



April 4, 2014

Proposal to provide professional program and process management auditing, financial auditing and grant management, and integrity monitoring/anti fraud services for disaster recovery assistance to:

The New Jersey Economic Development Authority

Prepared by:

Gregory J. Bussink, III, CPA, CGFM

Greg.bussink@CLAconnect.com

301.902.8527

April 4, 2014

Mr. Dave Ridolfino
Associate Deputy State Treasurer
State of New Jersey
Via email to IntegrityOversightMonitor@treas.state.nj.us

Dear Mr. Ridolfino:

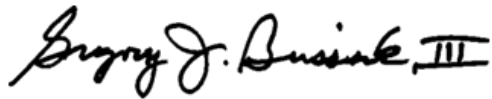
Enclosed please find CliftonLarsonAllen LLP's (CLA) response to the Engagement Query for the New Jersey Economic Development Authority (EQ2014-003-P1). Per the query and its revision, our proposal consists of two files:

- RFQ New Jersey Economic Development Authority CLA.pdf
- Engagement Query-RFQ— EDA — Attachment 3 Cost Quote CLA.xlsx

If you have any questions regarding our response, please contact me at 301.902.8527 or greg.bussink@claconnect.com. We look forward to serving the State of New Jersey on this effort.

Sincerely,

CliftonLarsonAllen LLP



Gregory J. Bussink, III, CPA, CGFM
Principal

Enclosure

To ensure compliance imposed by IRS Circular 230, any U.S. federal tax advice contained in this communication (including attachments) is not intended or written to be used, and cannot be used by any taxpayer, for the purpose of avoiding penalties that may be imposed by governmental tax authorities.

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1.0 Introduction and Statement of Understanding (RFQ Section VIII.A)

Per RFQ Section VIII.A [...] The contractor's proposal must contain the following elements:

A. A detailed proposal, including a detailed budget, to perform the scope of work reflecting the requirements of the Engagement Query for competitive price quotes. The proposal must explain how the contractor intends to accomplish each task listed in the SOW;

The State of New Jersey (NJ) Department of Treasury and the New Jersey Economic Development Authority (EDA) have been working diligently to meet the needs of its citizens in the wake of the disaster caused by Hurricane Sandy. The request for quote (RFQ) reflects the need for immediate assistance from an integrity oversight-monitoring program.

Following Superstorm Sandy, the Department of Community Affairs (DCA) was allocated approximately \$1.8 billion in funding from HUD under the CDBG-DR program in the first tranche of dollars provided to New Jersey. EDA is considered a sub-recipient to DCA, and is currently administering \$300 million in HUD funding for economic revitalization. There are four programs under economic revitalization: Stronger NJ Business Grant Program, Stronger NJ Loan Program, Stronger NJ Neighborhood and Community Revitalization Program, and Tourism Marketing.

EDA procured the services of two firms to assist with the administration of funding and recovery process for the Stronger NJ Business Grant Program, and marketing for the Tourism Marketing Program. These programs have allocations from the CDBG-DR program of \$100 million and of \$25 million respectively.

The focus is on contracts for the Stronger NJ Business Grant Program administered by Public Financial Management (PFM) Group (contract value approximately \$9 million) and the Tourism Marketing Programs administered by the MWW Group (MWW) (contract value approximately \$4.7 million).

What Team CLA Offers:

The CliftonLarsonAllen LLP (CLA) team on this assignment will be comprised of CLA and its subcontractor, iParametrics. To best serve EDA and to execute the requirements outlined in the RFQ, EDA requires a team with:

- Strong understanding of EDA program, project, and integrity oversight and anti-fraud monitoring requirements. We bring together practitioners in the fields of forensic accounting, fraud investigation, and fraud risk management. Our CPAs, certified fraud examiners, certified insolvency and restructuring advisors, and technology experts are recognized in their fields and provide objective, insightful, and tailored solutions to your problem.
- Deep expertise with single audits requirements in accordance with OMB Circular A-133 for local and state governments, and non-profit organizations. We perform the largest number of Single Audits in the nation, as enumerated by the Federal Audit Clearinghouse (see Figure 1-1 below). This attests to our thorough knowledge of grant management through every step of the integrity monitoring process. Our audit experience has prepared CLA to provide valuable insights to EDA regarding the development of effective grant and contract management policies and procedures. A value added service includes our ability to recognize the communication lanes between EDA and its recipients related to federal assistance eligibility requirements, application processing, reporting requirements, audit follow-up, and resolution of audit findings.
- Experience serving New Jersey. Our prior work and familiarity with that state of New Jersey puts us in the unique position of being able to build upon the knowledge we gained on prior audits and advisory services, with minimum learning curve. Our understanding of the agencies within the State of New Jersey and their business operations and internal control structures will not only allow us to achieve the objectives of the Engagement Query, but to add value to EDA. The New Jersey agencies and departments we currently serve are as follows:
 - New Jersey Department of Transportation – Overhead rate audit
 - New Jersey Higher Education Student Assistance Authority – Single Audit

- New Jersey Division of Pensions and Benefits – Single Audit
- New Jersey Transit Authority – IT audit internal controls assessment
- New Jersey Housing and Mortgage Finance Agency – Single Audit, housing revenue bond audit, home buyer program audit, housing revenue bond resolution audit, bond issues, agreed upon procedures or independent assessment engagements for housing authorities
- Hurricane Sandy New Jersey Relief Fund (non-for-profit) – accounting services
- Fort Monmouth Economic and Revitalization Authority – Financial statement audit and Single Audit
- Experience with disaster recovery, government contract and procurement/project management requirements, related internal control processes, and compliance infrastructure. Since 2010, CLA has been working with the Deepwater Horizon Economic Claims Center (DHECC), which administers close to \$50 billion of claims and settlement payments. CLA has been contracted to perform work for three projects. Project #1 is complete. We performed program risk assessments and evaluated the internal control environment, tested operation effectiveness and made site visits. Our subcontractor, iParametrics, has been playing a vital role in the nation's response and recovery from both Natural and Man-made Disasters through its involvement in the FEMA Public Assistance (PA) Program since 2005.
- Experience with HUD assisted entities. We have significant experience working with economic development authorities, housing authorities and similar entities and understand the risks they face. We can bring insight on compliance with applicable regulations, guidelines and best practices. A sample of the HUD assisted entities we serve is included below:
 - Fairfax County Redevelopment and Housing Authority
 - Richmond Redevelopment and Housing Authority
 - Maryland Department of Housing and Community Development
 - Federal Housing Administration
 - Housing Authority of Baltimore City
 - District of Columbia Housing Authority
 - Fort Worth Housing Authority
 - Wilmington Housing Authority
 - Greensboro Housing Authority
 - Memphis Housing Authority
 - Housing Authority of the City of Winston-Salem
 - Housing Authority of the City of Miami Beach
 - Key West Housing Authority
 - Huntsville Housing Authority
 - Southern Nevada Regional Housing Authority
- In addition to the clients listed above, we serve the below economic development organizations located across the country:
 - Alexandria Economic Development Partners
 - Aspi Economic Development Capital LLC
 - Chippewa County Economic Development Corporation
 - Clark County Economic Development Corporation
 - Cuyuna Range Economic Development, Inc.
 - Economic Development Department of Santa Fe, New Mexico
 - Grant County Economic Development Council

- Institute for Economic Development Inc.
 - Questa Economic Development
 - Racine County Economic Development
 - Rockford Area Economic Development Council
 - Seattle Economic Development Association
 - Seattle Economic Development Fund
 - Sioux City Economic Development
 - Southwest Florida Economic Development
 - Tampa Bay Economic Development Corp
 - Vernon Economic Development Association
 - Wright County Economic Development Partnership
- Expertise auditing and providing advisory services to local, county and state governments. CLA currently serves more than 1,700 local, county, and state government agencies. It has been our primary focus for more than 40 years. We understand the legislative changes, funding challenges, compliance responsibilities, and risk management duties that impact the City.
 - Experience in program performance auditing and attestation engagement standards, and governmental auditing standards. CLA’s auditors include former executive-level Government Accounting Office (GAO), and internal auditors that are knowledgeable and have performed many program performance, financial, and operational audits with very diverse audit objectives.
 - Knowledge to determine whether EDA’s current systems are in compliance with accounting standards, and help on maintaining rates, structures, and best practices.

As demonstrated below, CLA performs more single audits than any other firm in the state and local government space (**Figure 1-1**).



Figure 1-1 (Source: AICPA- Abstracted from the Federal Audit Clearing House for Audits Submitted Between 7/1/2010 – 6/30/2011)

Team CLA offers EDA a comprehensive solution to meet its risk assessment, internal control, compliance, project management, program integrity and anti-fraud monitoring needs. With over 50 years of experience and 3,600 accounting and auditing professionals, Team CLA offers EDA the resources of a top-ten accounting firm.

Figure 1-2 highlights our experience in providing audit and accounting services to state and local governmental entities nationwide.

State	States & State Agencies	Counties	Municipalities	Higher Education	Housing Authorities	School Districts	Benefits/Pension
Alabama	X				X		
Alaska	X						
Arizona	X	X	X	X		X	
Arkansas	X			X			X
California	X	X	X	X	X	X	X
Colorado	X	X	X	X	X	X	
Delaware	X	X	X	X			X
District of Columbia	X				X		
Florida	X	X	X	X	X	X	X
Georgia	X						
Idaho		X					X
Illinois	X	X	X	X	X	X	
Indiana	X		X				X
Iowa	X	X	X	X	X	X	
Kansas	X						
Louisiana	X	X					
Maryland	X	X	X	X	X	X	X
Massachusetts			X	X			
Michigan	X						
Minnesota		X	X	X	X	X	
Mississippi	X		X				
Missouri		X	X	X		X	

State	States & State Agencies	Counties	Municipalities	Higher Education	Housing Authorities	School Districts	Benefits/Pension
Nevada	X				X		X
New Hampshire	X						
New Jersey	X	X		X	X		X
New Mexico	X	X	X		X		X
New York				X	X		X
North Carolina	X			X	X		
North Dakota	X						X
Ohio	X	X	X				X
Oklahoma	X						
Oregon	X		X	X			
Pennsylvania	X	X	X	X	X	X	X
Rhode Island	X						
South Carolina	X						
Tennessee	X						
Texas	X		X	X	X	X	X
Vermont	X			X			
Virginia	X	X	X	X	X	X	X
Washington	X						X
West Virginia	X			X			
Wisconsin	X	X	X	X	X	X	X

Figure 1-2

The tasks outlined in the statement of work (SOW) are very similar to those that Team CLA routinely performs for our clients. The CLA team is experienced in providing the requisite staff, certifications, processes, and technology to successfully provide low risk, highly affordable, quality consulting services to meet the requirements outlined in the SOW.

