

Response to Request for Proposal

For

**NJ TRANSIT Contract No. 14-033
Integrity Oversight Monitoring Services
Superstorm Sandy Integrity Oversight Monitoring
Services for Hudson-Bergen Light Rail (HBLR) Project**

May 6, 2015

**NJ Transit Contract No. 14-033
Integrity Oversight Monitoring Services
Response to Request for Proposal:
Superstorm Sandy Integrity Oversight Monitoring Services for
Hudson-Bergen Light Rail (HBLR) Project**

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May 6, 2015

Ms. Taishida Chapman
New Jersey Transit Corporation
One Penn Plaza East
Newark, NJ 07105-2246

**Re: NJ TRANSIT Contract No. 14-033
Integrity Oversight Monitoring Services
Request for Proposal: Superstorm Sandy Integrity Oversight Monitoring Services
for Hudson-Bergen Light Rail (HBLR) Project**

Dear Ms. Chapman:

We would like to thank you for this opportunity to submit our proposal to the New Jersey Transit Corporation ("NJ Transit") to perform integrity oversight monitoring services for the Superstorm Sandy Recovery and Resiliency Integrity Oversight Monitoring Services Contract No. 14-033. The enclosed proposal was prepared in response to your request for proposal ("RFP") for Superstorm Sandy Integrity Oversight Monitoring Services for Hudson-Bergen Light Rail (HBLR) Project (the "HBLR Project" or "HBLR").

The proposal outlines information about our engagement team, our fraud risk assessment process and methodology and what deliverables you can expect to receive from our team in response to the HBLR Project RFP. The following key points demonstrate EisnerAmper LLP's ("EisnerAmper") expertise and experience to identify potential fraud, waste, corruption, abuse and/or potential criminal activity in connection with the HBLR Project:

- **Understanding the challenges facing the HBLR Project.** As a result of our Program-Wide Fraud Risk Assessment of NJ Transit, we have an in-depth understanding of the specific challenges NJ Transit faces regarding the HBLR Project. From that work, we believe that (1) duplicate billings and (2) cost shifting are two fraud schemes that have a higher degree of risk in connection with the HBLR Project. As such, our monitoring plan will include specific procedures to address this heightened risk.
- **Fraud Risk Assessment Model.** Our proposal for conducting the integrity oversight monitoring of the HBLR Project starts with applying our fraud risk assessment model to the specific facts and circumstances of the HBLR Project. Our fraud risk

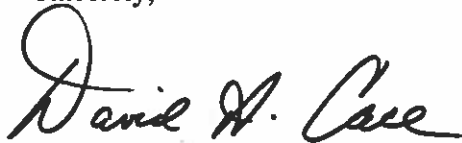
Ms. Taishida Chapman
May 6, 2015
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assessment model has been adopted by NJ Transit for use by all IOMs. Our fraud risk assessment model starts with obtaining an understanding of the scope and nature of the HBLR Project and the controls, policies and procedures that are maintained by Twenty First Century Rail Corporation (“TFCRC”) and other third party vendors/contractors to identify and address potential fraud, waste, corruption, abuse and/or criminal activity schemes. After considering these data points, EisnerAmper will apply its fraud risk assessment model to identify and prioritize the areas that represent the greatest fraud risk to NJ Transit and develop integrity monitoring plans that respond to those risks.

- **Engagement Team.** Our engagement team will be led by the professionals at EisnerAmper. The professionals at EisnerAmper have extensive experience in integrity monitoring, conducting audits, forensic investigations and implementing fraud risk assessments and creating risk assessment matrices for construction projects, including the NJ Transit Program-Wide Fraud Risk Assessment. Our team will be supplemented and enhanced by Talson Solutions LLC (“Talsen”), Chadbourne & Parke LLP (“Chadbourne”), and Stumar Investigations (“Stumar”).

We believe that we have assembled a team with the prerequisite knowledge, experience and abilities to perform the services you have outlined in the HBLR Project RFP. Thank you again for this opportunity to submit our proposal. We look forward to discussing our approach and process with you in further detail.

Sincerely,



David A. Cace
Partner



Tim Van Noy
Director

II. QUALIFICATIONS OF INDIVIDUALS

The EisnerAmper proposal team is comprised of industry leaders in the applicable areas of fraud risk and internal control assessments, fraud prevention and detection, construction and engineering audit, forensic accounting, internal audit, and legal compliance.

1. EisnerAmper (Primary Consultant):

David A. Cace, CPA – Mr. Cace is a senior partner in EisnerAmper’s Forensic, Litigation and Valuation Services Group. He has over 35 years of accounting, auditing, financial reporting, forensic investigation, internal control design, monitoring and implementation experience in a wide variety of industries that have ranged in size from small entrepreneurial companies to Fortune 100 companies. Mr. Cace has extensive monitorship experience, serving as the partner-in-charge of the AIG and Symbol monitorships in the private sector and the NJ Transit Program-Wide Fraud Risk Assessment – Phase I project in the public sector.

Tim Van Noy, CPA, CFE – Mr. Van Noy is a director with extensive experience in construction disputes, damage measurement, forensic accounting and investigations. Mr. Van Noy has over 30 years of experience in the construction industry on a wide variety of domestic and international projects including: highway, bridge and dam construction; electrified and commuter rail projects; commercial, industrial and institutional building construction and renovation; utility and cogeneration projects; and shipbuilding. Most recently, Mr. Van Noy served as the lead project manager on the NJ Transit Program-Wide Fraud Risk Assessment – Phase I project.

Elliott C. Lee, CPA, CFE – Mr. Lee, a partner in EisnerAmper’s Forensic, Litigation and Valuation Services Group, has established a reputation as a project manager capable of overseeing and managing large, complex engagements. He has served as a primary project manager on the internal controls monitorship of AIG and has lead and executed numerous fraud and forensic investigations working directly with the New York State Attorney General. His recent engagements include the NJ Transit Program-Wide Fraud Risk Assessment – Phase I project. His experience includes creating workplans and procedures to identify instances of fraud and fraud schemes and developing and implementing monitoring programs.

2. Talson (Subconsultant and DBE):

Robert S. Bright – Mr. Bright, Principal, is a former Director with PricewaterhouseCoopers LLP’s Construction Consulting practice. He has conducted construction audits, compliance reviews, developed internal audit plans for multi-billion dollar capital programs, performed investigations, conducted risk assessments, managed diversity monitoring and compliance programs, and has served as a testifying expert. Mr. Bright is a frequent speaker on “Construction Auditing” for private entities and professional organizations such as the Association of Healthcare Internal Auditors and the Institute of Internal Auditors.

Branden Grove, CCA, PMP – Mr. Grove, Project Manager, was formerly with AECOM and Deloitte Consulting and has experience in cost estimating, litigation support, risk management, project management, and project controls. Mr. Grove is a Certified Construction Auditor and Project Management Professional and has provided an array of project and risk management services, including financial oversight and dispute resolution services to clients with capital improvement programs in the transportation, government, retail, energy, healthcare, and commercial development industries for major capital projects.

Martin Izaak – Mr. Izaak, Project Manager, has significant experience in program/construction management and has worked extensively on major capital construction and infrastructure projects, including rail transportation, roadways, bridges and tunnels. Mr. Izaak's former employers include Urban Engineers of New York, Fluor, Integral Construction of New York, and the Port Authority of New York and New Jersey. His experience also includes projects involving the design and construction of rail facilities, airports, nuclear and fossil fuel power plants, and rehabilitation of multiple-dwelling units.

3. Chadbourne (Subconsultant):

Keith M. Rosen – Mr. Rosen, a partner in Chadbourne's White Collar Defense, Regulatory Investigations and Litigation Group, has spent over ten years conducting investigations, litigating and supervising federal cases with the United States Department of Justice. In private practice, Mr. Rosen has counseled clients on the development and implementation of gold standard anti-corruption compliance programs. Mr. Rosen has handled a wide range of subject matters as both a prosecutor and defense counsel, including financial institution fraud, securities fraud, public corruption, export enforcement, tax fraud and economic espionage.

Jacob S. Falk – Mr. Falk is in the Project Finance group in Chadbourne's Washington D.C. office. He represents clients in the development and financing of infrastructure projects, including U.S. transportation projects. Jake recently served in the Office of the U.S. Secretary of Transportation as the Director of the Office of Infrastructure Finance & Innovation, where he focused on the development of innovative grant and credit assistance programs. At the USDOT, Jake was very involved in the implementation of the American Recovery and Reinvestment Act of 2009 ("ARRA"). He was instrumental in establishing and managing the \$3.6 billion TIGER Discretionary Grant Program, a unique portfolio of performance-based USDOT investments in highway, transit, rail and port projects, which was initially established and funded through ARRA. Jake has developed considerable experience and knowledge of the transportation needs and priorities of communities across the country and efforts to incorporate resiliency and sustainability in the repair, replacement or expansion of transportation facilities and networks and in the development of major projects and capital programs.

4. Stumar (Subconsultant):

Stuart Drobny – *Mr. Drobny* is a highly acclaimed investigator recently named the “William O’Neil Investigator of the Year” by the New Jersey Licensed Private Investigators Association and awarded the prestigious “Best Of” designation by The Legal Intelligencer, the oldest law journal in the country. Mr. Drobny provides a wide array of investigative services to clients nationwide, most notably in the areas of intellectual property fraud and anti-counterfeiting, insurance defense and claims, civil litigation and litigation support, financial fraud and labor, employment and family law.



DAVID A. CACE
PARTNER
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212.891.4024

CERTIFICATIONS

Certified Public Accountant (CPA)

PROFESSIONAL AFFILIATIONS

American Institute of Certified Public Accountants (AICPA)

New Jersey State Society of CPAs (NJSSCPA)

Adjunct Instructor – New York University

David A. Cace is a partner in EisnerAmper's Forensic, Litigation and Valuation Services Group and is the firm's advisor on audit and statistical sampling matters. He has over 35 years of accounting, auditing, financial reporting, forensic, and internal control design and implementation experience in a wide variety of industries that have ranged in size from small entrepreneurial companies to Fortune 100 companies, including specialized industries such as insurance, electric utilities, casinos, and claims processing, verification and management. He is a former member of the SEC Practice Section Executive Committee, the AICPA's most senior committee providing guidance to member accounting firms practicing before the Securities and Exchange Commission prior to the creation of the Public Company Accounting Oversight Board and has served on various SEC-related task forces.

Prior to devoting his full time to litigation consulting and forensic accounting matters, Mr. Cace was a member of EisnerAmper's Professional Practice Group where he was involved in all aspects of the Firm's audit practice including technical research, writing quality control policies and procedures and performing pre-issuance financial statement reviews.

WORK EXPERIENCE

Prior to joining EisnerAmper, Mr. Cace was an audit partner and technical review partner at two other major accounting firms. Previously, Mr. Cace was in the national office of a Big Four accounting firm working on national audit practice projects, including serving as a contributing author and the final technical reviewer of the tenth edition of *Montgomery's Auditing*. He was also a national consultant on electric utility accounting issues.

