

**Proposal to Provide Services  
for  
the New Jersey Department of the Treasury  
RFP # 14-X-23110**

**PREQUALIFICATION POOLS: AUDITING AND OTHER  
RELATED SERVICES IN SUPPORT OF DISASTER RECOVERY  
(HURRICANE SANDY)**

**TECHNICAL PROPOSAL - VOLUME 1**

**General Information:**

This proposal is submitted on May 31, 2013 by:

Smart Devine  
1600 Market Street  
Suite 3200  
Philadelphia, PA 19103  
267-670-7300  
215-238-8469 (fax)

Please Direct Responses or Inquiries to:

Charles Herman, JD, CFE ([cherman@smartdevine.com](mailto:cherman@smartdevine.com))

The services outlined in this proposal will be provided by Smart Devine (bidder) and  
Pino Consulting Group, Inc. (subcontractor).

Charles Herman, JD, CFE  
Managing Director, Business Advisory Services  
Smart Devine  
1600 Market Street, 32<sup>nd</sup> Floor  
Philadelphia, PA 19103  
267-670-7330

May 31, 2013

Proposal Review Unit  
Procurement Bureau  
Division of Purchase and Property  
Department of the Treasury  
33 West State Street, P.O. Box 230  
Trenton, NJ 08625-0230

Dear Procurement Supervisor:

Smart Devine appreciates the opportunity to submit our qualifications to provide professional services regarding Auditing and Other Related Services in Support of Disaster Recovery (Hurricane Sandy) for Pool 1, Pool 2 and Pool 3. Our goals align with yours to provide cost-efficient services by providing top professionals with “hands-on” experience. Our team of specialists has a deep understanding of Program and Process Management Auditing, Financial Auditing and Grant Management and Integrity Monitoring/Anti-Fraud while ensuring a quality approach to our work.

Our deliverables for this work will be in the form of reports and other work products that you request per Section 3.4.1 All Pool – Deliverables. We believe our company, Smart Devine, in combination with our certified New Jersey Small Business Subcontractor, Pino Consulting Group (“Pino”), is best suited to provide the expertise, experience and service you deserve from a team providing professional services.

Smart Devine’s and Pino’s proposed engagement team brings years of public sector experience with capable resources specializing in the financial, project management, forensic and public sector skills required for these types of engagements. With these qualifications, Smart Devine and Pino will provide an unparalleled breadth of expertise and unique insights to this engagement.

We appreciate your consideration of our proposal and look forward to assisting you in achieving your goals to maximize the impact of the resources available to repair, rebuild and revitalize portions of the State devastated by Hurricane Sandy. If you have any questions or comments, please do not hesitate to call me at 267-670-7330 and we can review our response accordingly. We are looking forward to the opportunity to work with you.

Sincerely,

*Charles Herman*

Charles “Bud” Herman, JD, CFE  
Managing Director, Business Advisory Services

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## Our Understanding

The State of New Jersey (“the State”), with the assistance of the federal government, is endeavoring to repair, rebuild and revitalize portions of the State devastated by Hurricane Sandy. In order to maximize the impact of the resources available to achieve these goals, the State has authorized the use of integrity monitors as independent oversight providers to supplement the State’s existing compliance control mechanisms to prevent the inefficient expenditure of Hurricane Sandy recovery resources. This RFP is intended to identify qualified service providers to assist the State in performing its duty to its residents and all taxpayers in the United States to ensure that all resources dedicated to the recovery from Hurricane Sandy be applied in an efficient manner and that all necessary precautions are taken to prevent, detect, and remediate waste, fraud, and abuse.

To achieve these goals, the State has identified three “Pools” of potential engagements where independent oversight monitors will be utilized. Together with our identified subcontractor, Pino Consulting Group, Inc. (“Pino”), Smart Devine is please to submit this proposal to provide independent integrity monitoring and management services for all three pools of engagements.

Based on our understanding of the State’s needs as detailed above, Smart Devine and Pino have the precise set of functional knowledge, people, and technical skills to deliver the integrity monitoring services required. As will be demonstrated in the Management Overview sections for each of the engagement pools, Smart Devine has developed a comprehensive, structured, and disciplined approach to fulfilling the requirements of these types of engagements.

Our professionals include Certified Internal Auditors (“CIAs”), Certified Public Accountants (“CPAs”), Certified Fraud Examiners (“CFEs”), Juris Doctors (“JDs”), Certified Financial Forensic professionals (“CFFs”), Certified Information Technology professionals (“CITPs”), tax professionals, and MBAs who have distinguished backgrounds in internal audit, grant management and reporting, enterprise risk management, financial investigation, business controls assessments, project management, forensic accounting, information technology, computer science, and the law. In most cases, the professionals employed by Smart Devine are prior auditors with many years of Federal and State audit experience.

Our method to meeting the general requirements of the potential engagements listed in the three pools contained in the RFP is twofold. Utilizing the experience gained from similar engagements, together with the deep knowledge found in our project management, forensic accounting, grant management and accounting & auditing practices as well as the skillsets possessed by the professionals at Pino, we intend to deliver services to the State in a cost effective, professional manner. Second, we intend to identify areas for greater efficiency and improvement on an ongoing basis,

which will bear greater service to the State while affording measurable cost savings to its stakeholders.

As detailed within the Management Overview sections for each of the engagement pools, Smart Devine will implement a detailed work plan to fulfill the requirements of any potential task orders associated with this RFP. First, we will provide the State with a dedicated team of professionals who possess the required technical and reporting experience to provide first-rate service. Second, we will provide our team with the tools needed to perform the auditing, monitoring and reporting tasks efficiently and effectively.

During our engagements, we will research and confirm all required reporting requirements documented for the applicable jurisdictions. We will create a detailed database of reporting requirements and use this information to prepare a day-to-day production work plan, ensuring the timely and accurate reporting of all essential information. During all steps in the process, management supervision and quality control will be applied to ensure high quality deliverables are provided to the State.

Smart Devine professionals have acquired significant experience, ability and knowledge over their careers. Utilizing years of education, industry experience and professional consulting training, our professionals have the knowledge and capacity to exceed the State's expectations. Together with Pino, we have a unique blend of individuals, experience and skill sets not seen in our competitors. Many within our practice have both professional credentials as well as industry specific expertise. We utilize our experiences to improve our ability to serve current and future clients. Our past similar and specific engagement experience and individuals who have the project experience will be utilized on this engagement to maximize the results for the State and its taxpayers.

## **I. 4.4.3 Technical Proposal Response - Pool 1: Program and Process Management Auditing**

### **4.4.3.1 MANAGEMENT OVERVIEW**

Smart Devine understands that the oversight, management, and monitoring of the volume of projects, resources and funding that will be associated with the Hurricane Sandy recovery efforts will be a monumental task. We intend to satisfy the requirements of the anticipated engagements associated with Pool 1 through the utilization of time-tested project management, risk assessment, process development, and monitoring tools and procedures. We perceive the team created by the combination of our firm and Pino to be a unique service provider; combining expert ability and unparalleled foresight, to deliver expertise while unraveling the complexity seen in these types of engagements. It is our goal to work with the State and the Using Agencies to help you achieve success in terms of short-term measurements of growth and sustainability in the relief effort projects while achieving long-term goals.