Specifically, Team CLA will provide the Program and Process Management and Forensic services using proven methodologies, frameworks, and expert knowledge and experience. Our staff has a deep understanding of the FEMA PA program, HUD requirements, knowledge and experience of state and local procurement processes as well as the intricacies of these programs and applicable federal and state policies, rules, regulations and guidelines that define them. (Figure 1-3)

Federal and State Policies, Rules, Regulations and Guidelines Defining the FEMA Public Assistance, Hazard Mitigation and Long Term Community Recovery Programs, Single Audits, Performance Audits, and Financial Statements Audits

- Robert T. Stafford Disaster Relief and Emergency Assistance Act, and Related Authorities as of June 2007
- Title 24 and 44 of the Code of Federal Regulations
- FEMA Disaster Assistance Policy 9525.5, Americans with Disabilities Act (ADA) Access Requirements
- OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments
- FEMA 9525.9: Section 324, Management Costs and Direct Administrative Costs; dated March 12, 2008
- HUD Community Planning and Development (CPD) issued disaster recovery (DR) program guidance
- All work must comply with the provisions of the Clean Water Act, Clean Air Act, Resource Conservation and Recovery Act, Endangered Species Act, Fish and Wildlife Coordination Act, the National Historic Preservation Act, related Federal statutes, and associated State, Tribal, and local laws, codes, ordinances, and other statutes.
- U.S. GAO Standards for Internal Control in the Federal Government, U.S. GAO Government Auditing Standards
- COSO Internal Control – Integrated Framework
- The Single Audit Act and amendments, OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations (including the OMB Annual Compliance Supplement)
- Tested grantee and sub grantees for compliance with grant terms and provisions, laws, and regulations (i.e., OMB Circulars A-21, A-87, A-102, A-110 and A-122) in accordance with Government Auditing Standards.
- Provided incurred cost audit support services to the Centers for Medicare & Medicaid Services for funds awarded to its grant recipients. We have both government contractor incurred cost audit experience and state and local government A-133 experience. This expertise coupled with our national footprint and immense governmental audit background allows us to properly plan for and execute the City’s goals.
- State and Local Procurement Laws (RE: New Jersey Local Public Contracts Law (N.J.S.A. 40A:11-1))

Figure 1-3

Figure 1-4 summarizes Team CLA’s Key Discriminators.

Team CLA Key Discriminators	Benefit to EDA
Experienced program and project management staff provide day-to-day team leadership, communication, coordination, and interface with the City and its contractors	Strong program management and strategic planning
FEMA PA Contract Holder (53 Disasters)	Deep understanding of FEMA policies and procedures will empower rapid initiation and execution of work

Team CLA Key Discriminators	Benefit to EDA
Extensive company background and experience in providing disaster support services, monitoring, and oversight.	Low management, technical, schedule, and cost risk
Extensive FEMA DAC Experience	Knowledge driven performance that meets EDA’s needs and expectations pertaining to Direct Administrative Costs
Skilled consulting personnel with the right domain expertise, skills, knowledge and experience	Confidence in the team’s abilities to execute all efforts and meet EDA’s requirements backed up by proven past performance.
Proven planning, operational control, quality assurance, and project monitoring techniques	Support available to address any issues supported by extensive corporate reach back
Program Manager responsible to CLA corporate management for program success	High-level oversight
Deep understanding of the applicable federal and state policies, rules, regulations and guidelines that define Federal Disaster Assistance	Cost avoidance through deep organizational knowledge of Federal disaster programs
Experience in successfully delivering similar solutions to GSA, HUD, FEMA, DHECC and other governmental entities	Extensive Subject Matter Expertise in both experienced personnel and a knowledge repository of best practices, processes, procedures and lessons learned
ISO 9001:2008 Certified Best practices, processes and procedures.	Services of the highest quality, while all team members are held to the same high level of performance and reporting
Extensive audit experience	Provide valuable insights to EDA regarding the development of effective grant and contract management policies and procedures
Best practices developed through years of FEMA and HUD grant auditing and monitoring.	Policies and procedures targeted toward maximizing claim reimbursement

Figure 1-4

2.0 CLA Team & Team Approach (RFQ Section VIII.A, F, G, and H)

Per RFQ Section VIII.A [...] The contractor’s proposal must contain the following elements:

A. A detailed proposal, including a detailed budget, to perform the scope of work reflecting the requirements of the Engagement Query for competitive price quotes. The proposal must explain how the contractor intends to accomplish each task listed in the SOW;

[...]

F. Detailed list of engagements or task orders in which the firm is currently providing services for any type of disaster recovery, including those of sub-contractors proposed for this engagement;

G. Summary of experience of the primary and sub-contractor for engagements of similar scope and size; and

H. Resumes of any primary contractor or sub-contractor individuals proposed for this engagement;

The CLA team on this assignment will be comprised of CLA staff and its subcontractor iParametrics (**Figure 2-1**). Per the Engagement Query, we assembled a team with the right experience, expertise, capacity, and geographical reach to provide the services you require to meet its objectives. We look forward to providing EDA exceptional services for its program and process management and forensic requirements. Our approach provides the technical staff and Subject Matter Experts (SMEs) with disaster recovery experience to perform all consultative services as outlined in the EDA – Sandy Contracts SOW. Team CLA is comprised of technical staff with experience in disaster related compliance and monitoring programs and each team member proposed for this assignment was selected based upon requirements outlined in the SOW.

Team CLA Capabilities and Experience	
CLA	CLA will be the overall lead and serve as the Project Management Organization (PMO) lead. CLA is one of the nations’ top 10 CPA and consulting firms. CLA has a staff of more than 3,600 professionals, operating from more than 90 offices across the country. CLA public sector practice group provides accounting and consulting services to federal, state, and local governments. Clients relevant to the State’s requirements include States such as NJ, South Carolina, and Texas, Federal agencies such as VA, FHA, DOT, NSF, and municipalities nationwide. In total, we have over 1,000 professionals serving more than 1,700 federal, state, county and local government agencies. We understand the legislative changes, funding challenges, compliance responsibilities, and risk management duties that affect EDA.
iParametrics	iParametrics is an SBA-Qualified and ISO 9001:2008 Certified Small Business, specializing in delivering focused technical consulting services in support of engineering, construction, and disaster-related programs. iParametrics currently serves as a consultant to the Department of Defense, U.S. Army, the U.S. Navy, the VA, FEMA, GSA and numerous state and local governments. Since 2005, iParametrics has been playing a vital role in the nation’s response and recovery from both Natural and Man-made Disasters through its involvement in the FEMA Public Assistance (PA) and Community Disaster Programs, which reimburses state and local governments for the actual costs to repair or rebuild damaged public infrastructure.

Figure 2-1

As the Prime Contractor, CLA’s approach is designed around Integrated Professional Support and Services. CLA recognizes its responsibility and obligations under the contract to your organization and to our team members. **Figure 2-2** summarizes Team CLA’s offerings.

Team CLA Management Feature	Benefit to EDA
Experienced program and project management staff provide day-to-day team leadership, communication, coordination, and interface with the EDA, and its representatives	Strong program management and strategic planning
Skilled consulting personnel with the right domain expertise, skills, knowledge and experience	Confidence in the team’s abilities to execute all efforts and meet EDA’s requirements backed up by proven past performance.

Team CLA Management Feature	Benefit to EDA
Deep understanding of the applicable federal and state policies, rules, regulations and guidelines that define Federal Disaster Assistance	Cost avoidance through deep organizational knowledge of Federal disaster programs
Responsive organizational structure	Rapid Initiation and execution of the engagement SOW requirements
Extensive company background and experience in providing disaster support services, monitoring, and oversight.	Low management, technical, schedule, and cost risk
Depth and breadth of capabilities needed	Rapid initiation and execution of all project activities
Proven planning, operational control, quality assurance, and project monitoring techniques	Support available to address any issues
Standard, proven tools and processes to execute and monitor multiple project activities	Performance that meets EDA’s requirements and expectations. Deliverables made within time and cost constraints
Program Manager responsible to CLA corporate management for program success	High-level oversight
Rapid response based on extensive prior past performance	Our staff hit the ground running in support of any task
Experience in successfully delivering similar solutions to FEMA, HUD and other governmental entities	Extensive Subject Matter Expertise in both experienced personnel and a knowledge repository of best practices, processes, procedures and lessons learned

Figure 2-2

Our staff members have served in the role of Project Manager for the administration of Community Development Block Grant Funding-Disaster Relief (CDBG-DR) funds addressing affordable housing and projects for the City of Alexandria, Louisiana and have administered set aside funds for economic development for the State of Mississippi. They have developed policies and computer programs to evaluate and rank financial aspects of CDBG proposals and have monitored more than 125 HUD grants statewide. Team CLA has provided technical assistance and administrative services in planning and proposal development to small towns and counties applying for and receiving FEMA and CDBG funds for housing, economic development, public facilities and infrastructure projects.

Figure 2-3 outlines CLA’s management strategies.

CLA’s Management Strategies
1. Selecting the right people for the engagement and providing them with the resources and appropriate level of supervision to succeed
2. Ensuring our senior level personnel are heavily involved during all phases of the engagement to enable us to quickly identify and resolve problems before they threaten to compromise deadlines
3. Effectively managing risks and controlling costs
4. Developing a well-thought out and researched timeline that takes into consideration the needs of the client
5. Maintaining continuous communication with interested parties during all phases of the engagement

Figure 2-3

2.1 Organizational Support and Experience

CLA will lead the team and work with iParametrics to deliver the SOW requirements. Greg Bussink will be the client/engagement partner responsible for the services provided to you. He will be supported on this engagement by other CLA staff, and iParametrics staff who will provide IT support and risk management services to your contacts and management representatives. This arrangement assures that sufficient number of staff you know will be familiar with your operations. See *Appendix B: Key Personnel Resumes* for employee resumes.

3.0 Independence and Conflict of Interest Disclosure

CLA and its subcontractors are currently not providing services for EDA that would impact our independence with respect to the services you require. We assessed Team CLA's current work against the numerous threats to independence enumerated in Chapter 3, Conceptual Framework Approach to Independence in the Government Auditing Standards, to arrive at our conclusion. However, in the interest of full disclosure, we hereby provide the following:

- iParametrics, one of our subcontractors, currently serves in a Staff Augmentation role as a subcontractor to Fluor Corporation, one of the four Prime Contractors under the FEMA Public Assistance contract. iParametrics currently has several staff members deployed to NJ and LA under this contract. Contracting entity is Fluor Enterprises, 2300 Clarendon Blvd, Suite 1110, Arlington, VA 22201. Period of performance is February 27, 2012 through February 26, 2017. Scope of staff augmentation work involves providing personnel in a total 53 labor categories.
- iParametrics has verified with Fluor Corporation that there is no direct or indirect contracting relationship between Fluor and the City of Elizabeth, either as Prime Contractor or Subcontractor. Furthermore, in iParametrics and Fluor's joint assessment of the Yellow Book criteria regarding independence, there is no tangible or intangible conflict of interest related to iParametrics' or Fluor's work under the aforementioned FEMA Public Assistance contract.