EDUCATION

St. Peter's University, Bachelor of Science Degree in Accounting

PUBLICATIONS

Reporting on Controls at a Service Organization, *EisnerAmper Trends & Developments*, 2012 and *Metropolitan Corporate Counsel*, 2012

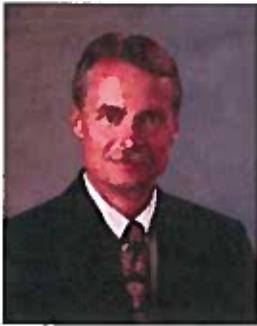
What a Buyer Must Know About Sarbanes Oxley, *Mergers & Acquisitions*, 2003

No Wiggle Room with Sarbanes Oxley, *Mergers & Acquisitions*, 2003

Contributing author to the Internal Control chapters of *Montgomery's Auditing*

Foreword to *Statistical Techniques for Forensic Accounting* by Saurav Dutta, Ph.D., 2013

A Brief History of Derivatives and Risk – From Aristotle to Merchant of Venice to Richard Nixon, *Eisner Trends & Developments*, April 2001



TIM VAN NOY
DIRECTOR
TIMOTHY.VANNOY@EISNERAMPER.COM
215.881.8118

CERTIFICATIONS

- Certified Public Accountant (CPA)
- Certified Fraud Examiner (CFE)
- Certified in Financial Forensics (CFF)

PROFESSIONAL AFFILIATIONS

- American Institute of Certified Public Accountants (AICPA)
- PICPA
- NACVA
- Association of Certified Fraud Examiners (ACFE)

Tim Van Noy is a director at EisnerAmper with extensive experience in construction disputes, damage measurement, forensic accounting and investigations. He has testified as an expert witness in civil and criminal matters in state and federal courts.

Mr. Van Noy has over 30 years of experience in the construction industry on a wide variety of domestic and international projects including: highway, bridge and dam construction; electrified and commuter rail projects; commercial, industrial and institutional building construction and renovation; utility and cogeneration projects; and shipbuilding. On these projects, he has audited construction costs and change order requests, analyzed damage claims, conducted procedures and controls reviews and investigated fraud. He has assisted the U.S. Department of Justice in criminal and civil false claims investigations and has investigated fraud allegations for private owners.

Mr. Van Noy has presented to various professional groups, governmental agencies and private companies on topics related to construction damages and investigating fraud and corruption on major infrastructure projects and the Foreign Corrupt Practices Act.

WORK EXPERIENCE

Prior to joining the firm, he spent 10 years managing his own consulting practice. He is a former partner with Price Waterhouse LLP and has served as the chief financial officer for an infrastructure design and construction management corporation. He has also functioned as an owner's representative on construction projects, designed electrical systems for Navy ship overhauls and spent several years working in the construction trades.

EDUCATION

- Old Dominion University – Bachelor of Science Degree in Accounting, 1985.

OTHER

- LaSalle University Institute of Fraud and Forensic Accounting adjunct professor, 2010 - 2012.



ELLIOTT C. LEE
PARTNER
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CERTIFICATIONS

Certified Public Accountant (CPA)
Certified Fraud Examiner (CFE)

PROFESSIONAL AFFILIATIONS

American Institute of Certified Public Accountants (AICPA)
New York State Society of CPAs (NYSSCPA)
Association of Certified Fraud Examiners (ACFE)
Adjunct Instructor – New York University

Elliott C. Lee is a partner in the Forensic, Litigation and Valuation Services Group. Throughout his career with the firm, he has provided consulting services for cases involving small and large companies and not-for-profit organizations as well as individuals. His engagements cover a variety of areas including fraud investigations, auditing malpractice and damage analysis. While at EisnerAmper, Mr. Lee has established a reputation as a project manager capable of overseeing and managing large, complex matters. He has served as the primary project manager on the internal controls monitorship of AIG, which included coordination with executives at AIG on the development, execution and implementation of remediation plans focused on accounting policies, financial reporting and material weaknesses and significant deficiencies in internal control.

Mr. Lee has led and executed numerous fraud and forensic investigations for various entities during his career at EisnerAmper. His experience includes working directly with the New York State Attorney General's Charities Bureau.

RELEVANT CASE EXPERIENCE

Lead project manager in the review and assessment of internal controls at AIG to determine best practice recommendations and oversaw the implementation of those recommendations.

Lead the forensic investigation of a charitable organization to conduct a full forensic examination of all cash disbursements made from a segregated, government funded account over a three year period to determine if any fraudulent transactions occurred. During the engagement, he identified various weaknesses in the organization's internal controls and provided recommendations to assist in the implementation of best practices.

WORK EXPERIENCE

Mr. Lee's past experience spans both public and private accounting including auditing, mergers & acquisition due diligence consulting and corporate controllership in a large multinational corporation. Prior to joining EisnerAmper, he was a manager in the Corporate Controllershship Department of American Express. Prior to that he was a Senior Consultant in the Forensic Investigations and Litigation Services Group of RSM McGladrey, Inc. Mr. Lee began his career with Deloitte & Touche where he worked on audits of broker-dealers and commercial banks.

EDUCATION

New York University, Leonard N. Stern School of Business –
Bachelor of Science Degree in CPA Accounting and Finance

PUBLICATIONS

"The Business of Sports"- February 2014 issue of The Metropolitan Corporate Counsel

Robert S. Bright
President/Founder



Talson Solutions, LLC
306 Market Street, Fourth Floor
Philadelphia, PA 19106

EXPERIENCE

- 33 Years
- PricewaterhouseCoopers, Director
- Exxon Corporation, Senior Engineer

EDUCATION

MBA, Finance, The Wharton School,
University of Pennsylvania,

B.S., Mechanical Engineering,
Rensselaer Polytechnic Institute

AFFILIATIONS

- Board of Trustees, Integrity and Compliance Committee Member, Mercy Health System, Trinity Health
- Institute of Internal Auditors
- Association of Healthcare Internal Auditors
- Association of College and University Auditors
- Rebuilding Together Philadelphia, Board of Directors
- Greater Philadelphia Chamber of Commerce
- Greater Philadelphia Hispanic Chamber of Commerce

AWARDS

2014 Minority Business Leader Award, Philadelphia Business Journal

2004 Recipient of President's USA Freedom Corps Award for Volunteer Service

RECORD OF PROFESSIONAL EXPERIENCE

Mr. Bright has 33 years of capital project consulting and financial experience in the design, development and execution of domestic U.S. and international capital projects. His experience includes auditing, budgeting, project control, quality auditing, contract development, estimating, forecasting, material management, procurement, readiness review, and the reporting of capital projects. Mr. Bright has testified as an expert witness on engineering and construction labor inefficiency and the verification of allowable cost using the Federal Acquisition Regulation as the evaluation guideline.

Project Specific Information:

New Jersey Transit

Principal: Providing integrity oversight monitoring services for the Superstorm Sandy Recovery and Resiliency Program. Services include Disadvantaged Business Enterprise verification and monitoring of contract compliance and deliverables, cost analysis and financial evaluation, and contract risk assessment.

Port Authority of Allegheny County

Engagement Director: Reporting to the General Counsel, conducted readiness review of \$530 million North Shore Connector Project, Light Rail Transit System focusing on risk identification and program integrity. Evaluated compliance to the Project Management Plan. Led quality audit reviews for the implementation of the approved Quality Assurance Guidelines.

Pennsylvania Turnpike Commission

Engagement Director: Conducted construction contract audits inclusive of evaluating contractor compliance, project management oversight and inspection services, appropriateness of change orders, and evaluation of Prevailing Wage compensation activities.

Canal de Panamá

Partner in Charge: Provided construction audit planning and consulting services for various scopes of work for the \$5.2 billion expansion program for the Office of Inspector General. Services include business process and controls review for the Third Set of Locks contract, project team readiness, audit planning and review, construction audit training, project reporting and management system review, vendor reviews, and staff assessments and organization analysis.

Commonwealth of Pennsylvania, Department of General Services

Project Executive: Reporting to the Secretary of the Department of General Services, reviewed land acquisition and construction site costs, and participated in monthly progress meetings with design, construction management and owner personnel for the development of the \$750 million Pennsylvania Convention Center Expansion.

One World Trade Center/Integrity Monitoring

Cost Analyst: Provided cost analysis and other consulting services focused on detecting and reporting fraud, waste and abuse to the Office of the Inspector General. Monitored contractors' compliance and procurement practices and reviewed applications for payment processes and submittals.

TALSON SOLUTIONS, LLC

306 Market Street, 4th Floor
Philadelphia, PA 19106

EXPERIENCE

- 15 Years
- Talson Solutions, LLC, Manager (2012-Present)
- AECOM Technology Corporation, Cost Consultant (2011-2012)
- Deloitte Financial Advisory Services LLP, Manager (2002-2010)
- The Burns Group, Staff Engineer (2000-2002)

EDUCATION

MBA, Strategic Management and Finance Villanova University, 2012

B.S., Architectural Engineering Drexel University, 2000

AFFILIATIONS

- National Association of Construction Auditors (NACA)
- ACE Mentor Program of Eastern PA
- Project Management Institute
- Delaware Valley Green Building Council
- Drexel University Athletic Club Advisory Committee

ACCREDITATION

- Certified Construction Auditor (CCA), 2013
- Project Management Professional (PMP), 2013

RECORD OF PROFESSIONAL EXPERIENCE

Mr. Grove is experienced in capital project consulting, risk management, project management, and project controls. Mr. Grove has provided an array of project and risk management services, including financial oversight and dispute resolution services, to clients with capital improvement programs in the commercial development, education, energy, government, healthcare, retail and transportation industries.

Mr. Grove held positions as a construction consultant, a capital projects manager, and as a mechanical engineer. Primary responsibilities included project control oversight, risk management, dispute resolution, project cost analysis, change order evaluation, construction claims management, cost auditing, process improvement, and financial oversight for major capital projects in the United States and internationally.

Project Specific Information:

New Jersey Transit

Project Manager: Providing integrity oversight monitoring services for the Superstorm Sandy Recovery and Resiliency Program. Services include Disadvantaged Business Enterprise verification and monitoring of contract compliance and deliverables, cost analysis and financial evaluation, and contract risk assessment.

Port Authority of Allegheny County

Engagement Manager: Conducted quality audits to ensure contractor activities are performed to meet Port Authority, Federal Transit Administration and industry quality guidelines. Activities included quality documentation review, contractor/subcontractor quality audit report tracking, compliance to contract quality plans and quality assurance reviews for the automated fare collections systems.

Pennsylvania Turnpike Commission

Engagement Manager: Conducted construction contract audits inclusive of evaluating contractor compliance, project management oversight and inspection services, appropriateness of change orders, and evaluation of Prevailing Wage compensation activities. Reviewed project documentation for compliance to policies and procedures, scope of work, and contract deliverables to mitigate risk to project budgets and schedules.