### **Project Management Approach**

To perform the anticipated Program and Process Management Auditing tasks associated with Pool 1, we intend to utilize detailed, project-specific plans, which normally include a Start-up/ Investigation phase, a Collaboration phase, an Implementation phase and a Follow-up/Monitoring phase. With each task assigned within each phase of the engagement, we intend to:

- Gather and understand the information provided, including independent research on all applicable regulations
- Meet with stakeholders and conduct meetings to communicate findings
- Formulate an efficient approach to the task, or follow the steps in place to perform assignments
- Review the work product draft, then formulate and prepare the final deliverables

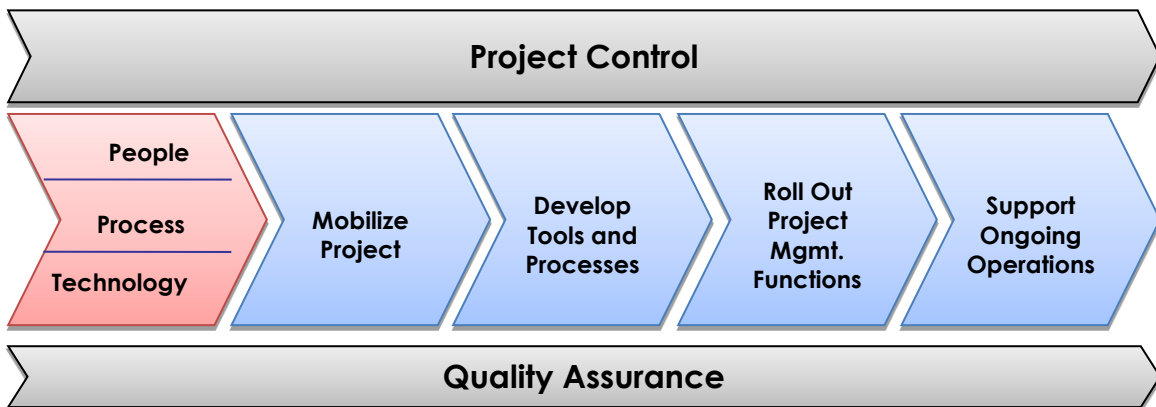
We anticipate that many of the tasks associated with the recovery programs will have established processes in place. For these procedures, we will perform an analysis on the information flow, workload and skills required to determine the efficiency and the effectiveness of the procedures currently being utilized. In other situations where a reconciliation or ad hoc assignment is required, we will rely on our accounting expertise, knowledge and experience from other grant and program management assignments to develop the processes and controls required to achieve the desired results.

Smart Devine’s proven approach / methodology optimizes functional and technical processes across complex operations. This approach provides both structure and flexibility, allowing our seasoned practitioners to tailor the approach to each project as required.

The Implementation phase recurs each time a program or project is kicked off and covers those activities that are program or project specific. Program or Project Initiation activities include conducting kickoff meetings, providing best practices and other knowledge sharing, and orienting team members to the procedures and standards that will govern the project’s efficiency and effectiveness through its lifetime. Smart Devine will become an integral part of the project teams and provide support activities to enhance and manage project initiation, meeting agendas, communications, etc. Additionally, we will remediate any existing procedures that need the requisite project documentation.

The project management function covers the activities involved in maintaining project control on a day-to-day basis. It is further divided into the following activities:

- Mobilize Project
- Develop Tools and Processes
- Roll Out Project Management Functions
- Support Ongoing Operations



***Project Control***

Focused and tightly controlled project management is an integral part of each Smart Devine engagement. Our project management approach includes both the management of resources and tasks as well as the management of communications,

expectations, issues and risks. The Project Manager will be responsible for the following:

- The timely completion of all contract tasks and deliverables and delivery of these services as proposed.
- Coordinating activities with the State and Using Agency regarding planning, time management, budget management, resource planning, and resource management.
- Attending, participating in, and documenting all applicable project meetings.
- Documenting all project change control issues raised and assisting in resolving differences of opinion relating to project scope, costs, approach, etc.
- Reviewing and reporting on all Change Requests for work related to the project and recommending ways to avoid/minimize cost or schedule increases or trade-offs against other requirements.
- Facilitating and participating in conflict resolution and problem solving sessions helping the teams make sound decisions.
- Providing weekly or bi-weekly status reports on activities, issues, and problems requiring immediate resolution.
- Providing project-related information for budgetary purposes as needed.

### ***Assure Quality***

Delivering high quality work products to meet our customer's highest expectations is a cornerstone of all Smart Devine engagements. Quality begins with employing experienced professionals that understand the importance of producing deliverables that meet or exceed your expectations.

As a firm that specializes in quality assurance activities, we are particularly diligent in incorporating quality management in each project that is undertaken. Our quality approach follows a process-centric model to build quality into the project throughout its life cycle. Our approach is one of planned quality by design rather than inspection after the fact.

- ***Planning for Quality*** – Focuses on thorough and consistent planning to validate that achieving quality objective is not left to chance.
- ***Establishing the Quality Assurance Framework*** – Focuses on communicating the importance of and implementing appropriate methodologies, standards, procedures, and that those guidelines are implemented, with full management support.
- ***Performing Quality Control Activities*** – Focuses on consistently monitoring quality and taking appropriate corrective actions. We include a dedicated person for this activity.



- **Implementing Corrective Actions** – Focuses on resolving identified issues and reducing the potential for issues recurring.

### ***Mobilize Project***

The steps to mobilize the project begin with an official “Notice to Proceed” and represent the beginning of the overall project management. Additional activities will include:

- **Preliminary Project Scoping:** These activities occur prior to the first day of the project. They include identifying key stakeholders who can clearly articulate the support they anticipate from the Project Team, the support capacity they desire, etc.
- **Organizing the Project:** This activity represents the finalization of the project approach and timing. The project team is assembled, and project status templates developed during this time.
- **Confirm Scope:** The project team will create and confirm the requirements and deliverables for each individual project that we are supporting. Our team will begin with the common elements from our methodology and assess each one against the needs and desires of the State’s project team.
- **Define Project Structure:** The project manager will create the targeted organizational structure for the overall Project Team that will oversee each of the individual project work streams. This organizational structure will include roles, responsibilities, and required skills for each position.
- **Develop Communications Plan:** The Communications Plan will outline all of the different groups who will need communication regarding the project, what messages each group should receive, when to deliver the messages, and in what format they should be delivered. Clear communication of the rollout and new procedures will make the difference between an “adequate” and a “highly successful” project outcome. Representative elements of the Communication Plan that our clients have found successful include:
  - Regular status reporting
  - Inter- or Intra-net shared information portals for each project (MS SharePoint, Quickbase site or similar collaboration technology)
  - Regular communications to project participants
  - Support of an informal ‘Project Leaders’ group made of project managers and project participants where they can share lessons learned in an informal atmosphere

- **Develop Tools and Processes:** These steps include the assessment of current practices and actual development of all of the guidelines and source material that client owners and managers will use for each project. The activities involved in this step include:
  - **Assess Current State:** The team will use assessment tools to review the current status of the procedures in place. This critical step will establish a baseline of current skills and tool knowledge and use. The team will use this baseline when determining how to customize the standard project templates and select additional project management tools.
  - **Acquire and Customize Project Tools and Templates:** The team will take each standard template and make the appropriate adjustments to assure that each is effective and customized towards our target audience. In addition, the team will review any existing technology solutions used by the State or Using Agencies, file management, information sharing and issue tracking and determine if additional software tools are needed.
  - **Create Continuous Improvement Process:** The single most important aspect of our approach is that review and improvement are built into each step of the project. It is critical for the State and Using Agencies that tools are able to evolve and grow to fit any changes in the project.

***Roll Out Project Management Functions***

After confirming the tools and templates, the team will perform a strategic roll out of the approved processes and procedures to maximize the speed, efficiency, and control with which the project team adopts the new processes. The activities involved in this step include:

- **Develop Roll-out Plan:** The team will review the ongoing project work streams and determine the best order to roll out the project policies and procedures. The phasing of the roll-out plan will be based on where each project is in its own methodology as well as dependencies between the work streams.
- **Begin Using Processes and Procedures:** The team begins using the new policies, procedures and tools on their individual projects.



### ***Critical Success Factors***

In our experience implementing and evaluating procedures for clients, we have discovered that the ability to manage the human aspect of the project is as important as advanced technical expertise. Specifically, we believe that a significant amount of attention should be paid to:

- Communications and Project Placement
- Leadership Commitment
- Support from Centralized and Remote IT Resources

### **Business Risk Assessment/Compliance Monitoring Process and Deliverables**

To achieve the requirements of the anticipated risk analysis and compliance monitoring tasks associated with Pool 1, Smart Devine will utilize our standardized risk assessment and compliance monitoring process.