4.0 Preliminary Understanding of Challenges and Relevant Past Experience (RFQ Section VIII.A, E, F, and G)

Per RFQ Section VIII.A [...] The contractor's proposal must contain the following elements:

A. A detailed proposal, including a detailed budget, to perform the scope of work reflecting the requirements of the Engagement Query for competitive price quotes. The proposal must explain how the contractor intends to accomplish each task listed in the SOW;

[...]

E. A description of FEMA consulting experience on similar projects that demonstrates knowledge of eligibility, documentation and procurement requirements. Include client results in recovering the proposing contractor's fees as direct administrative costs, and a list of any deobligation of funds by FEMA or HUD in any of your projects;

F. Detailed list of engagements or task orders in which the firm is currently providing services for any type of disaster recovery, including those of sub-contractors proposed for this engagement. The list must include the name of the contracting entity, a detailed list of the scope of services and the contract term;

G. Summary of experience of the primary and sub-contractor for engagements of similar scope and size;

4.1 Understanding of Issues and Risks Affecting EDA

EY completed a risk assessment for the incinerator work for the PFM Group and MWW contracts based on information provided by EDA officials through January 24, 2013, and includes:

- FY 2010, FY 2011, and FY 2012 audit reports
- Meeting among NJ State Treasury, DCA, Cohn Reznick, and EY on November 13, 2013
- Call among NJ State Treasury, EDA, and EY on December 18, 2013
- Call between Cohn Reznick and EY on January 24, 2013
- Sandy Recovery Program information as of November 6, 2013
- EDA memorandum dated November 15, 2013, describing the Retail Fuel Station – Energy Resiliency Program guidelines
- OIG for the Department of Treasury Audit Report on State Small Business Credit Initiative
- Solicitation, proposal, contract information, and evaluation committee reports for PFM and MWW

Items noted during the risk assessment included:

- The programs and associated federal funding levels are new to EDA.
- The tasks required of the consultants are new and the scopes of work include developing and implementing new procedures to administer millions of federal funding, as well as the creation and management of a \$25 million advertising campaign.
- The audited FY 2011 and FY 2012 financial statements did not disclose any deficiencies.
- The dollar value of one contract subject to risk assessment exceeds the threshold of \$5 million. The other contract subject to risk assessment exceeds the discretionary threshold of \$2 million. The two contracts subject to risk assessment commenced in the spring on 2013 and are multi-year engagements; the PFM contract extends through May 2015 and the MWW contract extends through April 2016.
- The two remaining EDA programs, The Stronger NJ Business Loans and Neighborhood and Community Redevelopment Programs will be administered in house.
- The HUD OIG is conducting a review to examine whether the State administered the Tourism and Marketing Campaign in accordance with applicable departmental and Federal requirements.
- EDA is required to submit all potential State procurements involving expenditure of federal resources to the NJ State Comptroller for review prior to the commencement of the procurement process.
- Cohn Reznick performed a detailed review of both the MWW and PFM contracts, which included the procurement process, reasonableness of the invoices and adherence to terms of the contract.

By understanding the issues most critical to EDA, we offer the more effective monitoring responses to specific issues and challenges it is facing. Our responses to the risks and issues identified are addressed in the approach section below.

In addition, CLA is active in the state and local government communities, which ensures that we have a voice when it comes to financial accounting and auditing standards and guidance with issues or being developed by GASB, OMB, and AICPA. We held a series of quarterly roundtable discussions for government finance and operations executives across the country. These informal peer-to-peer meetings provide state and local government leaders with the opportunity to share insights and ideas on timely topics. In addition, we have spoken in various state and local government seminars about GASB Statement No. 65, for reporting period beginning after December 15, 2012, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position. We have also published white papers on GASB No. 67 and No. 68, etc.

4.2 Relevant Experience

4.2.1 Experience with Federal, State and Local Procurement Laws and Processes

Our team has accumulated our FEMA PA knowledge over a span of many years going back to the 1990s. Likewise, during our work in FEMA PA grant compliance, we have gained state and local procurement process knowledge for the many jurisdictions where we have performed compliance work in 30 of the 50 states including New Jersey and

New York. Since all states and most local jurisdictions receive federal grants, these procurement processes contain a standard set of requirements that meet or exceed the Federal requirements.

We have reviewed New Jersey Local Public Contracts Law (N.J.S.A 40A:11-1) and find it to be consistent in most respects with the other jurisdictions where we have performed FEMA PA compliance work. As is customary, should specific questions arise, we will research the law applicable to the timeframe of the occurrence before making any determination where New Jersey Contract Law is the controlling criteria.

In addition, as most of the funding came from the federal agencies such as FEMA, DOT, HUD, etc. the CLA team understands the long-standing concerns about the city government's procurement, contract management, and the lack of effective oversight tools. This understanding allows the CLA team to ensure that grant funds are used for their intended purposes and that risks of fraud, waste, and abuse are minimized.

The scale and scope of our government audit and advisory experience provides EDA with staff well versed in processes, procedures, methodologies, technologies, and standards necessary to help.

4.2.2 State and local government cost incurred audit experience

We are experienced in assessing the cost eligibility requirements outlined in the Engagement Query. The following overview outlines the CLA team's methodology for assessing claimed costs, both direct and indirect:

- Methods used to allocate indirect costs to its contracts;
- Bases used to apportion costs; and
- The contractor's consistency in the allocation of costs between Government and Non-Government contracts.

Additionally, the contractor must provide the Government documentation with the means with which to:

- Assess the allowability, allocability, and reasonableness of the costs being claimed by the contractor;
- Determine the appropriateness of the contractor's methods;
- Verify the mathematical accuracy of the contractor's claimed costs; and
- Verify consistency in the application of accounting policies.

All data in the cost schedules submitted by the contractors should originate from two primary contractor sources: the general ledger and the job/contract cost ledger.

CLA has in depth experience in reviewing Contractor claimed costs for compliance with CAS, FAR Subpart 31, and OMB guidance including, but not limited to, evaluation of contractor accounting systems, allocability, allowability, and reasonableness of claimed costs. CLA personnel test contractor job cost system, particularly pertinent direct and indirect labor charging procedures, material and contract costing and equipment costs/rates as will be required for EDA in its rebuilding efforts. Additionally, our team will apply the same process and techniques to test and evaluate claimed indirect rates as we have performed for similar incurred costs reviews.

We will plan the engagement in close coordination with EDA and its contractors so that we can effectively execute the fieldwork phase of our review in an effective and efficient manner, enabling us to facilitate close out efforts later. Our communication processes will involve regular updates with EDA on project status and potential findings.

4.2.3 Disaster Recovery Experience

The CLA team has worked over 50 presidentially declared disasters on both the Federal and applicant sides of the program. Our staff is comprised of former Federal Coordinating Officers, public managers and technical consultants (CPAs, Auditors, Engineers, Architects, Construction Managers, and SMEs) who have managed numerous disaster

response and recovery efforts. The CLA Team is currently supporting five major disaster recovery efforts (**Figure 4.2-1**)

Disaster	Name	Duration	Scope
FEMA DR-1603	Hurricane Katrina in Louisiana	2005 to Present	Since 2005, iParametrics has been playing a vital role in the nation’s response and recovery from both Natural and Man-made Disasters through its involvement in the FEMA Public Assistance (PA) Program. Over that period, we have deployed roughly 250 employees across 53 presidentially declared disasters throughout the United States and its territories. Our staff is comprised primarily of highly technical engineers and SMEs as well as "specialty staff" to support niche areas within the recovery program. Representative tasks include PW development, damage assessments, program facilitation, financial analysis, monitoring and compliance, cost analysis, mitigation and policy efforts, litigation and appeals support, training, Long Term Community Recovery (LTCR), hazard mitigation as well as program review and closeout operations.
FEMA DR-4086	Hurricane Sandy in New Jersey	2012 to Present	iParametrics is currently supporting FEMA Public Assistance recovery efforts in New Jersey because of Hurricane Sandy. Our construction, engineering, technical and financial subject matter experts are providing oversight and guidance to affected jurisdictions. Representative tasks include PW development, damage assessments, quality assurance / control reviews, and program monitoring and facilitation. iParametrics staff has oversight of FEMA marine operations including PW development and reviews, monitoring of debris storage sites and contractor monitoring. iParametrics consultants are providing advisory services to the Office of Central Counsel in the preparation of policy briefs for FEMA's FCO, Headquarters and Infrastructure Branch Chief.
FEMA DR-4118 & FEMA DR-4128	Flooding in North Dakota	2013 to Present	iParametrics is currently supporting FEMA Public Assistance recovery efforts in North Dakota for recent flooding. Our staff is providing Quality Assurance and Control reviews of PWs including reviews of obligated PWs to verify and determine ineligible scope of work that was not included in the documents. Services also include preparing (PNP) eligibility determinations for the Infrastructure Branch Chief, providing policy guidance to FEMA, reviewing all decision memos, and providing recommendation determinations.
FEMA DR-4145	State of Colorado: Severe Storms, Flooding, Landslides and	2013 to Present	iParametrics is providing specialized technical support to the FEMA PA recovery efforts in Colorado because of Severe Storms, Flooding, Landslides and Mudslides. Our construction and policy experts are providing oversight of removal of an extensive amount of debris. Our Debris Specialists are developing and reviewing Project Worksheets, monitoring debris storage sites and monitoring debris contractors to ensure compliance with all applicable FEMA

Disaster	Name	Duration	Scope
	Mudslides		regulations. iParametrics’ Policy Specialist is a PA policy subject matter expert providing guidance and recommendations to FEMA employees, management and PACs. This includes supplying policy references for the completion of Project Worksheets, reviewing all decision memos and making recommendation determinations.
DR-1603 (Katrina), DR-4080 (Isaac), DR-1607 (Rita)	Port of New Orleans Disaster Recovery for Hurricane s Katrina, Isaac and Rita	2013 to 2018	Providing Port Support Services (PSS) at the Port of New Orleans, New Orleans, LA, supports disaster response and recovery efforts on over 400 PWs across three disasters. Services include pre-disaster planning, disaster recovery, preliminary damage assessments, disaster operations support, project formulation, management and monitoring, project compliance and closeout, training, auditing monitoring and compliance, financial analysis and cost management, acquisition support, construction and engineering oversight and support, and technical assistance not identified.
Deepwater Horizon Oil Spill	Deepwater Horizon Economic Claims Center (DHECC)	2010 to 2014	Deepwater Horizon Economic Claims Center (DHECC), which administers close to \$50 billion of claims and settlement payments. CLA performed program risk assessments and evaluated the internal control environment, tested of controls over operation effectiveness and conducted site visits.

