CPM**  
**Senior Consultant/Manager**  
**Mercadien, P.C., Certified Public Accountants**

A senior consultant/manager and member of Government Services Group at Mercadien, P.C., Mr. Hoyt is responsible for planning and managing various government agreed-upon procedure, consulting and audit engagements of major New Jersey state agencies and commissions. This includes managing the engagement, training and supervising staff and resolving issues with management.

Prior to coming to Mercadien, P.C., Mr. Hoyt had an extensive auditing career with the State of New Jersey. He was responsible for the review of each NJ County's Central Services Indirect Cost Allocation Plan to determine compliance with federal cost principles under OMB Circular A-87, as well as financial and compliance audits of Federal pass through funds and performance audits under Government Audit Standards.

While at Mercadien, Mr. Hoyt has participated in many financial and single audit engagements, including performance audits under the Governmental Auditing Standards. He has assisted state agencies in the development and implementation of monitoring techniques to ensure compliance with federal cost principles for pass through recipients of federal grant funding. This funding includes Community Services Block Grant, Low Income Home Energy Assistance Program, DOE Weatherization Assistance Programs, Temporary Assistance to Needy Families, Social Services Block Grant, Supplemental Nutrition Assistance Program and Medicaid, as well as various ARRA monies. He assists in overseeing all elements of our compliance oversight group which provides compliance related services to government and commercial clients.

Mr. Hoyt has a B.S. in Commerce from Rider University, is a Certified Public Manager, and has a Masters in Taxation from Widener University. Mr. Hoyt resides in Mount Laurel, NJ with his wife.

**MARCEVIR BERNARDO, CPA**  
**Partner**

**BCA WATSON RICE LLP**

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**KEY EXPERIENCE**

Mr. Bernardo has over twenty three years of extensive professional experience in providing various types of audit and consulting services to both the public sector and private entities. He also leads the firm's professional development and quality control programs, and serves as engagement partner on financial and compliance audits provided to various government agencies and non-profit organizations, including but not limited to the following:

- Union Theological Seminary
- New York Theological Seminary
- Warren Community College
- The Ecumenical Trust
- Interfaith Center on Corporate Responsibility
- Harlem Commonwealth Council
- Union Settlement Association, Inc.
- Sponsors for Educational Opportunity, Inc.
- Stone Barns Center for Food and Agriculture
- William F. Ryan Community Health Center
- Westchester Community Opportunity Program

In addition, he has provided services to other clients as follows:

- Audit of over 600 contract agencies funded by the New York City Department of Youth and Community Development
- Composite audit of the Head Start Programs of various delegate agencies administered by the New York City Administration for Children's Services
- Program audits of Provider Agencies funded by the City of New York Department of Health and Mental Hygiene

**EDUCATION**

- Bachelor of Arts, Major in Accounting – 1983
  - Queens College
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## **MARCEVIR BERNARDO, CPA**

### **Continued**

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#### **PROFESSIONAL HISTORY**

BCA Watson Rice LLP, 1989 - Present

Ernst & Young, 1987 - 1989

Dadia and Company, 1983 - 1987

#### **PROFESSIONAL AFFILIATIONS**

American Institute of Certified Public Accountants

New York State Society of Certified Public Accountants

New Jersey State Society of Certified Public Accountants

Association of Government Accountants

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**CHERRY ONG**  
**Audit Manager**

**BCA WATSON RICE LLP**

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**KEY EXPERIENCE**

Ms. Ong is a manager who has over ten years of extensive accounting and auditing experience, in private, governmental and not-for-profit organizations. Cherry served as either the manager or the senior auditor on the following select governmental and not-for-profit engagements:

- Warren County Community College
- Paterson Public Schools
- East Orange Board of Education
- Florida Agricultural and Mechanical University Foundation, Inc.
- Northern Manhattan Coalition for Immigrant Rights
- NYC Health and Hospital Corporation
- National Minority Aids Council
- James E. Scott Community Association
- East Coast Migrant Head Start Project
- Newark Public Library
- NYC Department of Youth and Community Development
- City of Quincy Revenue Bonds

In addition, she has provided services to other clients as follows:

- Study and evaluation of a client's policies, procedures, and internal controls, resulting in the creation of an accounting and operations manual adopted by the client organization
  - Assisting bond issuers and underwriters in analyzing historical accounting data to develop trends to be used in determining the feasibility and soundness of the proposed governmental bond issuance
  - Creating an accounting manual for Industrial Development Bonds issued by the Miami-Dade Industrial Development Authority on behalf of a not-for-profit organization
  - Plan, budget and supervise audit engagements executed in accordance with U.S. Generally Accepted Auditing Standards, Government Auditing Standards and OMB A-133
  - Review and analyze the approximately \$33.M investments of a not-for-profit organization to ensure soundness of year to date investment earnings and losses and the presentation of such factors in the financial statements
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## **CHERRY ONG**

### **Continued**

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#### **EDUCATION**

Bachelor of Science in Accountancy, 1995 University of the Assumption, Phils.