Canal de Panamá

Senior Associate Consultant: Assisting the Office of Inspector General in conducting audits of the quality management and safety systems in place for the Third Set of Locks project as a part of the Panama Canal Expansion program.

Temple University:

Engagement Manager: Assessed subcontractor claim documentation relating to extended costs for a facilities renovation and expansion project. Evaluated terms and conditions of contract agreement, schedule and change orders including basis for change, hourly wage rates, equipment rentals, general conditions, and mark-ups. Provided a comprehensive analysis to the Office of University Counsel.

Martin Izaak



Talson Solutions, LLC

14 Penn Plaza, 9th Floor
New York, NY 10122

EXPERIENCE

- 43 Years
- Urban Engineers of New York, Sr. Project Management Consultant
- Fluor, Sr. Project Manager
- Integral Construction of NY, Project Director
- Port Authority of New York and New Jersey, Project Manager
- Triborough Bridge & Tunnel Authority, Construction Manager
- NYC Housing Preservation & Development Agency, Director of Construction Management
- New York Power Authority, Supervisor

EDUCATION

MBA, Engineering Management, Long Island University

B.S., Electrical Engineering, New York Institute of Technology

CERTIFICATIONS

Project Management, Harvard University

AFFILIATIONS

- Construction Panel, American Arbitration Association
- Institute of Electrical & Electronics Engineers
- Society of American Military Engineers
- Claims & Litigation Management Alliance Construction Committee
- Construction Management Association of America

RECORD OF PROFESSIONAL EXPERIENCE

Mr. Izaak has 43 years of experience as a project management professional, specializing in program/construction management, analyzing delay claims, reviewing critical path method schedules, directing professional staff, and interfacing with owners, architects, engineers, consultants, construction managers, and contractors. Mr. Izaak is skilled in resolving disputes among owners and contractors on capital projects.

Mr. Izaak worked extensively on major capital construction and infrastructural projects, including rail transportation, roadways, bridges and tunnels. He also gained experience with projects involving the design and construction of nuclear and fossil fuel power plants, high voltage transmission lines, large and small hydroelectric plants, desalination plants, computer facilities, gut rehabilitation of multiple-dwelling units, airports, and rail facilities.

Project Specific Information:

New Jersey Transit

Program Manager: Providing integrity oversight monitoring services for the Superstorm Sandy Recovery and Resiliency Program. Services include Disadvantaged Business Enterprise verification and monitoring of contract compliance and deliverables, cost analysis and financial evaluation, and contract risk assessment.

Professional Experience:

Urban Engineers of New York

Transportation Senior Project Management Lead Oversight Consultant; Various Projects: Served as an extension of the FTA's Region II technical staff in assessing the grantee's project management, construction management, and technical capacity for building major capital projects. Prepared monthly progress reports and examined the adherence to the approved Project Management Plan (PMP), and the Construction Management Manual. Assisted in developing and executing the first Risk Analysis for the East Side Access project in New York, NY and the updated Risk Analysis/Mitigation Plan.

Fluor Corporation

Senior Project Manager; Various Projects: Performed the oversight function for federally funded capital construction projects of the NYC Metropolitan Transportation Authority's Long Island Rail Road approximately \$150 million annually and the East Side Access project estimated at \$6.7 billion. Responsibilities included interfacing with the agency's management to develop procedures for monitoring the capital construction programs in order to meet the federal guidelines. Additionally, served as the Area Program Manager for constructing the new East and West Concourses at JFK's International Airport Terminal 4, a \$400 million project.

Port Authority of New York and New Jersey

Project Manager: Responsible for the safe demolition and removal of the original Air Traffic Control Tower at JFK International Airport.

KEITH M. ROSEN



PARTNER

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Practice Areas

Commercial Litigation
Securities Litigation and
Regulatory Enforcement
White Collar Defense,
Regulatory Investigations
and Litigation
Litigation
Appellate

Regions

North America
United States

Admissions

2006 District of Columbia
1997 Pennsylvania
1998 U.S.D.C. - E.D. Pa.
1998 U.S. Ct. App. - 3rd Cir.

Practice Description

Keith M. Rosen is an experienced trial and appellate advocate who spent over ten years conducting investigations, litigating and supervising federal criminal cases with the United States Department of Justice. He has worked extensively on matters involving federal law enforcement agencies, the Securities and Exchange Commission, as well as other federal and state regulatory agencies. Mr. Rosen has successfully tried numerous complex criminal cases and has briefed and argued many federal appellate matters.

He has handled a wide range of subject matters as both a prosecutor and defense counsel, including financial institution fraud, securities fraud, public corruption, export enforcement, tax fraud and economic espionage. He has also represented public and private corporations and their chief executives, in connection with Congressional investigations. In addition, he has provided strategic advice on patent matters pending trial in the United States District Court for the District of Delaware.

Mr. Rosen's current practice focuses on civil and criminal litigation, special investigations, regulatory compliance and enforcement.

Representative Matters

- Represented multiple corporations in connection with Congressional investigations into the administration of the Department of Energy's loan guarantee program.
- Advised Turkish corporation on anti-corruption and corporate governance issues.
- Advised South American consumer products company on U.S. export control issues.
- Representing foreign corporation in connection with civil asset forfeiture complaint.
- Represented AIPAC lobbyist charged under the Espionage Act.
- Represented private corporation in connection with public corruption investigation.
- Represented domestic energy company in connection with multi-jurisdictional securities fraud investigation concerning the sale of oil and gas prospects.
- Represented individual defendant charged with federal tax evasion and fraud offenses.

As the Chief of the Criminal Division for the United States Attorney's Office for the District of Delaware, Mr. Rosen managed the legal work of the Criminal Division and supervised all appeals in criminal cases before the United States Court of Appeals for the Third Circuit. He also coordinated the District's Anti-Terrorism Advisory Committee. His work as an Assistant United States Attorney included the following:

- Prosecuted one of the early cases under the Economic Espionage Act, involving theft of proprietary pricing trade secret information.
- Conducted securities fraud investigation involving manipulation of the over-the-counter stock market.
- Investigated and prosecuted insider trading case against network security manager of major corporate law firm.
- Prosecuted multi-million dollar fraud case involving small-business credit operations of major U.S. financial institution.
- Prosecuted fraud case involving syndicated loan operations of major U.S. financial institution.
- Conducted public corruption investigation and trial of president of municipal services organization.

Activities and Affiliations

- As an Assistant United States Attorney, Mr. Rosen was a member of the U.S. Department of Justice Securities and Commodities Fraud Working Group and a participant in the SEC Mid-Atlantic Regional Enforcement Conference.

Publications

- "Brazil Kicks Off New Year with Clean Companies Act," *Client Alert*, February 24, 2014

Education

Brown University, A.B., *magna cum laude*, 1993

Yale Law School, J.D., Senior Editor, *Yale Law Journal*, 1997

Professional Background

Law clerk to the Honorable Edward R. Becker, United States Court of Appeals for the Third Circuit, 1997-1998

Assistant United States Attorney, Criminal Division, United States Attorney's Office for the District of Delaware, 1999-2005

Chief, Criminal Division, United States Attorney's Office for the District of Delaware, 2007-2012



JACOB S. FALK

COUNSEL

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online www.chadboume.com/jfalk

Practice Areas Project Finance

Industries
Transportation
Energy
Renewable Energy

Regions
North America
United States

Admissions
2005 District of Columbia
2003 New York

Practice Description

Jake Falk represents clients in the development and financing of infrastructure projects in the United States and abroad. His practice focuses on structuring and negotiating concession and financing arrangements for the development of new projects and the refinancing or acquisition of existing facilities. Jake recently served in the Office of the U.S. Secretary of Transportation as the Director of the Office of Infrastructure Finance & Innovation where he advised on matters related to transportation financing, including public-private partnerships (PPPs). At the U.S. Department of Transportation (USDOT) Jake was involved in the development and administration of innovative credit assistance and grant programs, such as the TIFIA, PABs, and TIGER programs.

Representative Matters

- Served as Director of the Office of Infrastructure Finance & Innovation and advised the USDOT on:
 - The expansion of the TIFIA (Transportation Infrastructure Finance and Innovation Act) program for FYs 2013 and 2014, which will provide up to \$17 billion of financing for such years.
 - Management of the PABs (Private Activity Bonds) program which allocates \$15 billion in tax-exempt financing authority for eligible surface transportation projects and freight transfer facilities.
 - The utilization of Federal credit assistance programs, including TIFIA, PABs and RRIF (Railroad Rehabilitation and Improvement Financing).
 - Management of the \$3.6 billion TIGER Discretionary Grant Program, a unique portfolio of performance-based USDOT investments in highway, transit, rail, and port projects.
 - Implementation of the PPP provisions in the 2012 surface transportation reauthorization bill known as MAP-21, including the development of best practices and model PPP contracts.
 - Proposals for reauthorization of the federal government's surface transportation programs and proposals for the development of a National Infrastructure Bank.
 - Implementation of discretionary grant programs managed by USDOT, such as the High Speed and Intercity Passenger Rail Program and the New Starts Transit Capital Program.

- Representation of a company formed by Brisa and CCR in connection with the concession to operate and maintain the Northwest Parkway Toll Road in Colorado and related financings. This deal was honored as "North American Transport Deal of the Year" for 2007 by *Project Finance* magazine.
- Representation of a consortium bidding for the concession to develop, design, construct, finance, operate and maintain the Port of Miami Tunnel Project.
- Preparation of a report and analysis for a consortium of companies regarding the U.S. toll road industry.
- Representation of an international geothermal energy developer on an initial public offering and listing on the NY Stock Exchange, and on a \$165 million refinancing of power projects through issuance of senior secured notes under Rule 144A and Regulation S.
- Representation of a bank on the financing of a portfolio of landfill gas-to-energy projects.
- Representation of multilateral and government-sponsored lenders on project financings.

Publications

- "P3 Update: TIFIA Program Developments (Special Update)," *Client Alert*, August 5, 2013
- "More Tolls on Interstate Highways?," *Project Finance NewsWire*, November 2006
- "Toll Road Update - State Developments and Private Activity Bonds," *Project Finance NewsWire*, March 2006
- "Toll Road Update - Looking Ahead to 2006," *Project Finance NewsWire*, January 2006
- "Toll Road Update - NAFTA Traffic," (co-author), *Project Finance NewsWire*, October 2005
- "Toll Road Update - State PPP Projects," [Reprinted in *Project Finance* magazine, October 1, 2005, as "Mix and Match"], *Project Finance NewsWire*, August 2005
- "Toll Road Update - New Legislation," [Portion reprinted in *EuroWatch*, June 15, 2005, as "Toll Roads in the EU"], *Project Finance NewsWire*, June 2005
- "Toll Road Update - US Federal and State Initiatives," *Project Finance NewsWire*, April 2005
- "Private Involvement in U.S. Roads," (co-author), *Project Finance International*, September 2004

Speeches and Events

Jake participates in a variety of conferences and industry events, and as Director of the Office of Infrastructure Finance & Innovation Jake regularly represented DOT as a speaker or presenter, and in meetings with stakeholders, including Congress, state and local governments, and the private sector.