Figure 4.2-1

Our subcontractor, iParametrics, has continuously supported the FEMA PA Program for Hurricane Katrina since September 2005 and supported Hurricane Sandy since December 2012. We also serve as the Disaster Response and Recovery Program Manager for the Port of New Orleans, LA.

Our staff has worked with state and local applicants to guide them through the program funding and grant process. As a part of the process, we have determined FEMA grant funding eligibility for contractors and made recommendations based on FEMA’s policies, standards, and regulations. We have developed, reviewed and monitored thousands of Project Worksheets (PWs) for eligibility and compliance across over fifty presidentially declared disasters utilizing FEMA controls and technologies to ensure standardized execution and compliance, performing under all applicable federal and state policies, rules, regulations, and guidelines.

In addition, our staff has extensive experience in FEMA PA and HUD grant compliance, including fraud prevention and detection as well as other federal agency compliance and fraud detection including USDA construction grant compliance, SBA loan and grant compliance, GSA Facilities Acquisition and Construction programs, federal court system financial compliance, HUD funded construction, and U.S. Army construction project compliance. Representative projects include (Figure 4.2-2):

iParametrics Experience on Similar Programs	
FEMA PA Program (February 2005 – February 2017)	FEMA Public Assistance (PA) Program provides assistance with debris removal, implementation of emergency protective measures, and permanent restoration of infrastructure after a presidentially declared disaster. iParametrics has deployed

iParametrics Experience on Similar Programs	
	roughly 250 employees across 53 disasters throughout the United States and its territories. Our staff is comprised primarily of highly technical engineers and SMEs as well as "specialty staff" to support niche areas within the recovery program such as financial analysis, monitoring and compliance, cost analysis, mitigation and policy efforts, litigation and appeals support, training, Long Term Community Recovery (LTCR) as well as program review and close-out operations.
Port of New Orleans – Disaster Program Management (August 2013 – August 2018)	iParametrics is providing Port Support Services (PSS) to the Port of New Orleans in New Orleans, LA, for disaster recovery efforts on over 400 PWs across three disasters. Services include pre-disaster planning, disaster recovery, preliminary damage assessments, disaster operations support, project formulation, management and monitoring, project compliance and closeout, training, auditing monitoring and compliance, financial analysis and cost management, acquisition support, construction and engineering oversight and support, and other technical assistance.
Office of Inspector General – DHS/FEMA Programs (Numerous assignments since 2002)	Our staff performed FEMA grant construction audits approaching \$1.0 billion. These audits included major cities, counties, hospitals, universities, and rural electric utilities in numerous states with disaster losses from hurricanes, tropical storms, tornados, ice storms, snowstorms, floods, and fires. As with most PA grants, the bulk of these projects involved debris removal and various construction projects including commercial buildings, city sewers, public parks, parking lots, streets, and electric utilities. The size of the individual projects generally ranged from \$1.0 to \$50 million.
GSA NBC, Post Award Services – Nationwide (2010-2014)	Under the National Broker Contract (NBC) the GSA manages over 350 million square feet in 1,500 Federal buildings and 8,000 leased properties across the country. iParametrics provides technical program and project services to the GSA under NBC 1 and NBC 2 supporting numerous government agencies nationwide. Under this contract, iParametrics acts as the government’s representative in managing the execution of all tasks pertaining to facility and systems acquisition including program monitoring, cost and schedule management, architecture and engineering oversight, project administration and controls, construction management and commissioning.

Figure 4.2-1

Working with Direct Administrative Costs (DAC) and 100% Federal Grant Reimbursable Programs

Direct administrative costs by definition are “costs incurred by the sub-grantee that can be identified separately and assigned to a specific project.” These costs can include staff’s time to conduct an initial inspection, prepare and submit a PW, and make interim and final inspections of the project, to illustrate a few examples. We ensure that all costs are not only tracked, charged, and accounted for, but adhere to all 44CFR 13.22, 44CFR 206.205 (b), and OMB Circular A-87, Cost Principals for State, and local government policies. We always utilize the Public Assistance Program Indirect and Direct Administrative Utility List as a guideline in preparation of all costs associated with these PWs during Post Declaration Activities, Project Listing Development, Project Formulation, PW Processing, and PW Management.

iParametrics’ personnel have been involved in the development of DAC policies for FEMA disasters. We have worked extensively with Grantees and Sub-grantees to prepare grants to receive DAC funding for millions of dollars worth of FEMA disaster grant projects. We have also assisted applicants in justifying and documenting their DAC activities and expenses and in preparing FEMA grants to receive the associated federal obligations. Our staff have participated in the development of first and second appeals for FEMA and worked with Grantees and Sub-grantees to recover DAC. The company has an in-depth understanding of the DAC policies and procedures and how they are implemented by FEMA.

Pursuant to the terms of our FEMA PA contract (Contract number F5MA-9-K10013), iParametrics is unable to maintain and disclose Grantees and Sub-grantee data pertaining direct administrative costs and any information regarding the de-obligation of funds by FEMA. As a sub-applicant liaison to FEMA, we can disclose that our company and our staff members are fluent in the intricacies of eligibility funding and have been successful in helping thousands of FEMA Grantees and Sub-grantees to maximize and recover DAC funds since 2005.

4.3 Team CLA’s Robust Risk Assessment and Anti-Fraud Program

Assessing, improving, and monitoring anti-fraud programs are key elements of an effective internal control structure. Team CLA has experience in assessing, monitoring and implementing anti-fraud programs and integrity oversight. The CLA risk assessment and anti-fraud program would first assess each element of EDA’s anti-fraud defenses and identify opportunities for improvement. Our team would then provide a proven process for implementing improvements, and provide insight on how to monitor the effectiveness of the implemented changes.

Our anti-fraud program encompasses the three key areas that define a robust fraud risk management program: Setting the tone – code of ethics/conduct, anti-fraud polices and fraud awareness training; Being proactive – fraud risk assessment and controls monitoring; and planning the reaction– fraud response plan, including investigation, remediation and disciplinary activities.

This model is a framework for gathering meaningful insights on the overall sophistication of EDA’s fraud risk management program. Our anti-fraud program assessment methodology is designed to provide an independent and objective review of the government’s current anti-fraud program. Using the experience of our anti-fraud professionals, we can help you manage the different types of fraud risk by using their relevant knowledge and experience together with our anti-fraud program assessment methodology.

Figure 4.3-1 describes some of Team CLA’s experience.

Team CLA’s Robust Anti-Fraud Program

- Providing tangible evidence of a culture of integrity
- Help prevent fraud and facilitate early detection
- Improve monitoring and training
- Limit unpleasant surprises that affect reputation and credibility
- Reduce potential for class action lawsuits

Team CLA Offers EDA

- A consistent approach from the professionals in our network of member firms,
- An independent and objective assessment of your anti-fraud program’s strengths and weaknesses,
- Recommendations on what could be done to help strengthen and improve your anti-fraud program,
- Experienced professionals who will work with you to help you improve the government’s anti-fraud capabilities

Team CLA Experience on Fraud Risk Management and Anti-Fraud Programs

Setting the Tone	One of our clients recognized a need to develop a robust fraud risk management program. We created a fraud risk management program comprising risk assessments, testing, control evaluation, and training. Following meetings and workshops, we were able to determine the
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Team CLA Experience on Fraud Risk Management and Anti-Fraud Programs	
	government’s fraud risk profile and identify gaps in the control environment. We developed anti-fraud policies to guide employees through the complex issues and developed a client branded training pack to be delivered across the agency to help raise fraud awareness.
Being Proactive	Another client sought help in performing fraud risk assessments and controls monitoring across its agency. We performed fraud risk assessments, conducted interviews with key stakeholders and carried out compliance assessment testing across high risk areas of the agency. During the course of the multiple fraud risk assessments, we employed both forensic data analytics and fraud investigation techniques. We were able to efficiently identify millions of dollars in questionable expenditure. This included duplicate charges, expenses unsupported by required documentation, violations of the code of conduct, and approvals inconsistent with the agency’s policies.
Plan Reaction	Both of our clients required assistance to effectively structure their internal investigation framework. We assessed the agency’s fraud response plan, including investigation, remediation and disciplinary activities and developed a roadmap setting out how the agency’s governance around matters of integrity could be improved. Our work provided both agencies with an effective internal investigation framework, which increased consistency of response to allegations and reports of impropriety.

Figure 4.3-1

Extensive Forensic Accounting Expertise. Our Forensic Services team has dedicated forensic accounting professionals with deep experience in conducting proactive and reactive investigations, forensic audits, financial consulting and providing expert witness testimony. Our team members are also seasoned national instructors of topics such as forensic auditing and forensic data analysis. These courses have been taught to audiences and organizations including Association of Certified Fraud Examiners, American Institute of Certified Public Accountants, local CPA chapters, the FBI, the IRS, regulatory agencies and other law enforcement agencies, local chapters of the Institute of Management Accountants, corporate boards, audit committees, and internal audit departments. Further, our forensic and investigations group has higher education experience.

Cutting-edge Computer Forensic Capabilities. With our advanced technology, extensive case experience and technical skills, we can help make the electronic discovery process swift and effective. Our methodology powers through voluminous amounts of data and provides relevant results. This, in turn, accelerates the investigative process and reduces controls cost.

CLA built our team such that we have specific, applicable, and directly relevant experience across all tasks. Evidence of Team CLA’s experience on similar contracts is in **Figure 4.3-2** below.

Client	Description
Stephen Larson, Former Federal District Judge	<ul style="list-style-type: none"> Appointed by Judge Larson to serve as the Court’s forensic auditor Ordered to perform a forensic audit regarding the finances of MGA Entertainment, Inc. to enable the court to determine whether or not appointment of a receiver was warranted
Mattel, Inc. V. MGA Entertainment, Inc., et. al.	<ul style="list-style-type: none"> Performed forensic data analysis on company financial data, conducted interviews, examined various company documents, performed computer forensic analysis on hard drive and email data, and traveled abroad to perform an extensive tracing analysis of company funds
Jefferson County Sheriff’s Office	Assisted the Jefferson County Sheriff’s Office with a forensic examination of

Client	Description
City of Elwood, Kansas	Drug Task Force records in Jefferson County, Wisconsin <ul style="list-style-type: none"> Assisted the City of Elwood with a forensic examination of the ticket records for the Elwood, Kansas Court Performed a forensic examination of the electronic and/or hardcopy revenue and disbursement records of the Elwood, Kansas City Hall Performed computer forensic imaging and analysis of hard drive data
Arlington County, VA	<ul style="list-style-type: none"> Special projects including analysis of uses of funds of related party entities to ensure propriety of transactions. Financial statement audit in accordance with Government Auditing Standards, Single Audit in accordance with OMB Circular A-133.
Montgomery County, Maryland Housing Opportunities Commission	<ul style="list-style-type: none"> Special projects including analysis of uses of funds of related party entities to ensure propriety of transactions. Financial statement audit in accordance with Government Auditing Standards, Single Audit in accordance with OMB Circular A-133.