Bachelor of Science in Mathematics, 1991 University of Sto. Tomas, Phils. (2nd Year College)

#### **PROFESSIONAL EXPERIENCE**

BCA Watson Rice LLP - NY Office, 2003 - Present

BCA Watson Rice LLP - Miami Office, 2001 - 2003

PricewaterhouseCoopers - Philippines, 1997 - 2001

#### **PROFESSIONAL AFFILIATIONS**

Philippine Institute of Certified Public Accountants

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**LEILA AQUI**  
**Senior Auditor**

**BCA WATSON RICE LLP**

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**KEY EXPERIENCE**

Ms. Aqui has over ten years of combined professional experience in corporate accounting, financial analysis and compilations, and an extensive accounting and auditing experience in private, governmental and not-for-profit organizations.

Her experience as a senior auditor includes:

- City of New York
- Metropolitan Transportation Authority
- Chinese-American Planning Council, Inc.
- Chinese-American Planning Council, Inc.
- Union Settlement Association, Inc.
- Weill Cornell Medical Fund
- Stone Barns Center for Food and Agriculture
- Community Mediation Services, Inc.
- NBPA/NBA Supplemental Benefit Plan
- 1199SEIU Greater New York Child Care Fund
- 1199SEIU Employer Child Care Corporation
- 1199SEIU Employer Child Care Fund

**EDUCATION**

Master of Arts in Business Administration (Philippines) - 2008  
De La Salle University, Philippines

Bachelor of Science in Accountancy – 1995  
University of the East, Philippines

**PROFESSIONAL HISTORY**

TCBA Watson Rice LLP, 2008 – Present  
ABS-CBN Broadcasting Corporation, 2005 – 2008  
Lyceum of the Philippines University, 1999 – 2005  
Ernst & Young – Philippines, 1996 – 1999

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**PROFESSIONAL AFFILIATIONS**

Philippine Institute of Certified Public Accountants  
Institute of Internal Auditors

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McGladrey LLP is the fifth largest U.S. provider of assurance, tax and consulting services, with nearly 6,500 professionals and associates in more than 75 offices nationwide. McGladrey is a licensed CPA firm and a member of RSM, the seventh largest global network of independent accounting, tax and consulting firms.

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STATE OF NEW JERSEY, DEPARTMENT OF THE TREASURY

PREQUALIFICATION POOLS: AUDITING AND OTHER RELATED  
SERVICES IN SUPPORT OF DISASTER RECOVERY (HURRICANE  
SANDY) –RFP 14-X-23110

VOLUME 3

May 31, 2013



McGladrey LLP



May 31, 2013

State of New Jersey  
Department of the Treasury  
Division of Purchase and Property  
33 West State Street, 9<sup>th</sup> Floor, P.O. Box 230  
Trenton, New Jersey 08625-0230

Dear Selection Committee Members:

McGladrey LLP (McGladrey) is pleased to submit our proposal to assist the State of New Jersey Department of Treasury (the State) with Prequalification Pools for Auditing and other Related Services in Support of Disaster Recovery for Hurricane Sandy.

Our goal is to provide high-quality, reliable service at reasonable fees.

**Hourly Rates.** We have included one hourly rate for each title identified in the State-supplied price schedules.

Please contact us should you need additional information. You may reach Patrick Hagan at 312.634.3981 or [patrick.hagan@mcgladrey.com](mailto:patrick.hagan@mcgladrey.com) or Bob Rooney at 212.372.1033 or [robert.rooney@mcgladrey.com](mailto:robert.rooney@mcgladrey.com).

Sincerely,  
McGladrey LLP

A handwritten signature in black ink that reads "Patrick J. Hagan".

Patrick J. Hagan  
National State and Local Government Leader

A handwritten signature in black ink that reads "Robert G. Rooney".