Education

Yeshiva University, B.A., *cum laude*, 1999

Fordham University School of Law, J.D., 2002

STUART DROBNY
STUMAR INVESTIGATIONS
SDROBNY@STUMARINV.COM

PROFESSIONAL AFFILIATIONS

- New Jersey Licensed Private Investigators Association (NJLPPIA) - Executive Board Member and Treasurer
- Pennsylvania Association of Licensed Investigators (PALI)
- National Association of Investigative Specialists (NAIS)
- National Council of Investigation & Security Services (NCISS)
- International Anti-Counterfeiting Coalition (IACC)
- International Intelligence Network (INTELNET)
- World Association of Detectives (WAD)

Stuart Drobny has over 25 years of experience as an investigator. Mr. Drobny founded the firm Stumar Investigations, which provides a wide array of investigative services to clients nationwide, most notably in the areas of intellectual property fraud and anti-counterfeiting, insurance defense and claims, civil litigation and litigation support, financial fraud and labor, employment and family law

Mr. Drobny has been a speaker at numerous seminars, including those sponsored by the Pennsylvania Bar Association (PBA), the Department of Homeland Security, the Philadelphia District Attorney's Office, INTELNET, IACC, the Imaging Supply Coalition (ISC) and the World Investigators Conference.

RELEVANT CASE EXPERIENCE

Mr. Drobny conducted a federal investigation along with the Joint Terrorism Task Force (JTTF) involving the sale of stolen prepaid cellular phones that led to the arrest of 26 alleged Hezbollah operatives and sympathizers. His efforts in that case resulted in him being honored in 2010 by the Federal Bureau of Investigations (FBI) for helping to disrupt a counterfeit goods operation with links to terrorism in the Middle East.

Mr. Drobny collaborated with the Pennsylvania General Assembly, resulting in the recent passage of a new Trademark Counterfeiting Statute, 18 Pa.C.S. § 4119, that serves to criminalize the sale of counterfeit goods in Pennsylvania.

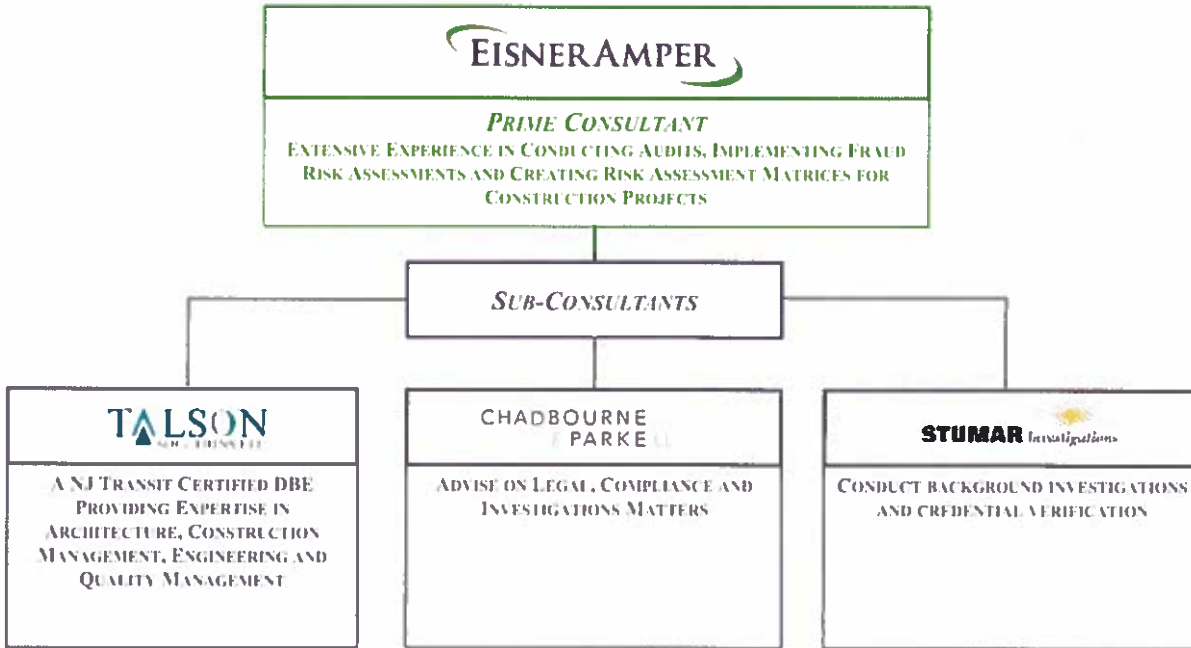
Mr. Drobny's firm, Stumar, also works with the U.S. Immigration and Customs Enforcement (ICE), postal inspectors and state and local law enforcement on various client matters.

EDUCATION

- Temple University, Bachelor of Science in Political Science and Government

III. QUALIFICATION OF FIRMS AND RELATED EXPERIENCE

The following figure illustrates our project organizational structure:



Our team is led by the accounting and consulting firm of EisnerAmper LLP. EisnerAmper brings significant experience in providing integrity monitoring, fraud risk assessments, fraud prevention and detection, forensic accounting and internal and external audit services on construction projects. For over 50 years, EisnerAmper has been at the forefront of regulatory and compliance issues, fraud prevention and detection and internal auditing.

EisnerAmper's professionals will be supplemented and supported by sub-consultants that possess specialized technical knowledge, contribute various perspectives and bring expertise in various fields.

- **Talson Solutions.** The professionals at Talson bring over 200 combined years of domestic and international design and construction industry experience that joins auditing, financial and technical expertise with a thorough understanding of capital program development. Talson is a certified Disadvantaged Business Enterprise (DBE) by the Southeastern Pennsylvania Transportation Authority (a Certifying Partner in the Commonwealth of Pennsylvania Unified Certification Program in Talson's home state), the Metropolitan Transportation Authority (a Certifying Partner in the New York State Unified Certification Program) and a certified Minority Business Enterprise (MBE) by the Port Authority of New York and New Jersey. Additionally, Talson is a certified DBE by NJ Transit. With diverse backgrounds in accounting, architecture, construction management, engineering,

finance and quality management, Talson staff have served the transportation, public works/ infrastructure, education, commercial real estate, healthcare and retail industries in the domestic United States and internationally.

- **Chadbourne & Parke.** Our team also includes attorneys at the firm of Chadbourne, which provides our team a unique perspective from the legal compliance and investigations standpoint. Chadbourne brings a considerable depth of experience to the management and oversight of large public development projects and understands the efficiencies and best practices related to integrity monitoring. The attorneys at Chadbourne will provide advice throughout the fraud risk assessment process and during our monitoring procedures on legal and regulatory implications that are applicable to the contract and various fraud risks identified. Additionally, the HBLR Project RFP makes reference to “hotlines” for reporting fraud and abuse that has been created by the NJ Office of the Attorney General. The attorneys at Chadbourne are well qualified to assist in reviewing any relevant reports that are received through the “hotline” to determine whether those reports affect our monitoring efforts and risk assessment.
- **Stumar Investigations.** As a leading provider of private investigative services in New Jersey, Stumar specializes in providing background and credential verification, surveillance and business intelligence. Throughout our fraud risk assessment process and implementation of our monitoring program, the professionals at Stumar will assist with conducting employee background verification procedures, site checks, licensing and permit checks and covert observations of site activity as necessary.

IV. TEAM ORGANIZATION AND RESOURCE ALLOCATION

The following figure illustrates our Engagement Team’s management and reporting structure:



A. Resource Allocation and Certification of Availability

EisnerAmper maintains full time offices throughout the Tri-State area and Philadelphia. Our geographic locations are perfectly situated to quickly mobilize our team and to have the necessary presence both at NJ Transit headquarters as well as in the field. We have major offices in Metropark, New Jersey (350 employees), New York City (590 employees) and Philadelphia (150 employees). In total, we have approximately over 1100 employees within an 80 mile radius of NJ Transit’s headquarters and we are conveniently located within minutes of the Northern, Central and Southern regions of New Jersey.

EisnerAmper and the proposed Engagement Team have the availability, capacity and staff resources to provide IOM services for the HBLR Project as well as any future Work Authorizations issued by NJ Transit. We certify that the key personnel of EisnerAmper illustrated above will be a committed resource, responsible for delivering on execution of services for the HBLR Project. In no event will any of the key personnel presented be removed from the Engagement Team without written approval by NJ Transit. Should any of the key personnel noted within this proposal leave EisnerAmper during the HBLR Project, NJ Transit will be notified in writing within five business days of such person's departure. In addition, EisnerAmper certifies that it will manage subconsultants during the engagement to ensure that their personnel and staff will be available for the duration of the project.

B. DBE Identification

The EisnerAmper team recognizes the importance of meeting the stated DBE goal that has been assigned to this project. As noted above, the EisnerAmper team is supported and supplemented by Talson in all aspects of this proposal. Talson is a certified DBE by NJ Transit.

C. Detailed Work Plan

Refer to Attachment 7 in Section 11 of this proposal.

V. TECHNICAL PROPOSAL

EisnerAmper understands that NJ Transit is seeking integrity oversight and monitoring services for the HBLR Project. The HBLR Project contains the following elements:

- SANDY Dmg 05 HBLR 4 Track and ROW
- HBLR Vehicle Base Facility
- HBLR Signals and Communication Project
- HBLR Traction Power/Station Distribution Power Repairs Project

The following section sets forth our work plan to address each of the tasks described in the RFP.

TASK A – Monitoring Contractor/Vendor Compliance with Applicable Laws and Contract Requirements

TFCRC and the contractors, vendors and consultants involved with the HBLR Project must comply with the numerous contractual, legal and regulatory requirements of NJ Transit, the State of New Jersey and the Federal Government. During the initial fraud risk assessment stage of our work, we will identify and develop a separate compliance matrix of these contractual, legal and regulatory requirements for the parties involved with the HBLR Project. The EisnerAmper team has the ability to leverage the expertise and knowledge of the attorneys at Chadbourne to assist in this process.

The compliance matrix will be reviewed with IAD to obtain their input and approval. Once approved, the matrix will be used to develop specific, ongoing monitoring activities directed at ensuring that TFCRC and its contractors, vendors and consultants are in compliance with the contractual, legal and regulatory requirements of the HBLR Project and are completing and filing related reports with the appropriate agencies.