#### **Risk Factors – Events, Threats, and Weaknesses**

Our approach to risk assessment considers the following risk factors, including those noted within other risk frameworks:

- Changing governance and regulatory reporting environment;
- Inherent risks that have a certain level of impact and likelihood without consideration of existing risk responses and control activities;
- Materiality, including a consideration of the dollar value and the volume of transactions, as well as the complexity of the underlying processes;
- The level of change and the resulting impact to systems, processes, procedures, people, and the organization as a whole;
- The perception of control effectiveness, including the consideration of management's regard for effective control, the existence and effectiveness of policies and procedures, and the results of past audits;
- Industry / market trends and other inherent control issues; and
- Corporate reputation and image preservation.

#### **Tolerance and Appetite**

Primarily through interviews with senior members and owners, we develop an understanding of risk appetite and tolerance. Both appetite and tolerance must

incorporate both quantitative and qualitative elements in determining acceptable levels.

- Appetite – the amount of risk an entity is willing to accept in its pursuit of value.
- Tolerance – relates to specific objectives and acceptable levels of variations relative to the achievement of such objectives.

### **Assessment of Risks**

Each process and risk will be assessed based on the following:

- We will identify relevant inherent risks, based upon industry expertise, management and our knowledge.
- For each inherent risk, we will discuss with management any factors the State or Using Agency has implemented to mitigate the respective risk.
- Based upon the perceived strength or weakness of those mitigating factors, we will then assign each risk a Net Risk Ranking, as defined below.

For purposes of this risk assessment, we will define processes as having a High, Medium or Low risk ranking as follows.

- *High Likelihood and Impact* – Those risks that are likely to occur within a certain or imminent time horizon; such risks will cause primary project objectives to be unachieved, which could potentially harm the State or Using Agency in a financial or operational manner.
- *Medium Likelihood and Impact* – Those risks whose likelihood of occurring within a defined time horizon is more than remote; such risks will cause some element or component of project objectives to be delayed or not achieved, or whose result could cause more than an inconsequential financial or operational impact.
- *Low Likelihood and Impact* – These risks are viewed as unlikely to occur within a reasonable timeframe; such risks will not substantively hamper the achievement of project objectives.

As a product of our effort, we will summarize the most important risks and control issues that are identified. We will prioritize these risks by the perceived Level of Impact and Risk Probability, with consideration of the mitigating factors management and Smart Devine have identified as being in place at the time of the risk assessment.

### **4.4.3.2 CONTRACT MANAGEMENT**

Smart Devine's experience in providing accounting and consulting services to entities of all sizes has enabled us to develop a standardized, in-depth methodology for engagement management. Below is a listing of the general engagement management steps we plan to take to ensure the satisfactory completion of any assigned tasks.

- Once a written task order is received, Charles Herman, the Managing Director at Smart Devine would respond to the State Contract Manager/Cooperative Partner giving our commitment to the task order.
- The Smart Devine task order team is notified and an initial team planning meeting is held to determine the overall scope of the project, develop a detailed work plan and assign specific tasks to team members.
- A formal work schedule will be issued to the State Contract Manager/Cooperative Partner with key task order milestones and dates, a communication plan, and anticipated deliverables.
- Task order work begins based on the submitted schedule.
- Based on the agreed-upon communication plan, interim communication updates are provided which would include, at a minimum, weekly written status reports issued by the Smart Devine task order lead to the State Contract Manager/Cooperative Partner.
- Status meetings held with State Contract Manager/Cooperative Partner will be based on agreed-upon timeframes. During these meetings, any task order project issues, proposed scope and/or work plan changes are addressed and resolved.
- Quality project checkpoints and quality control review procedures are conducted throughout the project lifespan to ensure task order requirements are met and programs are in compliance with State and Federal regulations.
- Final meeting(s), presentation and written report issued for the task order from Smart Devine to the State Contract Manager/Cooperative Partner.
- Follow-up activities and any open-ended questions are resolved.

#### 4.4.3.4 POTENTIAL PROBLEMS

Our proposed engagement team possesses the experience and skills to identify and correct potential issues early to mitigate additional cost or delays. Examples of general problems experienced in similar engagements and effective solutions are as follows:

| <b>Potential Problems</b>                                                                                               | <b>Proposed Solutions</b>                                                                                                                                                                                                                      |
|-------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Lack of available data and/or data integrity issues may affect the analysis procedures Smart Devine is able to perform. | Smart Devine also possess IT specialists who are available to retrieve and analyze data using unique computer tools and software as well as provide tools to integrate disparate systems if needed.                                            |
| Changes in scope, deliverables and deadlines                                                                            | The single most important aspect of our Project Management approach is that review and improvement are built into each step of the project. This is critical so that tools are available to evolve and grow to fit any changes in the project. |
| Uncooperative and/or unavailable critical staff at the State or Using Agency                                            | Smart Devine has experience in dealing with uncooperative individuals and has developed many alternative methods to acquire needed information and still achieve the desired results of the project.                                           |
| Changes in applicable financial standards and federal and state requirements                                            | Smart Devine has dedicated personnel who stay abreast on changes in accounting and reporting standards and federal requirements                                                                                                                |

#### 4.4 ORGANIZATIONAL SUPPORT AND EXPERIENCE

Smart Devine and the Pino Consulting Group, Inc., offer an extensive portfolio of experience to the State of New Jersey to perform all of Pool 1 requirements for Program and Process Management Auditing.

| Skill Classification         | Pool 1 Professionals                                  | Specialty                                                                                                                                                                                                                     | Hourly Rate |
|------------------------------|-------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| Partner, Principal, Director | Charles Herman, JD, CFE                               | Claims, Forensic Accounting, Litigation Support, Fraud                                                                                                                                                                        | \$325       |
| Partner, Principal, Director | Alfred Pino, CGFM                                     | Federal, State and Local Governments, Contract Reimbursement, Cost Allocations, Government Cost Reports and Reimbursement, Grant Management, Cost Analysis, Operational and Process Reviews, Financial Management and Systems | \$325       |
| Program Manager              | Rob Drover                                            | Business Process, Operations, Technology                                                                                                                                                                                      | \$300       |
| Project Manager              | Todd Heckman, MBA                                     | Business Process, Workflow Analysis, Risk Management                                                                                                                                                                          | \$275       |
| Project Manager              | John McGonigal, CPA                                   | Audit, Finance, Accounting, Risk Management                                                                                                                                                                                   | \$275       |
| Project Manager              | Chris Bradish, CFE, ARé                               | Claims, Forensic Accounting, Litigation Support, Fraud                                                                                                                                                                        | \$275       |
| Project Manager              | Matt Musgnung, CPA, CFE, CFF                          | Claims, Forensic Accounting, Litigation Support, Fraud                                                                                                                                                                        | \$275       |
| Subject Matter Expert        | Joseph Pino                                           | Federal, State and Local Governments, Cost Allocation, Cost Analysis, Cost Reimbursement Claims, Government Reimbursement Grants Management, Operational and Process Reviews, Legislation Impact Analysis                     | \$265       |
| Subject Matter Expert        | Kevin Baker, EnCE, ACE                                | Technology, System Interfaces and Integration                                                                                                                                                                                 | \$265       |
| Subject Matter Expert        | Neil Young, ACE, SCA, MCP                             | Technology, System Interfaces and Integration                                                                                                                                                                                 | \$265       |
| Subject Matter Expert        | Steve Witten, CPA, CFE, CFF                           | Claims, Forensic Accounting, Litigation Support, Fraud                                                                                                                                                                        | \$265       |
| Supervisory/Senior Manager   | Heather Craden, CPA, CFE, CFF                         | Claims, Forensic Accounting, Litigation Support, Fraud                                                                                                                                                                        | \$200       |
| Supervisory/Senior Manager   | Nicole Donecker, CPA                                  | Claims, Forensic Accounting, Litigation Support, Fraud                                                                                                                                                                        | \$200       |
| Consultant                   | Brian McGettigan, CPA                                 | Accounting, Finance, Audit                                                                                                                                                                                                    | \$150       |
| Consultant                   | Ed Cywinski, CPA                                      | Accounting, Finance, Audit                                                                                                                                                                                                    | \$150       |
| Associate/Staff              | Andrea Marrical                                       | Accounting, Finance, Audit                                                                                                                                                                                                    | \$125       |
| Associate/Staff              | Kristin Wilton, CPA                                   | Accounting, Finance, Audit                                                                                                                                                                                                    | \$125       |
| Administrative Support Staff | Denise Gricco, Lexy Johnson, Dina Massey, Edith Perry | All Administrative Support                                                                                                                                                                                                    | \$75        |