Robert G. Rooney  
Director

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## VOLUME 3. PRICE SCHEDULES

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### PRICE SCHEDULES

## **PRICE SCHEDULE**

**RFP 14-X-23110**

### **AUDITING AND OTHER RELATED SERVICES FOR DISASTER RECOVERY (HURRICANE SANDY)**

Refer to RFP [Section 3.0](#) (Scope of Work) for task requirements and deliverables, [Section 4.4](#) (Organizational Support and Experience), and [Section 6.7.2](#) (Bidder's Price Schedule) for additional information regarding this Price Schedule. Failure to submit all information required will result in the proposal being considered non-responsive.

**Bidder's Name:** McGladrey LLP

#### **POOL 1: PROGRAM AND PROCESS MANAGEMENT AUDITING**

<b>LINE #</b>	<b>STAFF CLASSIFICATIONS</b>	<b>YEAR 1 HOURLY RATE</b>	<b>YEAR 2 HOURLY RATE</b>	<b>YEAR 3 HOURLY RATE</b>
1	Partner/Principal/Director	\$ 325	\$ 338	\$ 352
2	Program Manager	\$ 255	\$ 266	\$ 276
3	Project Manager	\$ 255	\$ 266	\$ 276
4	Subject Matter Expert	\$ 325	\$ 338	\$ 352
5	Supervisory/Senior Consultant	\$ 160	\$ 167	\$ 174
6	Consultant	\$ 130	\$ 136	\$ 141
7	Associate/Staff	\$ 130	\$ 136	\$ 141
8	Administrative Support Staff	\$ 85	\$ 89	\$ 93

<b>Line #</b>	<b>Pass Through Price Lines *</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
9	Other Direct Costs	N/A	N/A	N/A
10	Travel Expenses and Reimbursements	N/A	N/A	N/A

- The State makes no guarantee of volume of work effort.
- \* The Pass Through Price Lines shall be used to reimburse for Travel and Other Direct Costs only. No mark-up will be provided for Price Lines 9 and 10.

**Bidder's Name:** McGladrey LLP

**POOL 2: FINANCIAL AUDITING AND GRANT MANAGEMENT**

<b>LINE #</b>	<b>STAFF CLASSIFICATIONS</b>	<b>YEAR 1 HOURLY RATE</b>	<b>YEAR 2 HOURLY RATE</b>	<b>YEAR 3 HOURLY RATE</b>
11	Partner/Principal/Director	\$ 325	\$ 338	\$ 352
12	Program Manager	\$ 255	\$ 266	\$ 276
13	Project Manager	\$ 255	\$ 266	\$ 276
14	Subject Matter Expert	\$ 325	\$ 338	\$ 352
15	Supervisory/Senior Consultant	\$ 160	\$ 167	\$ 174
16	Consultant	\$ 130	\$ 136	\$ 141
19	Associate/Staff	\$ 130	\$ 136	\$ 141
18	Administrative Support Staff	\$ 85	\$ 89	\$ 93

<b>Line #</b>	<b>Pass Through Price Lines *</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
19	Other Direct Costs	N/A	N/A	N/A
20	Travel Expenses and Reimbursements	N/A	N/A	N/A

- The State makes no guarantee of volume of work effort.
- \* The Pass Through Price Lines shall be used to reimburse for Travel and Other Direct Costs only. No mark-up will be provided for Price Lines 9 and 10.

**Bidder's Name:** McGladrey LLP

**POOL 3: INTEGRITY MONITORING/ANTI-FRAUD**

<b>LINE #</b>	<b>STAFF CLASSIFICATIONS</b>	<b>YEAR 1 HOURLY RATE</b>	<b>YEAR 2 HOURLY RATE</b>	<b>YEAR 3 HOURLY RATE</b>
21	Partner/Principal/Director	\$ 325	\$ 338	\$ 352
22	Program Manager	\$ 255	\$ 266	\$ 276
23	Project Manager	\$ 255	\$ 266	\$ 276
24	Subject Matter Expert	\$ 325	\$ 338	\$ 352
25	Supervisory/Senior Consultant	\$ 160	\$ 167	\$ 174
26	Consultant	\$ 130	\$ 136	\$ 141
27	Associate/Staff	\$ 130	\$ 136	\$ 141
28	Administrative Support Staff	\$ 85	\$ 89	\$ 93

<b>Line #</b>	<b>Pass Through Price Lines *</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
29	Other Direct Costs	N/A	N/A	N/A
30	Travel Expenses and Reimbursements	N/A	N/A	N/A

- The State makes no guarantee of volume of work effort.
- \* The Pass Through Price Lines shall be used to reimburse for Travel and Other Direct Costs only. No mark-up will be provided for Price Lines 9 and 10.