TASK B – Developing and Implementing Integrity Programs

Fraud prevention and mitigation begins with the contractor's, designer's or vendor's organization. An effective fraud, waste, corruption, abuse and/or potential criminal prevention and detection program has, at a minimum, the following basic components:

- The open and visible support of senior management;
- A robust code of conduct;
- Regular and documented training of staff on fraud identification and reporting specifically, and on the code of conduct, generally;

- Simple and clearly identified procedures for employees to report suspected fraud or violations of the code of conduct, including an anonymous reporting method such as a fraud hotline;
- Structured approach to investigating reported fraud allegations or violations of the code of conduct, including a process to inform the individual making the report of the investigation findings; and
- Clearly defined and enforceable consequences for code of conduct violations.

Our development and implementation of an integrity program will begin with a review and assessment of an organization's ethics policies and/or code of conduct. Next, we will conduct interviews of selected management personnel and staff to evaluate senior management's support of the policies and the awareness of the policies at all personnel levels. The output from this process will be:

- Recommendations for improvement to the organization's ethics policies and/or code of conduct;
- Assist NJ Transit with developing a program for facilitating the reporting of illegal and improper conduct. As noted above, our team consists of attorneys at Chadbourne who have extensive experience working with and analyzing relevant reports that are received through hotlines;
- Recommendations for enhancements to the organization's training materials and procedures;
- Identification of additional materials or processes to increase fraud awareness and facilitate fraud reporting; and
- Additional testing and monitoring activities to address weaknesses identified in the evaluation process.

We will also be prepared to conduct or assist NJ Transit IAD in conducting fraud, waste and abuse awareness training on an as requested basis. Training services will be priced separately, if requested, and are not included in our cost proposal for the HBLR Project.

TASK C – Conducting Background Checks, Review Documents and Investigations

1. Background Checks

Conducting background checks and/or surveillance of contractor, construction manager or TFCRC personnel who have the ability to influence contents of plans, specifications and contracts is also a crucial step in our investigation process. Supplemented by the expertise of our sub-consultant Stumar, the EisnerAmper team will carry out investigations of individuals as well

as businesses involved in the HBLR Project. Our process also includes a search for undisclosed ownership by NJ Transit and TFCRC personnel in potential bidders as well as undisclosed personal or familial relationships of NJ Transit and TFCRC personnel with potential bidders.

2. Reviewing and Testing Documents

a. Overview

We understand that the objective of oversight monitoring is to identify risk areas for fraud, waste, corruption, abuse and/or potential criminal activity and to develop procedures to efficiently and effectively remediate and/or mitigate those risks. Our comprehensive risk assessment and monitoring program is designed to consider the key risks identified through our fraud risk assessment process and develop specific monitoring procedures targeted at those risks.

Our program begins with an initial fraud risk assessment of TFCRC as well as the contractors and construction managers for the HBLR Project that meet the minimum statutory value threshold of \$2 million. The fraud risk assessment process is discussed in Task E below. The output of the initial fraud risk assessment is a fraud risk matrix of potential fraud schemes that are ranked based on the specific processes, procedures, internal controls and structure of the organization evaluated. From the identified risks and schemes documented in the fraud risk matrix, a customized monitoring program is developed for implementation.

The monitoring program is comprised of a variety of recurring and ad hoc activities, including but not limited to:

- Review of field, project and financial documentation;
- Testing of financial transactions related to labor, materials, equipment, subcontractors, field overhead, and home office overhead;
- HBLR Project site walk-throughs and field activity observations, including covert observations;
- Attendance at construction, design, scheduling and other HBLR Project related meetings;
- Testing and verification of field activity reporting and tracking documentation; and
- Verification and testing of the construction manager's documentation of HBLR Project work.

In addition, the monitoring program will establish measurable objectives and milestones to track progress and document our provision of services. Similar to our fraud risk assessment approach, our monitoring program is dynamic and continually reevaluated and updated based on our findings to ensure that the appropriate resources are properly allocated to perform detailed

substantive testing, forensic analysis, investigative procedures or any other required activity. Once our work programs have been fully developed and reviewed by NJ Transit IAD, our Engagement Team will immediately begin implementing our monitoring program for the HBLR Project.

b. Critical Fraud Risks Identified by EisnerAmper

Through the work that EisnerAmper performed in connection with the Program-Wide Fraud Risk Assessment our team identified that duplicate billings and costs shifting are fraud schemes that have a higher degree of risk in connection with the HBLR Project and therefore warrant specific monitoring procedures.

These two schemes are risk rated “High” due to the unique circumstances surrounding the operation of the HBLR line relative to the Superstorm Sandy Recovery Program (“SSRP”) funds. NJ Transit operates the HBLR line through a fixed-price Design Build Operate Maintain (“DBOM”) contract with TFCRC. TFCRC also receives change orders on its DBOM contract for certain equipment purchases under the Capital Asset Replacement Program and for certain repair, replacement and/or upgrade work. SSRP projects like the HBLR Project also represent work that will be invoiced separately and in addition to amounts invoiced under the DBOM contract. The ability of TFCRC to issue separate invoices for the DBOM contract work, change orders, and HBLR Project work creates a significant risk that TFCRC will invoice NJ Transit, either intentionally or inadvertently, for the same direct and overhead costs on multiple invoices. In addition, change orders and HBLR Project work provide an opportunity for TFCRC to shift unrecoverable costs from the DBOM contract to reimbursable work. Both of these schemes must be addressed in the IOM’s monitoring program.

c. Monitoring Activities

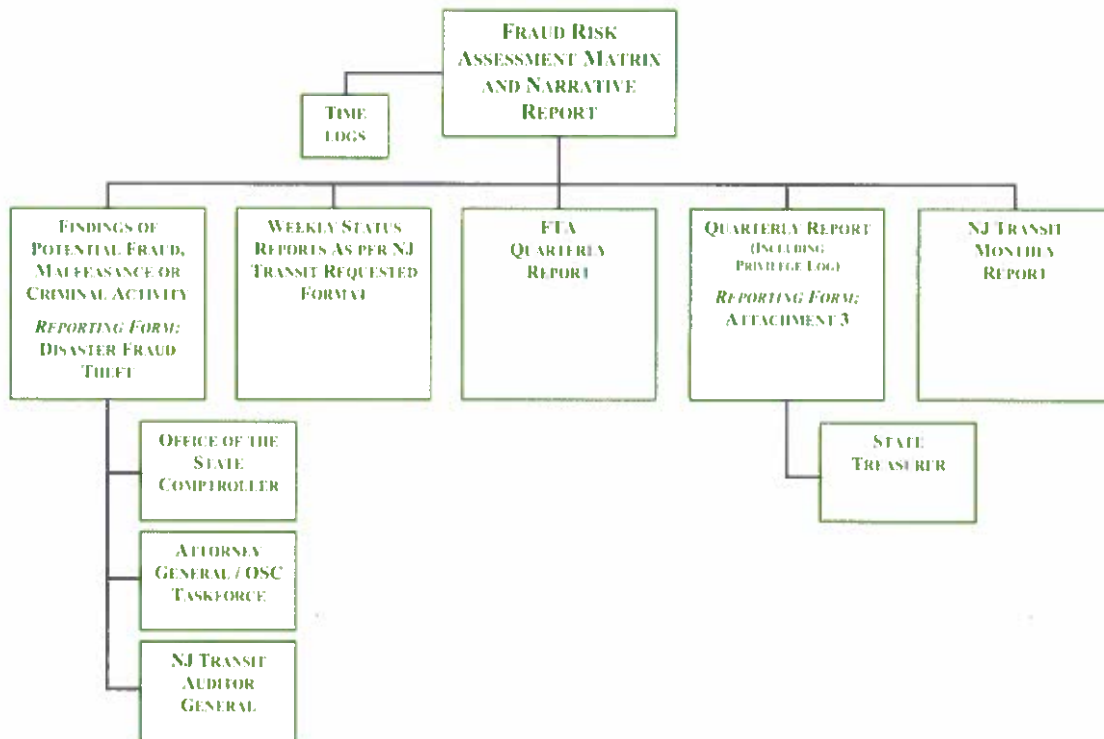
Although the specific monitoring programs and steps cannot be finalized until the fraud risk assessment is performed, the general monitoring activities include, but are not limited to:

- Conducting background checks;
- Review and testing of HBLR Project documents used to track and document construction;
- Review and testing of financial documents used to record HBLR Project costs;
- Review and testing of requisitions submitted for work performed;
- Review and assessment of change order requests and associated supporting documentation;
- Performing investigations and inquiries as dictated by findings from document reviews and testing;

- Conducting interviews of contractor, construction manager and TFCRC personnel responsible for managing HBLR Project activities and recording related costs;
- Conducting periodic job site walk-throughs and inspections;
- Performing periodic covert surveillance of project activity;
- Comparing and evaluating project and financial documents against information gained during job site walk-throughs, inspection and/or surveillance; and
- Observing selected job site activities during construction and project closeout.

TASK D – Reporting

Our fraud risk assessment matrix and the results derived from the related monitoring procedures and audit programs will serve as the foundation for the various reports and templates that are required to be completed. The illustration below outlines the various stakeholders and parties that we will be responsible for reporting.



The objective of our reporting procedures and work plan documentation is to provide NJ Transit access to critical information so that you are well informed and prepared for any meetings, including scheduled quarterly review meetings with the FTA for Major Capital Projects as well as special situation meetings. We will also ensure that NJ Transit has the information necessary to respond quickly to any inquiries, whether from the Government Accountability Office, the Department of Transportation’s Office of Inspector General, or other governmental agency or

committee. To the extent EisnerAmper identifies a finding through the course of our procedures, specific ad hoc reporting regarding such finding will be provided to NJ Transit on an as needed basis, separate from the periodic reports as noted above.

EisnerAmper's current practice is to maintain detailed time records that include information on the allocation of hours by staff including detailed time entries describing the scope and nature of the tasks performed by such staff. EisnerAmper will ensure that all sub-contractors provide the same level of detail in their time reporting. These records will be maintained by EisnerAmper in the form of Time Logs.

TASK E – Preparing and Maintaining a Fraud Risk Assessment

EisnerAmper will apply a risk-based management approach to the development and implementation of our monitoring program by first creating and developing a fraud risk assessment for the HBLR Project. EisnerAmper's fraud risk assessment takes a comprehensive approach to identifying fraud, waste, corruption, abuse and/or potential criminal activity by first obtaining a complete understanding of the facts and circumstances of the work authorization, the type of work that is being performed, the form of the contract as well as the vendors/contractors that are engaged to perform under contract. We will also incorporate into our HBLR Project risk assessments the findings of the SSRP Program-Wide Fraud Risk Assessment Report and our specific knowledge and expertise gained through the work we performed under that work authorization. Specifically, our fraud risk assessment will include the following components:

1. Identifying the primary fraud risk areas inherent in the selected contract form;
2. Gaining a detailed understanding of the vendor/contractor's: organizational and ownership structure and staffing; policies, procedures and internal control environment and systems and processes used to account for and manage the construction work.
3. Determining the likely fraud schemes that can be perpetrated relative to the contract form and the vendor's/contractor'(s) systems and personnel.
4. Evaluating and prioritizing those fraud risk schemes through assessing the relative likelihood that the identified fraud schemes could be accomplished within the existing operational and control environments and evaluating the likely impact to NJ Transit if the identified fraud schemes were perpetrated;
5. Developing specific audit testing methods and programs to address the fraud risk schemes identified.
6. Adjusting auditing and monitoring programs on a periodic basis, as necessary.