Figure 4.3-2

5.0 Technical Approach (RFQ Section VIII.A)

Per RFQ Section VIII.A [...] The contractor’s proposal must contain the following elements:

A. A detailed proposal, including a detailed budget, to perform the scope of work reflecting the requirements of the Engagement Query for competitive price quotes. The proposal must explain how the contractor intends to accomplish each task listed in the SOW;

The methodology described within this technical approach discussion provides information to EDA on how the CLA Team intends to assist EDA with program and process management, forensic services and ongoing quality assurance/quality control reviews and assessments.

5.1 (RFQ Section II: Item A)

Attend a kick-off meeting with representatives from the Department and EDA to discuss the tasks and deliverables required under this work assignment. The Contractor is responsible for documenting and providing minutes of the meeting to the State Contract Manager within ten days of the meeting.

Understanding

We understand the purpose of the engagement is to provide EDA with program and process management services in order to minimize the risk of deobligation, and prevent or rectify the duplication of benefits, process and payment errors, waste, fraud, abuse, malfeasance and mismanagement of funds. We understand there are four programs under economic revitalization: Stronger NJ Business Grant Program, Stronger NJ Loan Program, Stronger NJ Neighborhood and Community Revitalization Program, and Tourism Marketing. We will focus on contracts for the Stronger NJ Business Grant Program administered by Public Financial Management (PFM) Group (contract value approximately \$9 million) and the Tourism Marketing Programs administered by the MWW Group (MWW) (contract value approximately \$4.7 million).

Approach

We will review all required tasks and deliverables to gather any questions or concerns we have prior to the kick-off meeting. We will attend the kick-off meeting to ensure that all tasks and deliverables are discussed. We will document the meeting and provide minutes to the State Contract Manager within ten days of the meeting.

5.2 (RFQ Section II: Item B)

Review EDA's financial and administrative functions for this contract. Leveraging the NJEIT's Integrity Monitoring reviews and recommendations:

1. Ensure that these functions adhere to all grant/assistance program guidelines, procurement rules, and reporting requirements.
2. Verify that the contract procurement process is in accordance with all Federal, State, and Local laws, regulations, and ordinances.
3. Verify that the payments were disbursed consistent with applicable directives, and that there was no duplication of benefits, process and payment errors, waste, fraud, abuse, malfeasance or mismanagement of funds.
4. To the extent necessary, perform a forensic review of the PFM contract (and the MWW contract, if applicable) to determine if delivery of contract requirements and required deliverables were met.
5. If weakness, errors, etc. are detected, develop recommendations and strategies to ensure maximum Federal recoveries, compliance with all laws, and prevention of associated risks.

Understanding

Our staff understands the importance of complying with all Federal, State and Local laws, regulations, and ordinances, as they are applicable to the FEMA-PA program. Compliance is essential to avoid legal complications as well as to avoid loss of FEMA-PA funding. Our staff is highly knowledgeable in these matters as they relate to the FEMA-PA program and will advise and assist EDA in its compliance efforts.

An effective grant management process includes strategies, policies, procedures, and internal controls that effectively guide the process from proposal solicitation and contract award through contract monitoring and documentation that evidence disaster related work was performed effectively and efficiently without fraud, waste or abuse and ending with the closeout process that provides this evidence to the State and ultimately FEMA and HUD.

Without the proper compliance structure in place there is the risk of errors in accounting and reporting of grant disbursements activity and potential for loss of funding.

Approach

We will work to ensure that the financial management systems (manual and IT) are in place, and all transactions are being captured and processed according to applicable laws and regulations. We will develop, implement, and manage a continuing compliance testing plan that will monitor EDA's compliance systems, controls, and current activities to ensure they are appropriate to maintain compliance with applicable State and Federal guidelines, regulations and law. We will review the following areas to ensure the development, implementation and management of compliance systems and controls are working as intended:

- Contract processes, including bidding, environmental reviews and records, contract procurement, subsequent contract modifications and change orders, contract file management and record retention
- Disbursement cycle
- Financial Reporting cycle
- Performance Measurements and Management cycle

The general scope of the review for financial and administrative functions will include the functional areas/processes related to the FEMA-PA programs and activities at EDA outlined in **Figure 6.1-1**.

Functional Area / Process related to FEMA/HUD programs	Detailed Coverage of Functional Area / Process
Governance	Strategic plan, senior leadership, tone at the top, board of directors, internal policies and procedures, internal controls, fraud detection, etc.
Accounting / Finance	Accounting operations, project costing, payment processing, tracking of hours and expenses, proper approval and authorization, segregation of duties, etc.
Procurement	Bid solicitation and award process, type of contracts awarded, change order approval and authorization, etc.
Grant/Contract Administrative Review	Cost eligibility; tracking and accounting for costs; contract administration; contract monitoring activities; adequacy of documentation; segregation of duties; duplicate benefits monitoring; proper approval and authorization; effective use of grant funds; fraud, waste, and abuse detection; overall compliance with FEMA-PA grant management requirements

Figure 5.1-1

Our team will perform the following steps at a minimum. Others may be added as the control environment becomes more familiar.

1. Interview relevant EDA management and staff
2. Determine EDA staff’s knowledge regarding FEMA/HUD grant management
3. Review EDA’s policies, procedures and internal control processes to ensure they are effective in preventing duplicate payments, eliminating inefficiency, and deterring fraud, waste and abuse from occurring and to assess their applicability to grant management
4. Assess the EDA’s accounting system for suitability to track grant cost to ensure grant costs are accurately recorded
5. Assess EDA’s procurement methodology/policies for compliance with federal and state guidelines
6. Assess EDA’s file systems for suitability to maintain project costs
7. Review EDA’s conflict of interest policy and controls for completeness and test for effectiveness as they relate to grant management
8. Review EDA’s fraud detection policies and test for effectiveness as they relate to grant management

Based on the results of the steps listed above, the team will assess the risk factors present that could allow duplication of benefits, inefficiencies, waste, fraud, abuse, malfeasance or mismanagement of funds. Each step in each process has been rooted in compliance with all Federal, State and Local laws, regulations, and ordinances, as they are applicable to the program. Throughout this entire project, we will continue to review, analyze, and monitor EDA’s activities to ensure that both EDA and its contractors maintain full compliance.

Our extensive experience in consulting with applicants and reviewing FEMA-PA claims of applicants in numerous states within several FEMA regions allows us to bring a wealth of knowledge to assist EDA in ensuring FEMA/HUD compliance. At all stages of the process, we will ensure that effective internal control systems and processes are in place as part of our review of financial transactions along with their supporting documentation for project costs, voucher payments, invoices, payroll disbursements, etc.

To the extent necessary we will perform a forensic review of the PFM contract (and the MWW contract, if applicable) to determine if delivery of contract requirements and required deliverables were met. We will involve our forensic subject matter expert while we conduct this task to ensure we comply with best practices and achieve the desired results of the review to reduce the associated risks.

If weaknesses, errors, etc. are detected, we will develop recommendations and strategies to ensure maximum Federal recoveries, compliance with all laws, and the prevention of associated risks through project closeout. We will report all findings to the EDA and copy the State Contract Manager.

5.3 (RFQ Section II: Item C)

Provide ongoing quality assurance/quality control reviews for the durations of this engagement.

1. *Ensure that payments are disbursed consistent with applicable directives, and that there is no duplication of benefits, process and payment errors, waste, fraud, abuse, malfeasance or mismanagement of funds.*

Understanding

We understand the issues faced in the management process, and will help EDA personnel in their efforts to continuously review and monitor the various aspects of grant management including internal controls, procurement, contracting, cost eligibility, contract management and monitoring, and all other related FEMA/HUD compliance requirements.

Approach

We will perform an initial review of the internal controls, procurement, contracting, compliance, cost eligibility, contract management, etc. for Task B at the project's inception. Further, we made recommendations to EDA management to develop and implement a mitigation plan to resolve any deficiencies noted at that time. Based on our knowledge and vast experience with FEMA and HUD grant management, we will work with EDA to ensure that key controls established are monitored and enhanced when necessary to ensure that EDA properly processes, reviews, approves, disburses, monitors, records and captures financial transactions that occur in the normal course of business in an effective and efficient manner. In the performance of this task, we will build on the foundation we established in Task B by:

1. Continuing to monitor EDA activities and interview staff as needed to determine policy, internal control, or staff personnel or responsibility changes
2. Continuing to monitor staff and contractor knowledge of cost eligibility, documentation requirements and other compliance issues. Shortfalls in the areas will be addressed by on-the-job training efforts
3. Performing monthly transaction testing at EDA on a sample basis to include the following areas:
 - contractor cost eligibility and documentation
 - payment requisitions, payment vouchers, invoicing, payroll disbursements and related supporting documentation
 - Contractor budget projections vs. actual expenditures
 - financial data, including data accumulation and interface, and system reconciliations
 - Verification and comparison of performance reports and records
4. Continuing to monitor contractor work activities and documentation
5. Reviewing any additional procurement actions, contract change orders, etc. for reasonability and/or other compliance related weaknesses.

5.4 (RFQ Section II: Item D)

Provide deliverables as set forth in the “Engagement Query”

Understanding

We understand the importance of deliverables in that they are the yardstick by which our performance is measured. Further, we understand the importance of developing a system of reporting that allows us to not only report timely but to report with meaningful information.

Approach

Task A is required to be completed within 10 days of the kick-off meeting.

The engagement query requires that Task A be completed within 10 days of the kick-off meeting. We have estimated our manpower requirement to include appropriate personnel to ensure Task A is completed on or before the 10th day.

Task B is required to be completed within 40 days of the kick-off meeting.

The engagement query required that Task B be completed within 40 days of the kick-off meeting. Accordingly, we have estimated our manpower requirement to include appropriate personnel to ensure Task B is completed on or before the 40th day. Each major subcomponent is designed with strict timelines and the process will be monitored daily to ensure completion and testing of the total task on or before the 40th day.

All other tasks shall be performed on an ongoing basis and in a timely manner for the duration of this engagement and may have completion dates assigned by Treasury at a later date.