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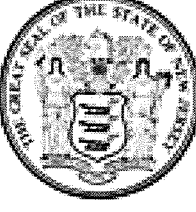
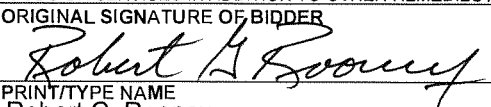
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<b>SIGNATORY PAGE</b>	<b>STATE OF NEW JERSEY REQUEST FOR PROPOSAL (RFP)</b>		<b>RFP/Solicitation Number: 14-X-23110</b>
	<b>FOR: AUDITING AND OTHER RELATED SERVICES FOR DISASTER RECOVERY (HURRICANE SANDY)</b>		Term Contract #: T2939 Requesting Agency: PROCUREMENT BUREAU Requisition #: 1041262
	ESTIMATED AMOUNT: \$ 0.00 CONTRACT EFFECTIVE DATE: July 01, 2013 CONTRACT EXPIRATION DATE: June 30, 2016 COOPERATIVE PURCHASING: NO SET ASIDE: SMALL BUSINESS SUBCONTRACTING		<u>TO ASK QUESTIONS CONCERNING THE CONTENTS OF THIS RFP:</u> Please go to the Advertised Solicitation Current Bid Opportunities Web Page and click on the Quicklink button labeled Q&A. <a href="http://www.state.nj.us/treasury/purchase/bid/summary/14x23110.shtml">http://www.state.nj.us/treasury/purchase/bid/summary/14x23110.shtml</a>
<b>PURSUANT TO N.J. STATUTES, REGULATIONS AND EXECUTIVE ORDERS, PROPOSALS WHICH FAIL TO CONFORM WITH THE FOLLOWING REQUIREMENTS WILL BE SUBJECT TO REJECTION:</b>			
1) PROPOSALS MUST BE RECEIVED AT OR BEFORE THE PUBLIC OPENING TIME OF 2:00 PM EASTERN TIME ON <b>May 30, 2013</b> AT THE FOLLOWING ADDRESS (NOTE: TELEPHONE, EMAIL, TELEFACSIMILE OR TELEGRAPH PROPOSALS WILL NOT BE ACCEPTED): <div style="text-align: center;">           DEPARTMENT OF THE TREASURY            PROCUREMENT BUREAU, PO BOX 230            33 WEST STATE STREET - 9TH FLOOR            TRENTON, NEW JERSEY 08625-0230         </div>			
2) THE BIDDER MUST SIGN THE PROPOSAL. 3) THE PROPOSAL MUST INCLUDE ALL PRICE INFORMATION. PROPOSAL PRICES SHALL INCLUDE DELIVERY OF ALL ITEMS, F.O.B. DESTINATION OR AS OTHERWISE PROVIDED. PRICE QUOTES MUST BE FIRM THROUGH ISSUANCE OF CONTRACT. 4) ALL PROPOSAL PRICES MUST BE TYPED OR WRITTEN IN INK. 5) ALL CORRECTIONS, WHITE-OUTS, ERASURES, RESTRIKING OF TYPE, OR OTHER FORMS OF ALTERATION, OR THE APPEARANCE OF ALTERATION, TO UNIT AND/OR TOTAL PRICES MUST BE INITIALED IN INK BY THE BIDDER. 6) THE BIDDER MUST COMPLETE AND SUBMIT ALL FORMS, CERTIFICATIONS, REGISTRATIONS AND OTHER DOCUMENTS AS REQUIRED IN THE RFP. SEE THE ADVERTISED SOLICITATION, CURRENT BID OPPORTUNITIES WEBPAGE <a href="http://www.state.nj.us/treasury/purchase/bid/summary/14x23110.shtml">http://www.state.nj.us/treasury/purchase/bid/summary/14x23110.shtml</a> 7) THE BIDDER MUST ATTEND THE MANDATORY PRE-PROPOSAL CONFERENCE(S) AND SITE VISIT(S) AT THE FOLLOWING DATE(S) AND TIME(S):			
8) FOR SET ASIDE CONTRACTS ONLY, A BIDDER MUST BE REGISTERED WITH THE N.J. DIVISION OF REVENUE AS A SMALL BUSINESS BY THE DATE OF PROPOSAL OPENING. (SEE N.J.A.C. 17:13-3.1 & 13.3.2).			
<b>ADDITIONAL REQUIREMENTS</b>			