Based on the HBLR Project description and our understanding of the scope of work, our fraud risk assessment will primarily focus on:

- TFCRC;
- The construction contractors for the Vehicle Base Facility project, Signals and Communication project and Traction Power/Station Distribution Power Repairs project: and
- The construction manager for the Traction Power/Station Distribution Power Repairs project.

1. Fraud Risk Assessment of Contractor's Operations

a. Contract Form

In assessing the fraud risks, scenarios and schemes one of the most important considerations is the contract form. As the contract form changes, the fraud risks to NJ Transit and the fraud schemes available to a perpetrator change. We understand that the contract with the third party contractors will ultimately be fixed-price contracts. Consequently, we will initially focus our efforts on the types of fraud risks prevalent in this contract form. Although the contract form directs our initial focus on certain fraud schemes, the findings from the fraud risk assessment process may identify additional fraud risks to be addressed during the monitoring activities.

Additionally, our contract review will be assisted by the attorneys at Chadbourne to assess any potential legal and regulatory issues that may be relevant based on the terms of the contract.

b. Procedures and Controls Evaluation

The possibility for fraud, waste, corruption, abuse and/or potential criminal activity can either be amplified or mitigated by the policies, procedures, and controls maintained by a contractor. As part of our fraud risk assessment we will identify and evaluate the procedures and controls used by the contractors to manage and account for the HBLR Project. Our assessment will involve performing the following tasks:

- ***Understanding the Vendor/Contractor's Organization:*** This step includes obtaining an understanding of TFCRC's organization, including the various departments and key employees involved in each step of managing and executing the HBLR Project.
- ***Reviewing Processes and Procedures:*** Conducting a detailed review of all documented policies, processes and standard operating procedures that are used by the contractors in performing their work on the HBLR Project. These policies and procedures would cover areas such as field work documentation, document control, form and documenting of project meetings, scheduling, accounting and job costing, invoicing, purchasing and receiving, and time keeping.
- ***Interviewing Key Personnel:*** Meeting with the contractors' key personnel to gain an understanding of their role in the project, their understanding of the procedures and

controls, and whether the procedures and controls have been implemented and are functioning as stated.

c. Fraud Schemes

The next step in our process is to compile all the information that has been gained, including leveraging our findings from the SSRP Program-Wide Fraud Risk Assessment, to determine which fraud risk schemes are more likely to occur based on the facts and circumstances. Using the information obtained during the contract review as well as the procedures and controls evaluation, we will assess the potential fraud risks facing NJ Transit. The identified fraud risks and related schemes will be categorized in three functional areas: (1) field work management; (2) project management; and (3) financial management. Each fraud risk scheme will be evaluated against the procedures and controls present at the contractors within these functional areas. The SSRP Program-Wide Fraud Risk Assessment has identified duplicate billings and cost shifting as “high” risk fraud schemes in connection with the HBLR Project. In addition to these identified “high” risk schemes, we will begin our fraud risk assessment with a consideration of the following additional fraud schemes:

Fieldwork Management

- Material substitution or sub-standard materials
- Falsified material testing certifications or inspection documents
- Falsified equipment inspections/certifications
- Falsified field reporting and documentation
- Falsified labor certification, shift work hours, and site attendance
- DBE fraud/contractor non-compliance

Project Management

- False claims and change orders
- Falsified compliance documents and reporting
- Schedule manipulation
- Collusive activities between the contractors and its sub-contractors to support claims and changes

Financial Management

- Duplicate billing of direct and/or overhead costs
- Unbalanced bid

- Advanced billing/overstated completion percentages
- Cost shifting to support false claims and change orders
- Pass-through of fraudulent sub-contractor claims, with or without kickbacks

2. Prioritizing Fraud Schemes

After identifying the various fraud schemes, the next step of our process includes assessing each scheme in the context of “likelihood” and “impact.” Assessing the likelihood of a fraud scheme involves analyzing the probability that the fraud scheme could be successfully accomplished given the existing procedures, controls and personnel structure. Likelihood does not attempt to rate or imply the likelihood that anyone would actually attempt to commit the fraud scheme. It only assesses the likelihood that the fraud would be successful, if attempted. The possible likelihood ratings and their meanings are:

- **Low:** indicates that the existing procedures and controls are adequate to either prevent or timely detect the particular fraud scheme
- **Medium:** indicates that under the right circumstances the fraud scheme could be successful
- **High:** indicates that the current controls and procedures may not prevent and/or detect the fraud scheme should it be attempted

Assessing the impact involves estimating the potential effect on NJ Transit and the contractor should the specific scheme be successful. Impact to the organization considers both the monetary impact and the reputational impact to NJ Transit should the occurrence of the fraud become public. Impact is also rated as Low, Medium or High.

3. Fraud Risk Assessment Matrix

The primary tool for evaluating likelihood and impact is the fraud risk assessment matrix. The matrix organizes the identified fraud schemes by functional area, presents the likelihood and impact ratings, lists the mitigating controls and/or deficiencies, and identifies the residual risks and control gaps which will require additional testing and attention during the monitoring process. EisnerAmper’s deliverable to NJ Transit from the fraud risk assessment of the contractors will be a narrative report and the related fraud risk assessment matrix. Table No. 1 below provides an example of our Fraud Risk Assessment Matrix to illustrate the format of this document. This Fraud Risk Assessment Matrix is the same matrix that EisnerAmper used in the Program-Wide Fraud Risk Assessment – Phase I project and was adopted by NJ Transit.

**Table No. 1
Example
Fraud Risk Assessment Matrix**

#	Identified Fraud Risks/Schemes	Likelihood	Impact	Department	Ratings Rationale/ Control Effectiveness	Control Gap/ Comments
1	False Materials and Material Substitution	Low	High	Field Work Management		
2	Material supplier and/or subcontractor kickback schemes	Medium	Low	Field Work Management		
3	Falsified safety, environmental or other compliance documentation	Medium	High	Field Work Management		

Identified Fraud Risks/Schemes – This column captures the fraud risks/schemes.

Likelihood and Impact – As noted above, the evaluation of likelihood represents the probability of the fraud risk/scheme succeeding if attempted. The impact represents the effect to the organization if the scheme is/was successful.

Department – Represents the area within the contractor’s organization where the fraud risk exists.

Ratings Rationale/Control Effectiveness – This sets forth the basis for how we arrived at the assignment of a specific rating for both “Likelihood” and “Impact.” This column will also provide information regarding which controls, procedures and processes are in place that may mitigate the fraud risk/scheme or which are missing that may therefore increase risk.

Control Gap/Comments – These are control, procedure and process deficiencies identified during our assessment that will require additional testing procedures during the monitoring process.

The analysis of likelihood and impact will be utilized to prioritize fraud schemes and determine which fraud risks warrant the development of specific monitoring programs and audit plans to address the weaknesses and risk areas identified in the fraud risk assessment process. For each fraud risk/scheme identified as medium or high in likelihood or impact, additional monitoring procedures will be developed to address the increased risks. Conversely, if a fraud scheme ranks low in both likelihood and impact, standard monitoring procedures will be applied unless our monitoring procedures identify specific issues that warrant additional procedures.

In summary, our fraud risk assessment process is not a “one and done” exercise. Construction projects are dynamic environments, with change and risk being the only constants. As such, our

fraud risk assessment matrix will be periodically updated over the life of the construction project. These updates will consider the results of our field observations and audit testing, changes in project activity or stage of construction, and changes in the contractor's organization and staffing. As new risks are identified, the matrix will be updated, controls re-evaluated, and any required adjustments to monitoring procedures and audit programs will be made. A deliverable to NJ Transit will be fraud risk assessment matrix updates as well as any resulting changes to monitoring procedures and audit programs as necessary.

VI. IOM FIRM DBE PROGRAM COMPLIANCE MONITORING OF CONTRACTORS

Our DBE monitoring program will be led by our subcontractor Talson. Talson is a DBE firm with extensive experience providing DBE compliance monitoring and reporting services. The proposed monitoring program is derived from Talson's knowledge of diversity reporting and the DBE Program Requirements specific to this Project. Our team will monitor and report on contractor's performance against the stated DBE requirements. Based on our team's experience the primary risks related to achieving DBE program goals include, but are not limited to, the following:

- Falsification of certifications including firm ownership, ethnicity and gender, labor and financial reports
- Lack of commercial useful function provided the DBE firm(s)
- Lack of timely payments to DBE firms preventing the continuation of work
- Contract changes excluding DBE participation
- Changes in DBE firm participation without owner/agency approval
- DBE firm kickbacks to prime contractors or acceptance of pass-throughs

To address the primary risks and DBE subcontractor performance for DBE Program compliance our proposed scope includes, but is not limited to, the following:

A. DBE Verification and Commercial Useful Function

We will obtain all appropriate DBE certifications and verify registrations within the New Jersey Unified Certification Program database and directories for design, project management and construction management services for the HBLR Project. We will also verify, if applicable, that the participant's partnership, sub-consultants and vendors are also registered as represented. For all DBE firms, a thorough review of the agreements (prime and/or subcontractor), and the Contractor's Field and Daily Manpower Reports, DBE certified payroll and trade activities included in the contractor's schedule of work and monthly invoices to NJ Transit will be assessed to ensure the DBE is a commercial useful function to the Project.

In addition, our team will review any contractor's requests related to changes to its DBE plan and participant levels including the cumulative impact of approved contract change orders at various stages of the contractor's progress (i.e., 20%, 40%, 60% and 80%). At the planned intervals, we will evaluate the risk that the contractor is not meeting the established DBE goal. Upon completion of each interval, we will reassess the risks and revise the compliance monitoring plan to address the risks accordingly.

B. Contract Compliance and Deliverables

Our procedures will include a review of design and project management agreements, subcontracts and purchase orders for DBE firms, which will include details of the level of anticipated DBE participation. All contracts will be reviewed for inclusion of all appropriate contract deliverables and a scope of work consistent with the DBE performing a commercially useful function. On a monthly basis, we will review contract deliverables, as appropriate for the defined scope of work, including but not limited to monthly invoices, installation and quality test reports, excavation quantities or disposal tickets, insurance forms, material certifications and other relevant documents.