#### **4.4.4.1 LOCATION**

##### **Smart Devine**

1600 Market Street, 32nd Floor  
Philadelphia, PA 19103

##### **Pino Consulting Group, Inc.** (Subcontractor to Smart Devine)

8 Snowbird Court  
West Windsor, NJ 08550

##### **Key Project Contact:**

Charles Herman, JD, CFE  
Smart Devine  
Managing Director, Business Advisory Services  
267-670-7330  
[cherman@smartdevine.com](mailto:cherman@smartdevine.com)

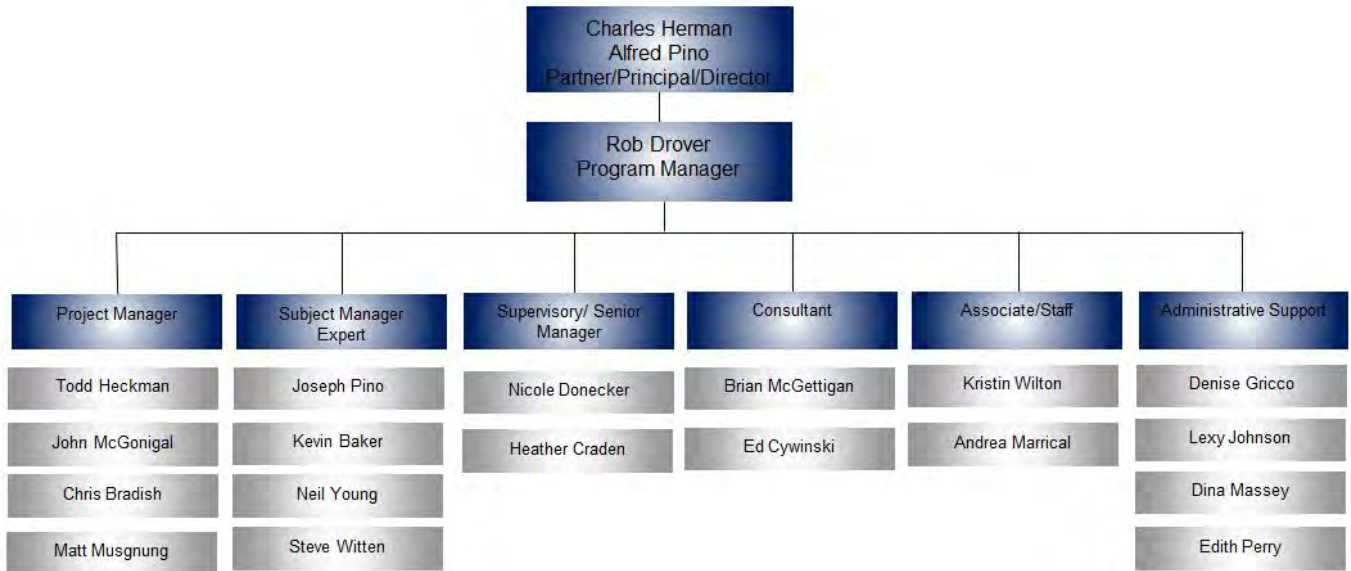
#### **4.4.4.2 ORGANIZATION CHARTS**

##### *a. Contract-Specific Chart.*

Charles “Bud” Herman and Alfred Pino will serve as the Partners/Principals/Directors. They will be responsible for all aspects of the project. Bud will be the primary point of contact and maintain relationships with the New Jersey Contract Manager to keep them abreast of ongoing progress and results of the engagement.



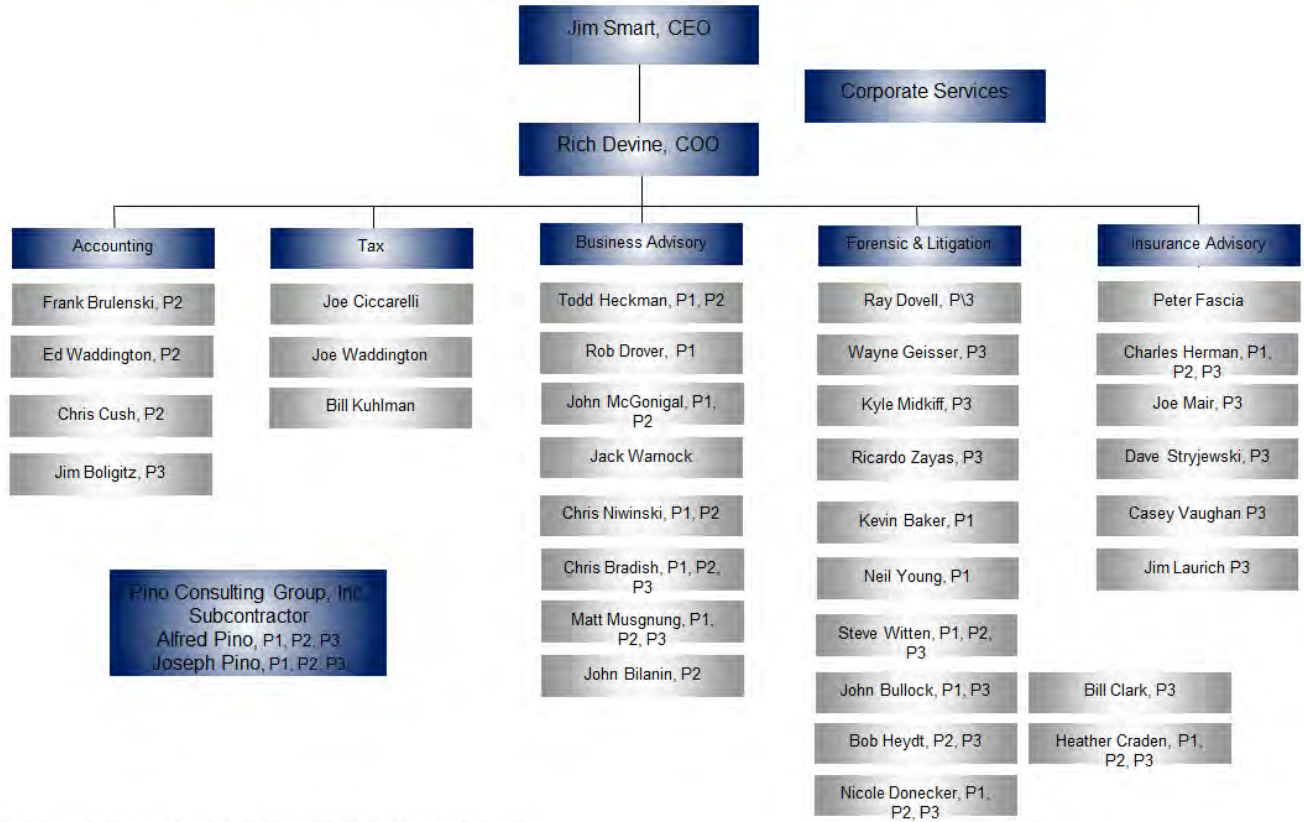
## NJ Disaster Recovery Services Team\* Pool 1



\* Detailed resumes are included in Appendix A for all management, supervisory and key personnel that are assigned to this project.