9) BY SIGNING AND SUBMITTING THIS PROPOSAL, THE BIDDER CERTIFIES AND CONFIRMS THAT NEITHER THE BIDDER, ITS REPRESENTATIVES, AGENTS OR LOBBYISTS HAVE INITIATED ANY INAPPROPRIATE CONTACT WITH ANY EXECUTIVE BRANCH EMPLOYEE DURING THE PROCUREMENT TO ATTEMPT TO AFFECT THE BIDDING PROCESS AND SHALL NOT DO SO AFTER SUBMISSION OF THE PROPOSAL.			
10) PERFORMANCE SECURITY: \$ _____ N/A OR _____ N/A %			
11) PAYMENT RETENTION _____ N/A %			
12) BY SIGNING AND SUBMITTING THIS PROPOSAL, THE BIDDER CONSENTS TO RECEIPT OF ANY AND ALL DOCUMENTS RELATED TO THIS RFP AND THE RESULTING CONTRACT BY ELECTRONIC MEDIUM OR FACSIMILE.			
<b>TO BE COMPLETED BY BIDDER</b>			
13) FIRM NAME: McGladrey LLP ADDRESS 1: 1185 Avenue of the Americas ADDRESS 2: _____ CITY: New York STATE: New York ZIP: 10036			
14) THE BIDDER MUST SUBMIT WITH THE PROPOSAL BID SECURITY IN THE AMOUNT OF \$ _____ N/A OR _____ N/A %. CHECK THE TYPE OF BID SECURITY SUPPLIED: <input type="checkbox"/> ANNUAL BID BOND ON FILE <input type="checkbox"/> BID BOND ATTACHED <input checked="" type="checkbox"/> NONE <input type="checkbox"/> CERTIFIED OR CASHIERS CHECK ATTACHED <input type="checkbox"/> LETTER OF CREDIT ATTACHED			
15) DELIVERY CAN BE MADE _____ DAYS OR _____ WEEKS AFTER RECEIPT OF ORDER. 16) REQUESTED DELIVERY: 30 DAYS AFTER RECEIPT OF ORDER			
17) CASH DISCOUNT TERMS (SEE RFP) _____ %, _____ DAYS: NET _____ DAYS.			
18) BIDDER PHONE NO: (212) 372-1033 EXT: _____			
19) BIDDER FAX NO: (212) 918-1033 EXT: _____ 21) FEDERAL EMPLOYER IDENTIFICATION NUMBER [REDACTED]			
20) BIDDER EMAIL ADDRESS: Robert.Rooney@mcgladrey.com			
SIGNATURE OF THE BIDDER ATTESTS THAT THE BIDDER HAS READ, UNDERSTANDS, AND AGREES TO ALL TERMS, CONDITIONS, AND SPECIFICATIONS SET FORTH IN THE REQUEST FOR PROPOSAL, INCLUDING ALL ADDENDA, FURTHERMORE, SIGNATURE BY THE BIDDER SIGNIFIES THAT THE REQUEST FOR PROPOSAL AND THE RESPONSIVE PROPOSAL CONSTITUTES A CONTRACT IMMEDIATELY UPON NOTICE OF ACCEPTANCE OF THE PROPOSAL BY THE STATE OF NEW JERSEY FOR ANY OR ALL OF THE ITEMS BID, AND FOR THE LENGTH OF TIME INDICATED IN THE REQUEST FOR PROPOSAL. FAILURE TO ACCEPT THE CONTRACT WITHIN THE TIME PERIOD INDICATED IN THE REQUEST FOR PROPOSAL, OR FAILURE TO HOLD PRICES OR TO MEET ANY OTHER TERMS AND CONDITIONS AS DEFINED IN EITHER THE REQUEST FOR PROPOSAL OR THE PROPOSAL DURING THE TERM OF THE CONTRACT, SHALL CONSTITUTE A BREACH AND MAY RESULT IN SUSPENSION OR DEBARMENT FROM FURTHER STATE BIDDING. A DEFAULTING CONTRACTOR MAY ALSO BE LIABLE, AT THE OPTION OF THE STATE, FOR THE DIFFERENCE BETWEEN THE CONTRACT PRICE AND THE PRICE BID BY AN ALTERNATE VENDOR OF THE GOODS OR SERVICES IN ADDITION TO OTHER REMEDIES AVAILABLE.			
22) ORIGINAL SIGNATURE OF BIDDER 		23) DATE 5/29/13	
24) PRINT/TYPE NAME Robert G. Rooney		25) TITLE Director	