C. Cost Monitoring and Financial Evaluation

Select components of contractor and construction manager monthly applications for payment, inclusive of waivers of lien and subcontractor sworn statements (if applicable) will be reviewed to assess the timeliness of the payment of invoices and retainage. A review of payments to the HBLR Project contractors by NJ Transit as well as from the contractor to all DBEs will be conducted via bank statements, check registers, wire transactions, etc. to confirm payments are made to the appropriate party and DBE directly. The contractor's subcontractor subledger detail reports and project general ledgers will be reviewed to assess the accuracy of contract commitment values, change orders, and disbursement data for all DBE participants. Change orders and revisions will be reviewed in depth to ensure proper classification of additional scope and to assess owner/contractor liability. Review of the aforementioned cost reports will also allow us to assess DBE contract award values in comparison to disbursements made to the DBE.

D. Site Inspections

The EisnerAmper team will conduct planned and unplanned site visits to ensure that DBEs are performing a commercially useful function to the project and observe DBE manpower headcount for verification against the DBE's certified payroll and other project reports which detail daily manpower. We will provide a Site Inspection Report specific to DBE compliance monitoring which details weather conditions, work observed, DBE subcontractors/firms on-site, and any areas of non-compliance.

E. DBE Contract Risk Assessment

Our team will work with the NJ Transit IAD, the contractor and other parties as needed to resolve potential non-compliance observations to DBE Program requirements. Non-compliances will be documented utilizing a cumulative tracking log, which will prioritize each risk as high, medium, or low based on severity, time outstanding and overall impact to DBE Program requirements. Corrective actions, and if necessary, a root-cause analysis will be provided to mitigate the deficiencies and resolve open non-compliance observations. A cumulative non-compliance tracking log will be provided as an attachment to the appropriate monthly status

report which will summarize the status of open non-compliances and detail the corrective action implemented for observations closed during the period. Good faith efforts to resolve non-compliance will be considered when evaluating the need for further investigation or reporting.

F. Compliance Monitoring Deliverables

We will provide comprehensive reporting with sections for fieldwork monitoring observations, home office observations and DBE compliance monitoring observations. The contents for the weekly, monthly and quarterly status reports include, but are not limited to, the following:

1. Weekly Status Reports

We will provide NJ Transit with a weekly status report detailing the prior week's work. The report will include (at a minimum) the DBE compliance activities performed, status of any deliverables due, work-in-progress, upcoming compliance activities, significant risks identified, total weekly and cumulative hours by task, deliverables and persons, where appropriate, and any other information NJ Transit may require.

2. Monthly Status Reports

We will provide NJ Transit with a monthly status report that will summarize activities performed including contract participation and cost documentation reviewed, analysis and results, recommendations/corrective actions, resolutions, and preventative measures for any non-compliance issues identified and follow up on any previous outstanding issues. A site inspection form for any inspections performed during the month will also be included and analyzed for comparison to other project documentation reviewed.

3. Quarterly Report

We will provide a quarterly report detailing activities performed over the quarter describing findings and recommendations for corrective or remedial action. An analysis of DBE construction contracting will be provided as well as an overview of the change orders for the HBLR Project's DBEs and disbursements made to DBEs for the period. The report will not include any proprietary or privileged information. The report will include a privilege log detailing each denial of sensitive information that our team exercises in preparing the report for transmission to the Legislature and the Governor.

VII. IOM'S PLAN FOR MEETING DBE REQUIREMENTS

The EisnerAmper team recognizes the importance of meeting the ten percent (10%) Race Conscious DBE goal that has been assigned to this project. As noted above, the EisnerAmper team is supported and supplemented by Talson in many aspects of this proposal. Talson is a NJ Transit certified DBE firm. A copy of Talson's DBE certification is provided in this Tab. As per our Cost Proposal (separately provided), EisnerAmper has assigned approximately 23.5% of this project to the professionals at Talson.

In order to ensure that Talson will achieve the estimated 23.5% of the project, EisnerAmper will work closely with Talson seeking their guidance and support throughout the project. On a daily basis, Talson will be required to provide EisnerAmper with detailed time entries. EisnerAmper will review these entries for accuracy and compare the total hours incurred against the estimates. If there is any indication that Talson is falling behind on achieving the stated DBE percentage, EisnerAmper will identify this issue immediately and take the necessary actions to address and correct the problem. This practice is supplemented by our approach of collaborating with Talson throughout the engagement, rather than managing them as a typical service provider. Under this approach, Talson will be involved in each step of our process in order for the EisnerAmper team to meet the requirements of all the deliverables as outlined in this proposal.



New Jersey
Department of Transportation

THE PORT AUTHORITY OF NY & NJ

New Jersey Unified Certification Program

NJUCP

CERTIFIED DISADVANTAGED BUSINESS ENTERPRISE

TALSON SOLUTIONS, LLC

This certificate acknowledges that the above named firm is certified as a Disadvantaged Business Enterprise as defined in Title 49, Part 26 of the US Code of Federal Regulations. This certificate will remain in effect for three years from the certification date and must be updated annually. NJ TRANSIT must be notified within 30 days of any changes in the business that may affect ownership and control.

Your firm will be listed in the NJ UCP directory under the following NAICS Code(s).

NAICS CODE	541219 Other Accounting Services	541618 Other Management Consulting Services	541990 All Other Professional, Scientific, and Technical Services	541611 Administrative Management and General Management Consulting Services	541690 Other Scientific and Technical Consulting Services
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NJ TRANSIT certified your firm as a DBE on behalf of all NJ UCP partners.

Signed: L.A. Hernandez
L.A. Hernandez, Manager, Certification & Outreach
Office of Civil Rights

Signed: Lauren Williams
Lauren Williams, S.B.D.S.
Office of Civil Rights

ISSUE DATE: May 1, 2014

ANNIVERSARY DATE: May 1st

VIII. SCHEDULE OF PERFORMANCE MILESTONES

Based on our understanding of the HBLR Project and the IOM scope of services, certain tasks will have definitive performance milestones and deliverables, while other tasks will be ongoing throughout the life of the Project. The schedule below outlines certain performance milestones and the associated deliverables.

Performance Milestone	Completion Date*	Deliverable/Result
Project kick-off meetings	07/31/2015	These meetings will result in a more refined scope of tasks and deliverables. Meeting minutes will be provided.
Completed fraud risk assessment of TFCRC and other in-scope contractors	9/30/2015	Fraud Risk Assessment Report (including our Fraud Risk Assessment Matrix)
Completed compliance matrix	9/30/2015	Compliance Matrix Report
Fieldwork monitoring procedures	Ongoing (2015 – 2019)	Periodic reporting (weekly, monthly, quarterly) to NJ Transit and other key stakeholders
Project close-out meetings	Upon completion of each HBLR Project	Reporting to NJ Transit and other key stakeholders

- *Our timeline assumes that we will receive a notice to proceed on July 1, 2015. The completion dates for the milestones are subject to change depending on when we receive the notice to proceed.

IX. QUALITY ASSURANCE PLAN (QAP)

A. Overview

EisnerAmper is a member of the American Institute of Certified Public Accountants (“AICPA”) Center for Audit Quality and the AICPA Governmental Audit Quality Center and has agreed to establish policies and procedures to comply with the applicable professional standards and the membership requirements of the respective Centers. The firm is also registered with the Public Company Accounting Oversight Board and the Canadian Public Accountability Board. All employees of the firm are provided copies or access to the firm’s quality control policies and procedures.

The Quality Control Standards of the AICPA (“QC Standards”) define an accounting and auditing practice as all audit, attest, accounting and review and other services for which standards have been established under Rule 201 or 202 of the AICPA Code of Professional Conduct. The QC Standards broadly define a system of quality control as a process to provide the firm with reasonable assurance that its personnel comply with applicable professional standards and the firm's standards of quality. A firm's system of quality control encompasses the firm's organizational structure and the policies adopted and procedures established to provide the firm with reasonable assurance of complying with professional standards carried out within a framework which encourages personal professional initiatives.

Evidence of the strength of our quality control policies and procedures, EisnerAmper LLP has successfully completed two peer reviews since the combination of Amper Politziner & Mattia, LLP and Eisner LLP in August 2010. The two predecessor firms had successfully completed multiple peer reviews, a process whereby we have opened our firms to extensive review by another CPA firm. We are proud that all of our reviews have resulted in an unqualified report, the highest possible rating. Only a small percentage of firms in the United States have completed this process as successfully as EisnerAmper.

B. Review of Work Product and Managing Subconsultants

EisnerAmper has designated Tim Van Noy as the lead project manager. The lead project manager will be tasked with overseeing and developing the work plan, executing the work plan and managing the staff assigned to the work plan. The project manager will also be responsible for working with and managing the work of all subconsultants assigned to the HBLR Project.

The project manager will report to David Cace. Mr. Cace will be responsible for performing a complete review of the work performed by the project manager, including but not limited to gaining a full and complete understanding of the scope of work performed, the procedures employed and the results of such work.

EisnerAmper will utilize *ProSystem Engagement Fx* ("ProSystem"), its engagement management software, to manage work flow, work paper documentation and ensure that all workpapers are reviewed and signed off by the project manager and key personnel member. Each member of the Engagement Team will have a username and access to ProSystem. ProSystem will also house all documentation and reports created in connection with the HBLR Project. The system maintains a record of who prepared the documentation, the time of last edit and the date and time when the workpaper was reviewed and who signed-off as reviewer. The system maintains user rights so that only one user can make changes to a document at any point in time. This facilitates quality control and eliminates any inefficiency.

X. CONFLICT CERTIFICATION

EisnerAmper, Talson, Chadbourne and Stumar hereby certify that it, nor any of its affiliates or subsidiaries, currently provides, directly or indirectly, construction management services or similar or related services to the following vendors/contractors:

Vendor	Contact
Project Manager	NJ Transit
Environmental	BEM Systems Inc.
Designer	Twenty First Century Rail Corp. - AECOM
Contractor	Twenty First Century Rail Corp. - AECOM

As noted in our April 3, 2014 response to NJ Transit's request for proposals for Superstorm Sandy Recovery and Resiliency Integrity Oversight Monitoring Services RFP No. 14-033, Chadbourne has represented two entities that have previously received funding as part of a Superstorm Sandy recovery program (not from NJ Transit) against media outlets that have alleged such entities issued false reports concerning their receipt of that funding. Chadbourne also may represent clients who have received funding as part of a Superstorm Sandy recovery program (including from NJ Transit) in matters unrelated to the receipt of such funding. It is Chadbourne's view that these representations do not pose a conflict of interest that would preclude Chadbourne from functioning as a subconsultant. While it is possible that future monitoring/oversight activities could entail the review of a then current Chadbourne client and could thereby raise the potential for a conflict of interest at that time, such a possibility is speculative at this stage and can readily be addressed if it comes to pass.

EisnerAmper is currently engaged by Chadbourne & Parke who is representing a party in a litigation matter against AECOM, the parent company of Twenty First Century Rail Corp. Certain members of the EisnerAmper team are or may become involved with this engagement. EisnerAmper does not believe that this litigation engagement conflicts with our potential IOM responsibilities relative to the HBLR Project as EisnerAmper is not engaged in AECOM's defense in the litigation and would not be advocating any position for AECOM.