We have estimated our manpower requirements to ensure adequate staff is dedicated to EDA on a continuous basis from inception to completion of the project. The consultants efforts will be augmented and supervised by the additional staff as needed. Our manpower estimate allows for continuous monitoring of daily project activities.

Status is to be reported to the State Contract Manager on a monthly and quarterly basis as set forth below.

Our staff assigned to EDA is highly skilled and has a proven history in providing program and process auditing and forensic services. During the entire project from Task A inception through Task D our staff will be mindful of the relevant “Red Flags” and/or “Badges of Fraud” and maintain diligence during interviews, document reviews, and site visits to detect any indications of improprieties. Additionally, certain high risk activities and transaction categories will be subject to enhanced scrutiny and more intensive testing.

In order to meet the status report schedule in a timely and meaningful manner we will utilize our manpower tracking system to maintain consultant time by both task and subtask. Additionally, we will maintain an issues/results tracking system to maintain the current status of all task and subtask activities. At month’s end we will combine the data to present the State with a clear picture of the teams monthly activities and results.

We will consolidate our monthly reports to complete the required quarterly reports in the prescribed format include in the Engagement Query.

We will keep all copies of time logs and will include information on the allocation of hours worked on each federally-funded program. In addition, we will keep all other data required in order to ensure compliance with all federal requirements. We will provide these documents only upon request.

6.0 Project Budget (RFQ Section VIII.A, C, and D, Attachment 3)

Per RFQ Section VIII.A [...] The contractor’s proposal must contain the following elements:

A. A detailed proposal, including a detailed budget, to perform the scope of work reflecting the requirements of the Engagement Query for competitive price quotes. The proposal must explain how the contractor intends to accomplish each task listed in the SOW;

[...]

C. Person-hour and/or labor category mix: A comprehensive chart showing the person-hours proposed to meet the requirements of the Engagement Query. The chart shall be designed to reflect the tasks, sub-tasks, or other work elements required by the Engagement Query. The chart shall set forth, for each task, sub-task or other work element, the total number of person-hours, by labor category, proposed to complete the contract. The hourly rates used for each labor category shall be the hourly rates, or lower than the hourly rates specified in the contract. The person hours must be those bid or lower (**Attachment 3**);

D. Estimated travel and direct costs for the duration of the engagement (**Attachment 3**);

CLA’s proposed total project cost for PFM only is \$174,596 and the proposed total project cost for PFM and MWW is \$308,076. Per the RFQ, Section VIII.C and D, the detailed budget can be found in the pricing format required by the engagement query at, “Engagement Query-RFQ—EDA—Attachment 3 Cost Quote CLA.” We have provided two separate price quotes: one for just the PFM contract and one for both the PFM and MWW contracts.

Assumptions

1. EDA’s risk assessment process is complete and information provided in the Project Risk Assessment Summary is complete and accurate.
2. EDA has controls in place and those controls related to procurement, fund management, project monitoring, disbursements, and project related financial reporting are working as intended.
3. All deficiencies noted in EDA’s prior internal and external audits have been mitigated to the auditor’s satisfaction.
4. EDA will provide suitable workspace during on-site visits.
5. EDA will award contracts in accordance with New Jersey Local Contract Law.
6. Assistance with the contract procurement process (solicitation, scoring, selection, etc.) is not a part of this award and if desired will be an additional cost addendum.

7.0 Contract Schedule and Associated Tasks (RFQ Section VIII.A and B)

Per RFQ Section VIII.A [...] The contractor’s proposal must contain the following elements:

A. A detailed proposal, including a detailed budget, to perform the scope of work reflecting the requirements of the Engagement Query for competitive price quotes. The proposal must explain how the contractor intends to accomplish each task listed in the SOW;

B. A contract schedule that shall identify the performance milestones and associated deliverable items to be submitted as evidence of completion of each task and/or sub-task;

Figure 7-1 sets forth Team CLA’s proposed implementation plan in accordance with EDA’s Task Requirements.

Tasks	Date	Sub-Tasks
Task A: Attend a kick-off meeting with representatives from the Department and EDA to	Within 10 days of the kick-off meeting	The Contractor is responsible for documenting and providing minutes of the meeting to the State Contract Manager within ten days of the meeting.

Tasks	Date	Sub-Tasks
discuss the tasks and deliverables required under this work assignment.		
Task B: Review EDA’s financial and administrative functions for this contract.	Within 40 days of the kick-off meeting	<ol style="list-style-type: none"> 1. Ensure that these functions adhere to all grant/assistance program guidelines, procurement rules, and reporting requirements. 2. Verify that the contract procurement process is in accordance with all Federal, State, and Local laws, regulations, and ordinances. 3. Verify that payments were disbursed consistent with applicable directives, and that there was no duplication of benefits, process and payment errors, waste, fraud, abuse, malfeasance or mismanagement of funds. 4. To the extent necessary, perform a forensic review of the PFM contract to determine if delivery of contract requirements and required deliverables were met. 5. If weakness, errors, etc. are detected, develop recommendations and strategies to ensure maximum Federal recoveries, compliance with all laws, and prevention of associated risks.
Task C: Provide ongoing quality assurance/quality control reviews for the durations of this engagement.	Ongoing	<ol style="list-style-type: none"> 1. Ensure that remaining payments are disbursed consistent with applicable directives, and that there is no duplication of benefits, process and payment errors, waste, fraud, abuse, malfeasance or mismanagement of funds. 2. Provide ongoing guidance and problem resolution to support account reconciliations, and other issues related to the payment processing and reporting.
Task D: Provide deliverables as set forth in the “Engagement Query.”	Ongoing	N/A

Figure 7-1

Appendix A: Cost Quote (Attachment 3)

Request for Quote Labor Categories (LCAT)

CLA applied the LCAT descriptions included in the BPA with the State of New Jersey to the requirements for this RFQ.

RFQ LCAT	Organizational Support and Experience Description/Qualifications
Partner/Principal	This individual who has ownership in the firm and extensive experience and managerial ability. This individual is charged with the overall management of the project.
Program Manager	This individual reports directly to the partner and is responsible for the direct management of the project.
Project Manager	This individual is responsible for managing the resources of the projects. This individual is responsible for making sure a project is completed with a certain set of restraints. These restraints usually involve time, money, people, and materials. The project must then be completed to a certain level of quality.
Senior Consultant	This individual represents the highest level of field staff.
Associate/Staff	Supervised field individual.
Subject Matter Expert	This individual communicates their knowledge of a topic to other professionals within an organization. The individual may serve as a resource through the entire process of bringing a project to fruition or may simply offer some preliminary information at the start of a new project.
Administrative Support Staff	This individual performs office support functions such as clerical, data entry, and document preparation.

Per the RFQ, Attachment 4 is included under separate cover at “Engagement Query-RFQ—EDA—Attachment 3 Cost Quote CLA.” Note that we have completed two separate cost quotes: one for PFM only and one for PFM and MWW.

Appendix B: Staff Resumes

Gregory J. Bussink, III, CPA, CGFM, CGMA	
Current Employer	CliftonLarsonAllen LLP
Classification	Principal-in-Charge
Experience in Government Audits	<ul style="list-style-type: none"> • Arlington County, Virginia • Interstate Commission on the Potomac River Basin • City of Alexandria, Virginia • Richmond Redevelopment Housing Authority • Housing Authority of Baltimore City • Prince William County, Virginia • Stafford County, Virginia • Virginia Office of Emergency Management Services • Northern Virginia Regional Commission • Virginia Port Authority • Overseas Private Investment Corporation • Charles County, Maryland • Maryland-National Capital Park & Planning Commission • City of Greenbelt, Maryland • City of Takoma Park, Maryland • City of Gaithersburg, Maryland
Education	Bachelor of Science, Accounting, Bowie State University
Relevant Experience	Greg has over 20 years of experience, specializing in serving government entities, including HUD assisted entities. He also leads forensic and Enterprise Risk Management engagements. He is one of the leading government experts in the region, and will provide the Authority with insights throughout the year. He is well versed in the issues that governmental entities face and will bring fresh ideas to the Authority specific issues. Greg frequently speaks at local governmental and nonprofit conferences and training events.
Professional Affiliations and/or Speaking Engagements	<ul style="list-style-type: none"> • American Institute of Certified Public Accountants - Member • Government Finance Officers Association - Member • Maryland Association of Certified Public Accountants – Member • Virginia Society of Certified Public Accountants - Member • Association of Government Accountants - Member

William H. Oliver, CPA, CFE, CGFM	
Current Employer	CliftonLarsonAllen LLP
Classification	Principal
Experience in Government Audits	Bill has more than 37 years of state, local and federal government experience. During his tenure, he has served as principal-in-charge or concurring principal on a number of public housing authority audits and consulting engagements.
Education	Bachelor of Science, Accounting, Virginia Polytechnic Institute & University
Relevant Experience	<ul style="list-style-type: none"> • Over 30 years experience providing audit and consulting services to public housing authorities including more than 15 years of auditing large authorities with significant real estate portfolios

William H. Oliver, CPA, CFE, CGFM

- The below PHAs include large real estate portfolios that Bill serves or served on.
 - Housing Opportunities Commission of Montgomery County, Maryland
 - District of Columbia Housing Authority
 - Housing Authority of the City of Baltimore
 - Richmond Redevelopment Authority
 - Memphis Housing Authority
 - Miami Beach Housing Authority
 - Housing Authority of Prince George’s County, Maryland
- Serves or served as principal-in-charge or concurring principal on audit engagements for:
 - Allentown Housing Authority
 - Chester Housing Authority
 - Durham Housing Authority
 - DuPage Housing Authority
 - Housing Commission of Talbot County
 - East St. Louis Housing Authority
 - Fairfax Counting Housing and Redevelopment Authority
 - Fort Worth, Texas Housing Authority
 - Harris County Housing Authority
 - Portland Housing Authority
 - Shelby county Housing Authority
 - Southern Nevada Regional Housing Authority
 - Virgin Islands Housing Authority
 - Wilmington Housing Authority
- Relevant Experience Providing Single Audits
 - Serves as a designated single audit reviewer for Public Housing Authority clients
 - Performs over 20 single audits or single audit quality control reviews annually
- Serves or served as principal-in-charge on information technology engagements for the following:
 - U.S. Department of Health and Human Services; SAS No. 70 examinations of major processing centers
 - Centers for Medicare & Medicaid Services; SAS No. 70 examinations of Medicare contractors
 - Illinois and Texas Departments of Human Services; SAS No. 70 examination of an electronic benefits transfer (EBT) contractor
 - Various federal, state and commercial entities; multiple engagements to perform penetration testing and vulnerability assessments
- Oversees several large consulting engagements for the following federal and state government agencies:
 - Administrative Office of the U.S. Courts; review of postage system