*b. Chart for Entire Firm.*

## Smart Devine Organization Chart



\* Those professionals assigned to the pools have a P1, P2 or P3 next to their name.

### 4.4.4.3 RESUMES

Please refer to [Appendix A](#) to review the resumes for Pool 1.

#### 4.4.4.4 BACKUP STAFF

Smart Devine possesses a depth of experience in our professionals that will allow us to quickly identify backup staff to fulfill the requirements of assigned tasks should any of the primary staff listed for this Pool become unavailable.

| Skill Classification         | Professionals                | Hourly Rate |
|------------------------------|------------------------------|-------------|
| Partner, Principal, Director | Rob Drover                   | \$325       |
| Program Manager              | Ed Waddington, CPA           | \$300       |
| Project Manager              | Frank Brulenski, CPA,<br>CFE | \$275       |
| Subject Matter Expert        | Chris Niwinski, CPA          | \$265       |
| Subject Matter Expert        | Bob Heydt, CPA               | \$265       |
| Supervisory/Senior Manager   | Chris Cush                   | \$200       |
| Supervisory/Senior Manager   | John Bullock, CPA            | \$200       |

#### 4.4.4.5 EXPERIENCE OF BIDDER ON SIMILAR CONTRACTS

Our proposed engagement team currently provides consulting services for fourteen (14) New Jersey counties. A listing of our county clients is incorporated herein and each of our clients is available to discuss their assessment of our work. **95%** of our work is client return or referred business. We honor and cherish client trust and work hard to build long term relationships. We encourage you to contact our clients to discuss their assessment of our work. Our success is best measured by our satisfied clients.

| Client                                             | Contact Person                         | Telephone      | Years of Service |
|----------------------------------------------------|----------------------------------------|----------------|------------------|
| Bergen County                                      | Alfred Dispoto, CFO                    | (201) 336-6550 | 2008-Present     |
|                                                    | Joseph Luppino, Fiscal Officer         | (201) 336-6553 |                  |
| Burlington County                                  | Edward Troy, CFO                       | (609) 265-5018 | 1996-Present     |
| Buttonwood Hospital<br>(Burlington County)         | Kenneth Sked, Comptroller              | (609) 726-7217 | 2000-Present     |
| Camden Co. Health<br>Services Ctr.                 | Gene Lynam, COO                        | (856) 374-6501 | 2004-present     |
| Essex County                                       | Ralph Ciallella, County Administrator  | (973) 621-4432 | 2000-Present     |
|                                                    | Mark Acker, Director of Finance        | (973) 621-4443 |                  |
| Essex County Hospital<br>Center                    | Lucia Guarini, Director                | (973) 571-2801 | 2000-Present     |
| Gloucester County                                  | Gary Schwarz, County Treasurer         | (856) 853-3322 | 1991-Present     |
| Hudson County                                      | Abraham Antun, County Administrator    | (201) 795-6100 | 1989-Present     |
|                                                    | Cheryl Fuller, Director of Finance     | (201) 795-6070 |                  |
| Meadowview Psychiatric<br>Hospital (Hudson County) | Nuzhat Iqbal, Administrator            | (201) 319-3712 | 1989-Present     |
| Hunterdon County                                   | Margaret Pasqua, County Treasurer      | (908) 788-1118 | 1992-Present     |
| Mercer County                                      | David Miller, County Treasurer         | (609) 989-6694 | 1990-Present     |
| Middlesex County                                   | Albert P. Kuchinskas, Comptroller      | (732) 745-3173 | 1989-Present     |
| Monmouth County                                    | Craig R. Marshall, Director of Finance | (732) 431-7391 | 2006-Present     |
| Morris County                                      | John Bonanni, County Administrator     | (973) 285-6040 | 1992-Present     |

| Client                                       | Contact Person                        | Telephone      | Years of Service |
|----------------------------------------------|---------------------------------------|----------------|------------------|
|                                              | Glenn Roe, County Treasurer           | (973) 285-6085 |                  |
| Passaic County                               | Anthony De Nova, County Administrator | (973) 881-4405 | 2012-Present     |
| Somerset County                              | Brian Newman, Director of Finance     | (908) 231-7047 | 1993-Present     |
| Union County                                 | Bibi Taylor, Director of Finance      | (908) 527-4056 | 1994-Present     |
| Runnells Specialized Hospital (Union County) | Michael Drummond, Director of Finance | (908) 771-5705 | 2006-Present     |

**The following selective listing of projects provides evidence of our experience and our successful record of performance on engagements similar in size and scope to those listed in Pool 1:**

- **Essex County Hospital Center – (2012)**

In 2012, PCG conducted a management analysis of the Essex County Hospital Center’s Business Office. The purpose of this analysis was to improve the organizational structure and efficiencies of the Business Office. Based on our analysis the County hired a supervisor to oversee the Business Office, reassigned staff duties to streamline efforts, improved internal controls, implemented and strengthened accounting policies and procedures and improved its third party billing practices.

From 2010 through early 2013, PCG provided grants management assistance to the Essex County Hospital Center regarding its federal Substance Abuse and Mental Health Services Administration (SAMHSA) grant and federal Center for Disease Control grant. PCG recorded all financial transactions related to the grants, prepared all financial reports including federally-filed financial reports, and provided other technical advice and assistance to the Hospital regarding the ongoing financial responsibilities of the grants.

- **NJ Counties v. State of New Jersey (Essex I and II Lawsuits)**

Our team identified claims against the New Jersey Department of Human Services and provided exemplary assistance and support services to the New Jersey county plaintiffs in the landmark Essex I and II lawsuits. The Essex I matter challenged the State's longstanding practice of erroneously retaining 50% of the social security benefits the State received as representative payee on behalf of the developmentally disabled and mentally ill county residents in State facilities. The Essex II matter asserted the State was wrong to charge counties for a share of the maintenance costs for the Medicaid eligible developmentally disabled county residents in State facilities. The Superior Court and Appellate Court of the State of New Jersey found in favor of the counties. The team identified the issues, developed the counties' claims, provided extensive litigation support, and negotiated and developed the final settlement figures, which resulted in payments to, and funds retained by, the counties in excess of \$61 million. We



were honored by the New Jersey Association of County Finance Officers with the Peter J. Clancy Memorial Award for his outstanding contribution.

- **Bergen County, NJ – (2001, 2009, 2010)**

In 2010, our team completed its first cost allocation engagement for Bergen County, NJ. Our team prepared a comprehensive cost allocation plan which included 25 central service departments and cost categories and 135 functional cost centers. Bergen County received more than \$1.2 million in additional indirect cost reimbursement as a result of the enhanced cost finding techniques employed by our team.

In 2009, our team was retained as an expert for a lawsuit regarding enhanced Medicaid payments received by Bergen County by way of New Jersey's Intergovernmental Transfer Program for County-operated Nursing Facilities. The County of Bergen settled the lawsuit with favorable terms and concluded that our testimony and assistance was very helpful.

In 2001, our team was retained to assist Bergen County in resolving Psychiatric State Aid audits at the Bergen Regional Medical Center. The State of New Jersey claimed the County hospital received overpayments in the amount of \$3.4 million. Our team conducted an analysis of these claims and determined that not only were the payments to the County hospital of \$3.4 million justified, but also identified an additional \$4 million due to the County. As a result of our analysis, the State decided to drop its audit findings entirely. Prior to this engagement with Bergen County, we worked in conjunction with a national consulting firm and a law firm and successfully resolved previous audit issues which amounted to \$3.1 million in savings to the County.

- **Camden County Health Services Center (Camden County, NJ) – (1993-2004)**

Our team provides ongoing technical assistance to the Camden County Health Services Center with various matters including, assistance with the preparation of Medicare, Medicaid and Psychiatric State Aid cost reports, and assistance and advice concerning Medicaid cost report settlements, Medicaid interim payment rates, and other technical reimbursement matters. This facility consists of a 291 bed nursing facility and a 158 bed psychiatric hospital.