Branden Grove of Talson was formerly employed by AECOM from January 2011 to June 2012 and served in the position of Cost Consultant.

Conflict of Interest with Future Contractors:

EisnerAmper utilizes a multi-layered review system to detect, avoid and address potential conflicts of interest. The detection and avoidance process includes an automated review of EisnerAmper's client database, as well as a written notice to all professionals within each firm. The data generated by this step is personally reviewed by a member of the client team to

identify and resolve any potential conflicts at the outset. We have undertaken a reasonable review of our records to determine our professional relationship with NJ Transit and related entities. We are not aware of any current or reasonably foreseeable general conflicts of interest or relationships that would preclude us from performing the services as outlined in this RFP. Should any general conflicts arise during the course of our engagement, we will notify NJ Transit immediately. EisnerAmper also maintains a position that the firm will not accept any work against any New Jersey State agency. As such, potential conflicts arising from such matters will not be an issue.

WORK AUTHORIZATION - Detailed Work Plan Template

Project Name: Superstorm Sandy Integrity Monitoring Services for Hudson-Bergen Light Rail (HBLR) Project		Work Authorization Number: NJ TRANSIT Contract No. 14-033							
Date: May 6, 2015		Firm: EisnerAmper LLP							
		Firm Contact (Tel Num.): 212-891-8047							
Do not include costs on the work plan submission									
			Staffing						
Task A	Monitoring Contractor/Vendor Compliance with Applicable Laws and Contract Requirements	Deliverables	Part/Princ/Dir	Prog and Proj Mgrs	SME	Staff - Supv, Sr, Consultant, Associate	Admin	Total Hours	Completion dates for each step
A.1.	Develop Compliance Matrix	Compliance matrix	4.00	10.00	16.00	34.00	0.00	64.00	9/30/2015
A.2.	Develop and Implement Compliance Monitoring Procedures	Results of monitoring procedures	4.00	16.00	12.00	140.00	0.00	172.00	↓
Total Task Hours			8.00	26.00	28.00	174.00	0.00	236.00	
			Staffing						
Task B	Developing and Implementing Integrity Programs	Deliverables	Part/Princ/Dir	Prog and Proj Mgrs	SME	Staff - Supv, Sr, Consultant, Associate	Admin	Total Hours	Completion dates for each step
B.1.	Integrity Program Development	Results and recommendations as applicable	4.00	40.00	0.00	64.00	0.00	108.00	Timeline based on requirements and needs of NJ Transit ↓
B.2.	Integrity Program Implementation		2.00	16.00	0.00	0.00	0.00	18.00	
B.3.	Training (Not Included in Cost Proposal)		0.00	0.00	0.00	0.00	0.00	0.00	
Total Task Hours			6.00	56.00	0.00	64.00	0.00	126.00	
			Staffing						
Task C	Conducting Background Checks, Review Documents and Investigations	Deliverables	Part/Princ/Dir	Prog and Proj Mgrs	SME	Staff - Supv, Sr, Consultant, Associate	Admin	Total Hours	Completion dates for each step
C.1.	Conducting Background Checks	See reports issued under Task D	12.00	8.00	0.00	62.00	0.00	82.00	On-going ↓
C.2.	Conduct Monitoring Activities	See reports issued under Task D	30.00	472.00	0.00	2724.00	0.00	3226.00	
Total Task Hours			42.00	480.00	0.00	2786.00	0.00	3308.00	

WORK AUTHORIZATION - Detailed Work Plan Template									
Project Name: Superstorm Sandy Integrity Monitoring Services for Hudson-Bergen Light Rail (HBLR) Project			Work Authorization Number: NJ TRANSIT Contract No. 14-833						
Date: May 6, 2015			Firm: EisnerAmper LLP						
			Firm Contact (Tel Num.): 212-891-8047						
Task D	Reporting	Deliverables	Staffing					Total Hours	Completion dates for each step
			Part/Princ/Dir	Prog and Proj Mgrs	SME	Staff - Supv, Sr, Consultant, Associate	Admin		
D.1	Weekly reporting	Report of the results of our monitoring procedures including any findings	0.00	30.00	0.00	60.00	400.00	490.00	On-going ↓
D.2	Monthly reporting	Report of the results of our monitoring procedures including any findings	0.00	114.00	0.00	20.00	54.00	188.00	
D.3	Quarterly reporting	Report of the results of our monitoring procedures including any findings	18.00	68.00	0.00	70.00	18.00	174.00	
D.4	Ad hoc reporting	Report of the results of our monitoring procedures including any findings	8.00	32.00	0.00	29.00	32.00	101.00	
Total Task Hours			26.00	244.00	0.00	179.00	504.00	953.00	
Task E	Preparing and Maintaining a Fraud Risk Assessment	Deliverables	Staffing					Total Hours	Completion dates for each step
			Part/Princ/Dir	Prog and Proj Mgrs	SME	Staff - Supv, Sr, Consultant, Associate	Admin		
E.1	Fraud Risk Assessment - Twenty First Century Rail Corp.	Fraud risk assessment matrix	9.00	78.00	3.00	102.00	0.00	192.00	9/30/2015 ↓
E.2	Fraud Risk Assessment - Contractor A	Fraud risk assessment matrix	5.00	47.00	2.00	63.00	0.00	117.00	
E.3	Fraud Risk Assessment - Contractor B	Fraud risk assessment matrix	5.00	47.00	2.00	63.00	0.00	117.00	
E.4	Fraud Risk Assessment - Contractor C	Fraud risk assessment matrix	5.00	47.00	2.00	63.00	0.00	112.00	
E.5	Fraud Risk Assessment - Construction Manager	Fraud risk assessment matrix	4.00	34.00	1.00	39.00	0.00	78.00	
Total Task Hours			28.00	253.00	10.00	325.00	0.00	616.00	
Task F	IOM Firm DBE Program Compliance Monitoring of Contractors	Deliverables	Staffing					Total Hours	Completion dates for each step
			Part/Princ/Dir	Prog and Proj Mgrs	SME	Staff - Supv, Sr, Consultant, Associate	Admin		
F.1	DBE verification and monitoring of commercial useful function	Report of the results of our monitoring procedures including any findings	9.00	28.50	0.00	28.00	18.00	83.50	On-going ↓
F.2	Contract compliance and deliverables	Report of the results of our monitoring procedures including any findings	9.00	35.50	0.00	43.00	17.50	105.00	
F.3	Cost monitoring and financial evaluation	Report of the results of our monitoring procedures including any findings	10.50	24.50	0.00	45.50	19.00	99.50	
Total Task Hours			28.50	88.50	0.00	116.50	54.50	228.00	

WORK AUTHORIZATION - Detailed Work Plan Template									
Project Name: Superstorm Sandy Integrity Monitoring Services for Hudson Bergen Light Rail (HBLR) Project		Work Authorization Number: NJ TRANSIT Contract No. 14-033							
Date: May 6, 2015		Firm: EisnerAmper LLP Firm Contact (Tel Num.): 212-891-8047							
Task F	DBE Compliance Monitoring	Deliverables	Part/Princ/Dir	Prog and Proj Mgrs	SME	Staff - Supv, Sr, Consultant, Associate	Admin	Total Hours	Completion dates for each step
F.4.	Cost monitoring and financial evaluation	Report of the results of our monitoring procedures including any findings	18.00	200.00	0.00	325.00	17.50	560.50	On-going ↓
F.5.	DBE contract risk assessment	Report of the results of our monitoring procedures including any findings	3.50	14.00	0.00	0.00	0.00	17.50	
Total Task Hours			50.00	302.50	0.00	441.50	72.00	866.00	
Grand Summary of All Tasks (do not include costs)			Staffing						
Tasks	Task Description	Part/Princ/Dir	Prog and Proj Mgrs	SME	Staff - Supv, Sr, Consultant, Associate	Admin	Total Hours	Completion dates for each Task	
Task A	Monitoring Contractor/Vendor Compliance with Applicable	8.00	26.00	28.00	174.00	0.00	236.00	See above	
Task B	Developing and Implementing Integrity Programs	6.00	56.00	0.00	64.00	0.00	126.00	See above	
Task C	Conducting Background Checks, Review Documents and In	42.00	480.00	0.00	2786.00	0.00	3308.00	See above	
Task D	Reporting	26.00	244.00	0.00	179.00	504.00	953.00	See above	
Task E	Preparing and Maintaining a Fraud Risk Assessment	28.00	253.00	10.00	325.00	0.00	616.00	See above	
Task F	DBE Compliance Monitoring	50.00	302.50	0.00	441.50	72.00	866.00	See above	
Total Hours		160.00	1361.50	38.00	3969.50	576.00	6105.00		

NJ TRANSIT Contract No. 14-033
 Integrity Oversight Monitoring Services
 Attachment 5 - Cost Proposal Format

Firm Name: EisnerAmper

Employee Name	Staffing Category	Fill in Work plan Risk Categories	B: Disbursements		C2: Procurement - Conflicts of Interest		C3: Procurement - Bribery / Kickbacks		C4.1 - C4.4: Procurement - Contract Frauds		D: Task Order Contractors (TOC's)		F1- F3: Disadvantaged Business Enterprise (DBE) - False Submission / Pass Through / Fronting		Total Hours	Total \$ Amount
			Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)		
	Partner/Principal/Director	330.00	2.00	660.00	4.00	1,320.00	2.00	660.00	6.00	1,980.00	75.00	24,750.00	36.00	11,880.00	125.00	41,250.00
	Program Manager/Project Manager	290.00	14.00	4,060.00	6.00	1,740.00	28.00	8,120.00	22.00	6,380.00	872.00	252,880.00	120.00	34,800.00	1,062.00	307,980.00
	Subject Matter Expert	320.00	-	-	-	-	-	-	32.00	10,240.00	-	-	-	-	32.00	10,240.00
	Supervisor/Senior Consultant	225.00	8.00	1,800.00	28.00	6,300.00	8.00	1,800.00	47.00	10,575.00	276.00	62,100.00	-	-	367.00	82,575.00
	ConsultantAssociate/Staff	160.00	16.00	2,560.00	42.00	6,720.00	42.00	6,720.00	18.00	2,880.00	1,035.00	165,600.00	168.00	26,880.00	1,321.00	211,360.00
	Administrative Support	70.00	6.00	420.00	10.00	700.00	10.00	700.00	30.00	2,100.00	428.00	29,960.00	72.00	5,040.00	556.00	38,920.00
TOTALS			46.00	9,500.00	90.00	16,780.00	90.00	18,000.00	155.00	34,155.00	2,686.00	535,290.00	396.00	78,600.00	3,463.00	692,325.00

Total Direct Cost	692,325.00
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Total Travel Cost	-
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GRAND TOTAL	692,325.00
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