William H. Oliver, CPA, CFE, CGFM	
	<ul style="list-style-type: none"> ○ Federal Deposit Insurance Corporation; business continuity planning ○ The Architect of the Capitol; strategic planning ○ Fairfax County, Virginia; strategic planning and organizational assessments for community-based nonprofit organizations ● Serves as principal-in-charge or concurring principal on a number of audit and consulting engagements for state and local government agencies, including Arlington County, Virginia, various libraries and public housing authorities ● Oversees various nonprofit audit, tax and consulting engagements for volunteer health and welfare organizations; providers to the developmentally disabled; religious organizations; schools; and trade associations ● Applies extensive knowledge of employee benefit plans to audits of governmental plans, defined benefit plans, defined contribution plans, employee stock option plans, and health and welfare benefit plans ● Serves as team captain during peer reviews and quality reviews of other certified public accounting firms
Professional Affiliations and/or Speaking Engagements	<ul style="list-style-type: none"> ● American Institute of Certified Public Accountants, Member ● Maryland Association of Certified Public Accountants, Ethics Committee 2001 – present ● Maryland Association of Certified Public Accountants, Peer Review Committee – Chair 1997-1998 ● Greater Washington Society of Certified Public Accountants, Federal Issues and Standards Committee ● Association of Government Accountants, National Awards Committee 2002-2010; Chair, Audit Committee 2002-2005 ● Government Finance Officers Association of the United States and Canada - Member ● Better Business Bureau of Greater Maryland - Member

Nancy L. Gunza, CPA	
Current Employer	CliftonLarsonAllen LLP
Classification	Principal
Experience in Government Audits	<ul style="list-style-type: none"> ● City of Philadelphia, Office of the Controller ● Northampton County ● Lower Merion Township ● Borough of Narberth ● Solebury Township ● Radnor Township ● PASSHEE ● Delaware River and Bay Authority ● New Jersey Higher Education Student Assistance Authority ● Bergen Community College

Nancy L. Gunza, CPA	
Education	Bachelor of Science in Commerce and Engineering Science – Concentration in Accounting, Drexel University
Relevant Experience	<p>Nancy has over 27 years of experience providing audit and accounting services to governmental state and local agencies with an emphasis on OMB A-133 compliance single audits, tax exempt debt, CAFR preparation and computer assisted auditing tools. She also assists clients in various audit-related functions, including reviews of internal controls, analyses of operational procedures, and prepares work paper templates to improve interim financial reporting.</p> <p>Nancy has been a speaker at numerous conferences for government auditing topics, including the PICPA, the Pennsylvania GFOA Annual Conference, the Pennsylvania State System of Higher Education Budget and Accounting Directors Annual Meetings, Ohio State University Controller’s Conference.</p>
Professional Affiliations and/or Speaking Engagements	<ul style="list-style-type: none"> • Certified Public Accountant • American Institute of Certified Public Accountants (AICPA), Member • Pennsylvania Institute of Certified Public Accountants (PICPA), Member & Chair, Not-for-Profit Committee • Government Finance Officers Association (GFOA) – PA East Chapter, Member • National Association of College and Organization Business Officers, Member • Eastern Association of College and Organization Business Officers, Member • Drexel University – LeBow College of Business Accounting Advisory Committee • United Way of Southeastern Pennsylvania Women’s Initiative Leadership Committee

Joel Eshleman, CISA, CIA, ACP	
Current Employer	CliftonLarsonAllen LLP
Classification	IT Audit Manager/Project Manager
Experience in Government Audits	<ul style="list-style-type: none"> • Easton Utility Commission, Maryland • Virginia Port Authority • City of Alexandria, Virginia • City of Philadelphia School District • Hewlett-Packard Enterprise Services • Commonwealth of Pennsylvania • State of Maryland • Baltimore City, Maryland Public Schools • Baltimore County, Maryland Public Schools • City of Annapolis, Maryland • Town of Manchester, Maryland
Education	Bachelor of Science, Accounting, York College of Pennsylvania

Joel Eshleman, CISA, CIA, ACP	
Relevant Experience	Joel has 14 years of experience and is the leader of the information technology audit teams serving assurance clients. Joel’s experience includes five years experience with a Big 4 firm performing information technology, business process and controls, and third-party reporting projects. Joel assisted a number of clients with system design implementations in the government, manufacturing, and entertainment industries. Joel has lead training seminars on the risks and controls related to system design and implementation.
Professional Affiliations and/or Speaking Engagements	<ul style="list-style-type: none"> • Information Systems Audit and Control Association - Member • Institute of Internal Auditors - Member

Karen Greiner, MBA	
Current Employer	CliftonLarsonAllen LLP
Classification	Audit Manager/Program Manager
Experience in Government Audits	Karen has more than 11 years of experience and specializes in governmental accounting with an emphasis on housing authorities, with specific experience with MTW agencies. She also assists with and completes all HUD submissions to REAC.
Education	Bachelor of Science, Accounting, University of Richmond Masters of Business Administration, Management, Loyola College
Relevant Experience	<ul style="list-style-type: none"> • Managed the following housing authority clients: <ul style="list-style-type: none"> ○ New Jersey Housing and Mortgage Finance Agency ○ Housing Authority of Baltimore City ○ Richmond Redevelopment and Housing Authority ○ District of Columbia Housing Authority ○ Housing Opportunities Commission of Montgomery County ○ Greensboro Housing Authority ○ Housing Commission of Talbot County ○ Havre de Grace Housing Authority ○ St. Michaels Housing Authority • Assists with and completes all HUD submissions to the Real Estate Assessment Center • Provide assurance relating to compliance with OMB A-133 requirements
Professional Affiliations and/or Speaking Engagements	American Institute of Certified Public Accountants – student member

Daniel Benbow, CPA, CFE	
Current Employer	iParametrics
Classification	Audit Manager/Program Manager

Daniel Benbow, CPA, CFE	
Education	Masters of Business Administration, Finance, Louisiana Tech
Relevant Experience	<p>Daniel has 19 years of experience and has performed the following:</p> <ul style="list-style-type: none"> • Managed audit teams performing audits of Department of Homeland Security (DHS) activities including grant audits of Federal Emergency Management Agency (FEMA) grant recipients (state agencies, counties, cities, universities, schools, hospitals, airports, electric cooperatives, and other not-for-profit entities). <ul style="list-style-type: none"> ○ FEMA grant audit totals approached \$1.0 billion with savings to the government of approximately 25% ○ Participated in applicant briefings during the initial recovery period of Hurricanes Ivan, Katrina, and Rita to assist applicants with developing policies and procedures targeted toward maximizing claim reimbursement ○ Audits involved debris removal and construction projects for major cities, counties, hospitals, universities, and rural electric utilities in numerous states with disaster losses from hurricanes, tropical storms, tornados, ice storms, snow storms, floods, and fires ○ The size of the individual projects ranged from \$1 to \$50 million • At the request of FEMA and the state, consulted with several major applicants eligible for Tropical Storm Allison disaster grants to developing monitoring and documentation procedures to maximize their most unique and complicated claims • Managed auditors performing accounting record reconstruction, transaction verification, documentation, and asset review for Hurricane Katrina damages applicable to FEMA Public Assistance grants. • Presented at FEMA regional conferences on procurement, monitoring, documentation, and common OIG audit findings to inform and assist FEMA, state, and applicant staff in claim preparation to maximize reimbursement • Examined defaulted SBA Recovery Act business loans to determine culpability for default and indicators of fraud that resulted in SBA recoveries of tax dollars. • Examined damage claims filed by victims of the Gulf Coast oil spill for BP reimbursement including loss of business profit calculations and record reviews for indicators of fraud. • Examined defense contractor accounting records and prepare schedules to assist internal audit, financial auditors, and DCAA in assessing financial and program compliance. • Managed a team of auditors performing contract audits of outsourced utilities for Army installations to determine compliance with contract terms. • Managed audit teams in the performance of independent financial and internal control audits of the United States Court System. • Performed training of existing audit staff and recommended extensive

Daniel Benbow, CPA, CFE	
	<p>procedural reorganization for some audit organizations.</p> <ul style="list-style-type: none"> • Instrumental in requesting the return of millions of misused federal dollars. • Performed document analysis and prepared exhibits to assist OIG investigators and U.S. Attorney in the prosecution of fraud or illegal acts relating to DHS programs. <ul style="list-style-type: none"> ○ One such case resulted in a federal contractor receiving sentences for racketeering, conspiracy, mail fraud, wire fraud, and obstruction of justice for engaging in a fraudulent scheme involving disaster relief funds, including those designated for 9/11. • Prepared audit guides for new audits and amended existing guides for recurring audits. • Performed audits resulting from Congressional inquiries that originated with third-party allegations of fraud or abuse in USDA programs. <p>Conducted routine program audits to evaluate the adequacy and effectiveness of USDA’s controls, procedures, systems, and related practices when dealing with the management their programs.</p>
Professional Affiliations and/or Speaking Engagements	<ul style="list-style-type: none"> • Certified Fraud Examiner • Certified Public Accountant

Andrew (Andy) Lee	
Current Employer	CliftonLarsonAllen LLP
Classification	Audit Manager/Project Manager
Experience in Government Audits	<ul style="list-style-type: none"> • City of Philadelphia, Office of the Controller • Federal Aviation Administration • New Jersey Higher Education Student Assistance Authority • New Jersey Division of Pension and Benefits • Ocean County College • Bergen Community College • Cecil County Community College • Office of Tax and Analysis, U.S. Department of the Treasury • Administrative Offices of the U.S. Courts • U.S. Army
Education	Bachelor of Science, Accounting, Penn State University Park
Relevant Experience	Andy has 9 years of audit and accounting experience. He has extensive experience working on construction related projects including capital projects related to our governmental clients and major construction funds related to our audits of the US Army.