We have assisted the Camden County Health Services Center in the recovery of retroactive reimbursement in excess of \$2.5 million from the State Medicaid agency for final settlement adjustments that went unpaid for the cost reporting periods 1993 - 2004. Our efforts also resulted in increased annual recurring revenues in excess of \$500,000.

- **Essex County Hospital Center (Essex County, NJ) – (Since 1999)**

Our team provides ongoing comprehensive fiscal management services to the Essex County Hospital Center. Since 1999, these services include the preparation of the required annual hospital cost reports for Medicare, Medicaid and State Aid Psychiatric reimbursement.

Our team analyzed prior year cost reports and identified under reported costs of \$1.2 million for 1997 and similarly for 1998 and other prior years. We demonstrated to the New Jersey Department of Human Services that these costs were under recovered in 1997 and a carry forward adjustment into 1999 was appropriate. As a result of this cost-finding issue, the County realized \$2.3 million in revenues for 1999 and \$2.1 million in revenues for 2000 using a similar approach.

Our team assisted the Essex County Hospital Center in the recovery of retroactive reimbursement in excess of \$11 million from the State Medicaid agency for final settlement adjustments that went unpaid for the cost reporting periods 1982 - 2002. Also as result of our efforts, Essex County received over \$1.9 million from the settlement of the 2003 Medicaid Cost Report, and approximately \$2 million for 2004. Our efforts also resulted in an increase to the Medicaid interim payment, which generated additional revenues in excess of \$800,000.

- **Gloucester County, NJ – (Since 1991)**

Since 1991, our team has prepared the Gloucester County central service cost allocation plan and indirect cost rate proposals. Based on our efforts the County has recovered significant increases from federal and state sponsored programs for indirect cost reimbursement.

In 2007, we assisted with a cost benefit analysis and feasibility study of merging the Gloucester County Board of Social Services management and operating functions into the Gloucester County government structure. The County implemented the study's findings and successfully merged with the Board of Social Services.

- **Hudson County, NJ – (Since 1989)**

Since 1989, our team has prepared the annual central service cost allocation plan and indirect cost rate proposals for the County of Hudson. Our efforts generated retroactive revenues in excess of \$500,000 and significantly increased the County's annual recurring indirect cost reimbursement.

Throughout our tenure of providing services to the County of Hudson, we have assisted the County in a wide range of fiscal management and reimbursement

issues, which have generated over \$40 million in retroactive revenues, as well as over \$2 million in cost savings. Our efforts in this regard, have also resulted in annual recurring revenues and cost savings for the County of Hudson.

- **Mercer County, NJ – (Since 1990)**

Since 1990, our team has prepared the Mercer County cost allocation plan and indirect cost rate proposals. Our efforts generated retroactive revenues in excess of \$670,000 and significantly increased the County's annual recurring indirect cost reimbursement.

In 1997, we assisted with a comprehensive management analysis of the Mercer County Board of Social Services. This review was performed to assist the County with long term planning for the most cost effective and efficient means for the delivery of services to eligible residents of Mercer County under the “Work First New Jersey” program. This review provided an in depth analysis of existing operations of the MCBOSS and related Mercer County government agencies that have a role in welfare reform or can provide support to improve the operational efficiencies of the human and social services programs available to residents of Mercer County.

- **Mercer County Geriatric Center (Mercer County, NJ)**

Our team provided technical assistance to the County, Improvement Authority and Geriatric Center regarding the transfer of licensed nursing facility beds from the Geriatric Center to the Improvement Authority. The transfer of unused or underutilized beds to the Improvement Authority resulted in the facility obtaining a “high Medicaid occupancy” and thus enhancing its Medicaid Revenues.

- **Monmouth County, NJ – (Since 2005)**

Since 2005, our team has prepared the Monmouth County cost allocation plan and indirect cost rate proposals. As a result of our initial efforts, the County realized over \$2.5 million of additional revenues.

Since 2005, we have prepared an annual cost analysis for the Monmouth County Division of Transportation to determine the current total costs and unit cost rates for the County’s transportation services, which allows the County to objectively determine reasonable charge rates for services provided.

In 2005, our team prepared a detailed cost analysis for the Monmouth County Department of Public Works and Engineering. The purpose of this analysis was to develop labor rates for all divisions under the department to objectively determine reasonable charge rates for services provided.

- **Somerset County, NJ – (Since 1993)**

Since 1993, our team has prepared the Somerset County central service cost allocation plan and indirect cost rate proposals. Our efforts generated retroactive revenues and significantly increased the County's annual recurring indirect cost reimbursement.

In 1997, we prepared a management analysis and detailed cost studies of the Somerset County Police Academy, Department of Engineering and Department of Planning. The purpose of these studies was to determine the full costs incurred by the County to support their operations and to objectively determine reasonable charge rates for services provided.

- **Union County, NJ – (Since 1994)**

Since 1994, our team has prepared the Union County central service cost allocation plan and indirect cost rate proposals. Our efforts generated retroactive revenues and significantly increased the County's annual recurring indirect cost reimbursement. We also analyzed and revised a prior year indirect cost allocation plan initially prepared by another firm and, as a result, the County received in excess of \$500,000 in retroactive revenues from indirect cost claims. Current and recurring revenues were increased by over \$350,000 for Union County.

Dating back to 1985, the County faced questions about costs resulting from a Federal review of the County's allocations to its Welfare Agency. Union County retained us to reduce the questioned costs, and as a result of our efforts, the County was able to retain over \$1 million of Federal funding.

Our team also assisted Union County eliminate over \$1 million of adjustments made by auditors from the New Jersey Department of Human Services concerning the County's charges to its Welfare Agency for employee fringe benefits. As a result of our efforts, a new system was implemented for claiming fringe benefits costs; the audit adjustments were removed; and the State accepted additional retroactive and recurring cost claims for employee fringe benefits.

#### **4.4.4.6 ADDITIONAL EXPERIENCE OF BIDDER**

As demonstrated from our detailed response in the section above, Smart Devine and Pino are well qualified to meet the requirements of this Pool. The foundation upon which Smart Devine and Pino were built are in the areas of Federal, State and Private forensic accounting, audit and financial analysis to help determine and support if compliance requirements were met. Both firms have successful track records in New Jersey, the Tri-State area and nationally. Many of our professionals have worked for the Federal or State government as special agents, auditors, revenue agents,



negotiation specialist, or Certified Government Finance Manager in departments such as the:

- U.S. Department of Labor, Office of Audit
- U.S. Department of Labor, Office of Racketeering
- U.S. Securities and Exchange Commission
- Internal Revenue Service, Criminal Investigation Division
- U.S. Department of Defense
- U.S. Department of Health and Human Services, Division of Cost Allocation

At least 50% of the services provided by our proposed engagement team focuses on providing federal financial reporting services compliant with Federal OMB Circulars. Agencies submitting reimbursement claims FEMA administered programs and HUD administered programs such as CDBG are required to comply their applicable federal OMB circular. We have knowledge and experience preparing, reviewing and negotiating financial reports and claims in accordance with the following Federal OMB Circulars:

- OMB Circular A-21, Cost Principles for Educational Institutions
- OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments
- OMB Circular A-102, Grants and Cooperative Agreements With State and Local Governments
- OMB Circular A-122, Cost Principles for Non-Profit Organizations

Additionally, we have similar knowledge and experience with the Federal Acquisition Regulations (FAR), which are the federal cost principles applicable to for-profit organizations.

#### **4.4.4.7 FINANCIAL CAPABILITY OF THE BIDDER**

Smart Devine, a LLC, (Limited Liability Corporation) purchased Nihill & Riedley, P.C. in September, 2010. Nihill & Riedley, P.C., is currently doing business as the peer reviewed subsidiary of Smart Devine LLC/dba Smart Devine.

Jim Smart (CEO) and Richard Devine (COO) are equity owners in the firm. The firm has 19 Managing Directors across various practice areas to help lead the firm.

Jim Smart, Chief Executive Officer, and Richard Devine, Chief Operating Officer, certify that the financial statements and other information included in the statements fairly present in all material respects the financial condition, results of operations and cash flows of the bidder as of, and for, the periods presented in the statements.

THIS SECTION CONTAINS PROPRIETARY COMMERCIAL AND/OR  
FINANCIAL INFORMATION AND HAS BEEN REMOVED

## **II. 4.4.3 Technical Proposal Response - Pool 2: Financial Auditing and Grant Management**

### **4.4.3.1 MANAGEMENT OVERVIEW**

Smart Devine and Pino provide a concentration of business advisory services designed to help organizations manage risk, meet financial reporting obligations and improve workflow and operations. Our experts have helped numerous organizations across many industries comply with complex financial regulations and improve the efficiency of their operations. The professionals on our proposed engagement team possess experience in a full range of accounting and auditing services including:

- Audit, Reviews & Compilation
- Accounting & Tax Due Diligence
- Accounting Outsourcing
- Agreed Upon Procedures
- Finance Process & Reporting Optimization
- Forecasts & Projections
- Internal Control Study & Evaluation
- Special Project Coordination & Support
- Technical Accounting Consulting
- Transaction Advisory Services

The hallmark of a successful auditor is flexibility, the ability to adapt to the nature of the engagement and the direction that the engagement takes them. Building upon those strengths, Smart Devine has developed a comprehensive, structured, multi-disciplined approach to fulfilling the requirements of the financial auditing and grant management projects associated with Pool 2 and to answer the important questions: who, what, where, when, why, how, and how much. We will develop and implement strategies to evaluate complex financial and management data, perform detailed internal control analysis, and develop financial assessment and monitoring tools. Our professionals include Certified Fraud Examiners (CFEs), Certified Public Accountants, JDs, Private Investigators, Certified Treasury Professionals (CTPs) and MBAs who have distinguished backgrounds in positions outside our firm in financial analysis, accounting, information technology, computer science, business controls assessment and the law. In most cases, the professionals employed by Smart Devine are prior auditors with many years of audit experience.

Since the facts and circumstances for every financial auditing and grant management engagement are different from other engagements, a comprehensive general understanding of the situation is essential and is normally obtained by interviewing selected individuals and other proven information gathering techniques. An auditing approach is developed using the unique circumstances of the engagement. This

approach begins with detailed information gathering and planning, and encompasses the “Three A’s”: Aggressive, Active and Accurate.

- **Aggressive** – The CPAs, CFEs and other financial experts who are assigned to a financial audit or review have the expertise to realize that there is no one standard roadmap to perform these types of engagements. Smart Devine uses the latest and most powerful techniques available to us as professionals. We will use all of the tools available to aggressively gather and analyze information using the following proven methods:
  - Interviews – the professionals at Smart Devine know how to ask the right questions to gain the required information and to get to the bottom of issues related to the review.
  - Documentation analysis – Smart Devine has the capabilities to organize and analyze large quantities of data and to determine the relevant documentary evidence related to the review.
  - Computer information gathering methods – Smart Devine’s professionals have the technical expertise to access electronic information in whatever condition it is in or location it may reside, including hard drives, diskettes, email, and back-up tapes. Smart Devine has experience in dealing with incomplete, misleading, or damaged information and can take the necessary steps to turn this data into useable information. Typical steps in IT information gathering can include:
    - Speak with the head of the IT department to obtain an understanding of the electronic environment.
    - Obtain an understanding and document the population and type of relevant electronic information, including backup tapes, etc. This should include location as well as who has access to the information.
    - Determine with Client the information that needs to be reviewed and the parameters for the searching.
    - Conduct an analysis of the electronic data.
    - Report findings to client. This can range from a simple verbal conversation to an expert report.

The professionals at Smart Devine realize that in these types of engagements, time is often of the essence, and that an aggressive approach during the audit may be the determining factor in the success of the engagement.

- **Active** – An open and active mind with a creative thought process is as important as industry knowledge when performing financial auditing and grant management engagements. Smart Devine encompasses a diverse array of auditing and management techniques, including:
  - Financial analysis examination methods – proven techniques to analyze financial data such as vertical and horizontal analysis as well as budgetary comparisons are used to identify potential areas of interest on the financial reports.
  - Account/Transaction verification techniques –The steps Smart Devine would take in this process include:
    - Obtain documentation
    - Determine categories of accounts
    - Examine transactions
    - Compare records with back-up documentation
    - Interview techniques which may be formal or informal
    - Look for errors of omission or commission
    - Report findings using various methods
  
- **Accurate** – Smart Devine does what is necessary to provide accurate, relevant findings that have been thoroughly reviewed and can be supported by evidence gathered through the methods described above. Findings can be presented in a number of ways, through oral reports, written status reports or formal expert reports, depending on the circumstances.

We go beyond the analysis of numbers, documents and other pertinent information. Smart Devine’s professionals are trained to seek out and examine relevant financial information with a more focused and trained critical eye than a traditional accountant. Our ability to look beneath the surface and beyond is the hallmark of our practice. Smart Devine’s methodology allows us to assemble the financial information you need and provide you with the level of insight required to make the best decision. Additionally, our financial specialists have established well-known track records with our clients and have gained professional recognition among numerous general executives, attorneys and governmental agencies.

The leadership team of each Smart Devine engagement carefully analyzes all aspects of the project to determine the staffing size and levels needed to provide the client with outstanding service at the most cost effective price. Staffing depends on a number of considerations, including:

- **The size of the engagement** – the first consideration in staffing an engagement is size of the project. The project leadership team will review project specifics to determine the overall staff size required to complete the project within the time frames allowed.
- **The complexity of the engagement** – after the overall size of the engagement has been estimated, the next step is to determine the specific skill sets and experience levels that will be required to perform the required tasks. Specific skill requirements such as IT or other disciplines are identified and proper staff is assigned. It is always Smart Devine’s goal to leverage tasks to the appropriate staff level to provide the most value to our services.

Smart Devine has IT specialists available to retrieve and analyze data using unique computer tools and software as well as provide tools to integrate disparate systems when needed. Situations where we can provide technology leadership are as follows:

- Supplement existing IT staff and assist with day-to-day tech operations
- Provide interim IT support for key technology deployments or key person coverage
- Provide guidance on industry best practices and trends
- Assess your current environment and evaluate risk and resiliency
- Assist in defining a strategic roadmap
- Help identify efficiencies in your current applications and platforms

#### **4.4.3.2 CONTRACT MANAGEMENT**

Please refer to the Contract Management section in Pool 1 for our detailed approach.

#### **4.4.3.4 POTENTIAL PROBLEMS**

Please refer to the Potential Problems section in Pool 1 for our list of problems and solutions.