Andrew (Andy) Lee	
Professional Affiliations and/or Speaking Engagements	Association of Government Accountants – Member

Kristin Deissler, CFE	
Current Employer	CliftonLarsonAllen LLP
Classification	Senior Consultant
Experience in Government Audits	<ul style="list-style-type: none"> • Hatfield Township Municipal Authority • Radnor Township • Northampton County • Solebury Township • Warminster Township • Borough of Ambler • Borough of Hatfield • Borough of Yeadon
Education	Bachelor of Science, Accounting, Shippensburg University
Relevant Experience	Kristin has over 7 years of experience in public accounting specializing in providing assurance and audit services for a variety of government entities and nonprofit organizations.
Professional Affiliations and/or Speaking Engagements	<ul style="list-style-type: none"> • Association of Certified Fraud Examiners – Member • Philadelphia Association of Certified Fraud Examiners - Member

Anthony Bohorquez, CPA, CFF, CFE	
Current Employer	CliftonLarsonAllen LLP
Classification	Subject Matter Expert
Education	Bachelor of Science, Accounting, University of Southern California
Relevant Experience	<p>Anthony has over 14 years of experience providing forensic accounting and investigative services. His experience includes matters dealing with financial reporting issues, fraud, and review of internal controls.</p> <ul style="list-style-type: none"> • Assisted an oil and gas conglomerate in responding to an SEC financial reporting and securities investigation of accounting irregularities pertaining to revenue recognition. Reviewed policies and procedures, procurement and construction contracts, historical accounting records, predecessor audit work papers, board of directors’ minutes and other internal e-mails and correspondences as well as conducted interviews of former and current company employees. • Investigated allegations of earnings management, improper revenue recognition, inappropriate capitalization of assets, and Foreign Corrupt Practice Act violations of an oil service company’s subsidiary in South America. Reported findings to the Company’s independent counsel,

Anthony Bohorquez, CPA, CFF, CFE	
	<p>audit committee, and external auditors.</p> <ul style="list-style-type: none"> • Provided litigation support and investigative services in uncovering a scheme of overstated sales and accounts receivable supported by falsified bank statements, invoices, and check payments, as well as related party wire transfers. • Reviewed and analyzed loan transactions and related purchases and sales of inventory. Compared bank statements and inventory records to tax returns in demonstrating overstated and duplicate inventory across related parties. Reviewed and identified potential related parties and off-shore payments. • Performed forensic accounting analysis in a fraud investigation of a European company’s purchase of a Spanish competitor. Accounting records, sales invoices and related supporting documentation were reviewed to determine whether transactions were recorded properly according to Spanish GAAP.
Professional Affiliations and/or Speaking Engagements	<ul style="list-style-type: none"> • American Institute of Certified Public Accountants • California Society of Certified Public Accountants, Forensic Services Section Steering Committee • Association of Certified Fraud Examiners

Mandy Heagy, CPA	
Current Employer	CliftonLarsonAllen LLP
Classification	Subject Matter Expert
Education	Bachelor of Arts, Accounting, Salisbury State University
Relevant Experience	<p>Mandy has more than 11 years of experience and is our firm’s expert on the submissions to REAC and providing guidance to clients on HUD related issues. She also assists public housing authority clients with Yardi and Lawson issues including implementation and document management. Annually, she attends extensive HUD training across the country, including training held by the Affordable Housing Association of Certified Public Accountants and Quadel Consulting.</p> <p>Technical experience includes:</p> <ul style="list-style-type: none"> • Governmental auditing and accounting with an emphasis on clients funded from the U.S. Department of Housing and Urban Development (HUD): <ul style="list-style-type: none"> ○ Public housing authorities ○ State housing finance agencies ○ Not-for-profits • Managed the audits of the following engagements: <ul style="list-style-type: none"> ○ Fairfax County Housing and Redevelopment Authority ○ District of Columbia Housing Authority (MTW agency) ○ Housing Authority of Baltimore City (MTW agency) ○ Housing Opportunities Commission of Montgomery County

Mandy Heagy, CPA	
	<ul style="list-style-type: none"> ○ Memphis Housing Authority ○ Huntsville Housing Authority ○ Southern Nevada Regional Housing Authority ○ Housing Authority of the City of Miami Beach ○ East St. Louis Housing Authority ○ New Jersey Housing and Mortgage Finance Agency ○ Colorado Housing Finance Authority ○ Housing Commission of Talbot County, Maryland ○ California Housing Finance Agency ○ Southern Nevada Redevelopment and Housing Authority ○ Ft. Worth Housing Authority ● Assists in and completes all HUD submissions to the Real Estate Assessment Center and prepares Data Collection Forms ● Serves as senior manager on various types of not-for-profit engagements including the audits of HUD funded and insured projects
Professional Affiliations and/or Speaking Engagements	<ul style="list-style-type: none"> ● Public Housing Authorities Directors Association, Member ● National Association of Housing and Redevelopment Officials, Member ● American Institute of Certified Public Accountants, Member ● Maryland Association of Certified Public Accountants, Member ● Salisbury University Alumni Association, Member ● Maryland Lung Association, Committee Member ● Women’s Leadership Alliance, Member

Cost Quote

Cell to be completed by Contractor
Protected Cells

Firm Name:	CliftonLarsonAllen
Engagement Title:	NJ EDA- Sandy Contracts (PFM only)

Cost Quote for <input type="checkbox"/> Year 1 <input checked="" type="checkbox"/> Year 2 <input type="checkbox"/> Year 3	Fill in Task or Sub Task	A - Kick-off Meeting...		Financial and Admini		ity Assurance/Control		- Provide Deliverables.														Total Hours Per Staff Category	Total \$ Per Staff Category	
		Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)			
	Partner/Principal/Director	\$222.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	8	\$1,776.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	8	\$1,776.00	
	Program Manager	\$185.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	12	\$2,220.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	24	\$4,440.00	
	Project Manager	\$164.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	16	\$2,624.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	16	\$2,624.00	
	Subject Matter Expert	\$222.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	
	Supervisor/Senior Consultant	\$138.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	80	\$11,040.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	80	\$11,040.00	
	Consultant	\$133.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	
	Associate/Staff	\$76.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	
	Administrative Support	\$53.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	4	\$212.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	4	\$212.00	
	Other		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	
	Other		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	
	Other		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	
	Other		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	
			0	\$0.00	0	\$0.00	92	\$13,260.00	40	\$6,832.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	132	\$20,092.00

Total Direct Cost (Attach a detailed person-hours and estimated direct cost for the duration of the engagement)	
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Total Travel Cost (Attach a detailed person-hours and estimated travel cost for the duration of the engagement)	\$2,000.00
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Grand Total \$22,092.00

Cost Quote

Cell to be completed by Contractor
Protected Cells

Firm Name:	CliftonLarsonAllen
Engagement Title:	NJ EDA - Sandy Contracts PFM and MWW

Staffing Category	Hourly Billing Rate (\$)	A - Kick-off Meeting...		Financial and Admini...		ity Assurance/Control...		- Provide Deliverables...												Total Hours Per Staff Category	Total \$ Per Staff Category				
		Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)						
Partner/Principal/Director	\$216.00	4	\$864.00	8	\$1,728.00		\$0.00	24	\$5,184.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	36	\$7,776.00		
Program Manager	\$180.00	4	\$720.00	48	\$8,640.00	48	\$8,640.00	48	\$8,640.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	148	\$26,640.00		
Project Manager	\$159.00	4	\$636.00	80	\$12,720.00	120	\$19,080.00	60	\$9,540.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	264	\$41,976.00		
Subject Matter Expert	\$216.00		\$0.00	48	\$10,368.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	48	\$10,368.00		
Supervisor/Senior Consultant	\$134.00		\$0.00	160	\$21,440.00	400	\$53,600.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	560	\$75,040.00		
Consultant	\$129.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00		
Associate/Staff	\$74.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00		
Administrative Support	\$51.00		\$0.00		\$0.00		\$0.00	16	\$816.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	16	\$816.00		
Other			\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00		
Other			\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00		
Other			\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00		
Other			\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00		
		12	\$2,220.00	344	\$54,896.00	568	\$81,320.00	148	\$24,180.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	1072	\$162,616.00

Total Direct Cost
 (Attach a detailed person-hours and estimated direct cost for the duration of the engagement)

Total Travel Cost
 (Attach a detailed person-hours and estimated travel cost for the duration of the engagement)

Grand Total \$172,116.00

Cost Quote

**Cell to be completed by Contractor
Protected Cells**

Firm Name:	CliftonLarsonAllen
Engagement Title:	NJ EDA - Sandy Contracts PFM and MWW

Staffing Category	Hourly Billing Rate (\$)	A - Kick-off Meeting...		Financial and Admini...		ity Assurance/Control...		- Provide Deliverables.												Total Hours Per Staff Category	Total \$ Per Staff Category				
		Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)						
Partner/Principal/Director	\$222.00		\$0.00		\$0.00		\$0.00	24	\$5,328.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	24	\$5,328.00		
Program Manager	\$185.00		\$0.00		\$0.00	80	\$14,800.00	48	\$8,880.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	128	\$23,680.00		
Project Manager	\$164.00		\$0.00		\$0.00	100	\$16,400.00	48	\$7,872.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	148	\$24,272.00		
Subject Matter Expert	\$222.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00		
Supervisor/Senior Consultant	\$138.00		\$0.00		\$0.00	360	\$49,680.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	360	\$49,680.00		
Consultant	\$133.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00		
Associate/Staff	\$76.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00		
Administrative Support	\$53.00		\$0.00		\$0.00		\$0.00	16	\$848.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	16	\$848.00		
Other			\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00		
Other			\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00		
Other			\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00		
Other			\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00		
		0	\$0.00	0	\$0.00	540	\$80,880.00	136	\$22,928.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	676	\$103,808.00

Total Direct Cost
(Attach a detailed person-hours and estimated direct cost for the duration of the engagement)

\$0.00

Total Travel Cost
(Attach a detailed person-hours and estimated travel cost for the duration of the engagement)

\$9,500.00

\$9,500.00

Grand Total \$113,308.00

Cost Quote

Cell to be completed by Contractor
Protected Cells

Firm Name:	CliftonLarsonAllen
Engagement Title:	NJ EDA - Sandy Contracts PFM and MWW

Staffing Category	Hourly Billing Rate (\$)	A - Kick-off Meeting...		Financial and Admini...		ity Assurance/Control...		- Provide Deliverables.												Total Hours Per Staff Category	Total \$ Per Staff Category				
		Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)						
Partner/Principal/Director	\$222.00		\$0.00		\$0.00		\$0.00	8	\$1,776.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	8	\$1,776.00		
Program Manager	\$185.00		\$0.00		\$0.00	12	\$2,220.00	12	\$2,220.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	24	\$4,440.00		
Project Manager	\$164.00		\$0.00		\$0.00	0	\$0.00	16	\$2,624.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	16	\$2,624.00		
Subject Matter Expert	\$222.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00		
Supervisor/Senior Consultant	\$138.00		\$0.00		\$0.00	80	\$11,040.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	80	\$11,040.00		
Consultant	\$133.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00		
Associate/Staff	\$76.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00		
Administrative Support	\$53.00		\$0.00		\$0.00		\$0.00	4	\$212.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	4	\$212.00		
Other			\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00		
Other			\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00		
Other			\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00		
Other			\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00		
		0	\$0.00	0	\$0.00	92	\$13,260.00	40	\$6,832.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	132	\$20,092.00

Total Direct Cost
(Attach a detailed person-hours and estimated direct cost for the duration of the engagement)

Total Travel Cost
(Attach a detailed person-hours and estimated travel cost for the duration of the engagement)

Grand Total \$22,092.00