#### 4.4 ORGANIZATIONAL SUPPORT AND EXPERIENCE

Smart Devine and the Pino Consulting Group, Inc., offer an extensive portfolio of experience to the State of New Jersey to perform all of Pool 2 requirements for Financial Auditing and Grant Management.

| Skill Classification         | Pool 2 Professionals          | Specialty                                                                                                                                                                                                                     | Hourly Rate |
|------------------------------|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| Partner, Principal, Director | Charles Herman, JD, CFE       | Claims, Forensic Accounting, Litigation Support, Fraud                                                                                                                                                                        | \$325       |
| Partner, Principal, Director | Alfred Pino, CGFM             | Federal, State and Local Governments, Contract Reimbursement, Cost Allocations, Government Cost Reports and Reimbursement, Grant Management, Cost Analysis, Operational and Process Reviews, Financial Management and Systems | \$325       |
| Program Manager              | Todd Heckman, MBA             | Business Process, Workflow Analysis, Risk Management                                                                                                                                                                          | \$300       |
| Project Manager              | Ed Waddington, CPA            | Audit, Finance, Accounting, Forensic Accounting                                                                                                                                                                               | \$275       |
| Project Manager              | Frank Brulenski, CPA, CFE     | Audit, Finance, Accounting, Forensic Accounting                                                                                                                                                                               | \$275       |
| Project Manager              | Chris Bradish, CFE, ARE       | Grant Management, Claims, Forensic Accounting, Litigation Support, Fraud                                                                                                                                                      | \$275       |
| Project Manager              | Matt Musgnung, CPA, CFE, CFF  | Claims, Forensic Accounting, Litigation Support, Fraud                                                                                                                                                                        | \$275       |
| Subject Matter Expert        | Joseph Pino                   | Federal, State and Local Governments, Cost Allocation, Cost Analysis, Cost Reimbursement Claims, Government Reimbursement Grants Management, Operational and Process Reviews, Legislation Impact Analysis                     | \$265       |
| Subject Matter Expert        | Chris Niwinski, CPA           | Grant Management, Reporting, Compliance, Processes, Audits                                                                                                                                                                    | \$265       |
| Subject Matter Expert        | John Bilanin                  | Grant Management and Processes                                                                                                                                                                                                | \$265       |
| Subject Matter Expert        | Bob Heydt                     | Claims, Forensic Accounting, Litigation Support, Fraud                                                                                                                                                                        | \$265       |
| Subject Matter Expert        | Steve Witten, CPA, CFE, CFF   | Claims, Forensic Accounting, Litigation Support, Fraud                                                                                                                                                                        | \$265       |
| Supervisory/Senior Manager   | Heather Craden, CPA, CFE, CFF | Claims, Forensic Accounting, Litigation Support, Fraud                                                                                                                                                                        | \$200       |
| Supervisory/Senior Manager   | Nicole Donecker, CPA          | Claims, Forensic Accounting, Litigation Support, Fraud                                                                                                                                                                        | \$200       |
| Consultant                   | Ed Cywinski, CPA              | Accounting, Finance, Audit                                                                                                                                                                                                    | \$150       |
| Consultant                   | Jim Boligitz, CPA             | Accounting, Finance, Audit                                                                                                                                                                                                    | \$150       |
| Associate/Staff              | Andrea Marrical               | Accounting, Finance, Audit                                                                                                                                                                                                    | \$125       |
| Associate/Staff              | Mike Vernamonti               | Accounting, Finance, Audit                                                                                                                                                                                                    | \$125       |
| Associate/Staff              | Kristin Wilton, CPA           | Accounting, Finance, Audit                                                                                                                                                                                                    | \$125       |

| Skill Classification         | Pool 2 Professionals                                  | Specialty                  | Hourly Rate |
|------------------------------|-------------------------------------------------------|----------------------------|-------------|
| Administrative Support Staff | Denise Gricco, Lexy Johnson, Dina Massey, Edith Perry | All Administrative Support | \$75        |

#### 4.4.4.1 LOCATION

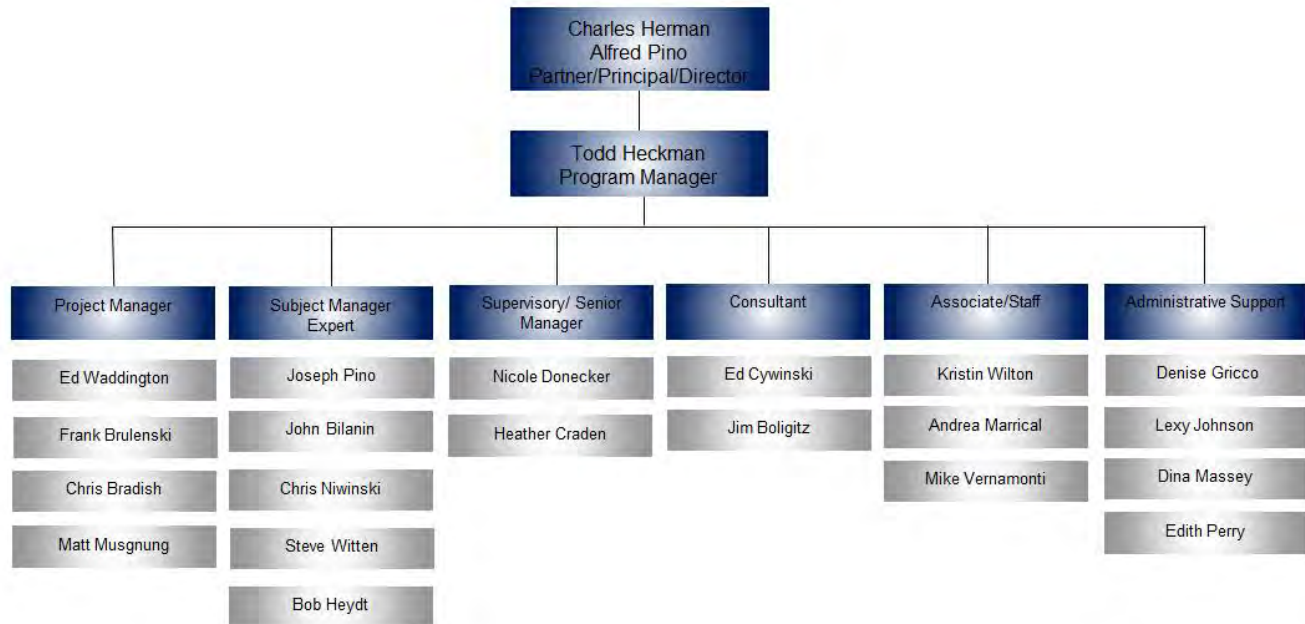
Please refer to Pool 1 for our location and contact information.

#### 4.4.4.2 ORGANIZATION CHARTS

##### *a. Contract-Specific Chart.*

Charles “Bud” Herman and Alfred Pino will serve as the Partners/Principals/Directors. They will be responsible for all aspects of the project. Bud will be the primary point of contact and maintain relationships with the New Jersey Contract Manager to keep them abreast of ongoing progress and results of the engagement.

## NJ Disaster Recovery Services Team\* Pool 2



\* Detailed resumes are included in Appendix A for all management, supervisory and key personnel that are assigned to this project.



*b. Chart for Entire Firm.*

Please reference the organization chart in the Pool 1 Technical response.

**4.4.4.3 RESUMES**

Please refer to **Appendix A** to review the resumes for Pool 2.

**4.4.4.4 BACKUP STAFF**

Smart Devine possesses a depth of experience in our professionals that will allow us to quickly identify backup staff to fulfill the requirements of assigned tasks should any of the primary staff listed for this Pool become unavailable.

| Skill Classification         | Professionals               | Hourly Rate |
|------------------------------|-----------------------------|-------------|
| Partner, Principal, Director | Todd Heckman                | \$325       |
| Program Manager              | John McGonigal, CPA         | \$300       |
| Project Manager              | MaryLynn Kudey,<br>PMP, CSM | \$275       |
| Subject Matter Expert        | John Bullock, CPA           | \$265       |
| Subject Matter Expert        | Bill Clark, CPA             | \$265       |
| Supervisory/Senior Manager   | Dana Stowe                  | \$200       |
| Supervisory/Senior Manager   | John Bullock                | \$200       |

**4.4.4.5 EXPERIENCE OF BIDDER ON SIMILAR CONTRACTS**

- **City of Philadelphia Sheriff’s Office (2011 – current)**

We assisted Sheriff’s Office personnel in recovering and restoring functionality of the property management software. Services included the implementation of interim property sale and the implementation of interim accounting software to facilitate the processing of real estate transactions and related disbursements. Assessed and provided recommendations to enhance the current accounting policies and procedures surrounding revenue recognition and expenses management. We performed financial analysis of millions of lines of data covering the period of 1999 through 2011 which resulted in the remittance of over \$53 million in unclaimed funds to state and local governmental entities. Identified and quantified amounts totaling \$56 million held in custodial accounts and reconciled those balances to amounts reflected in the Sheriff’s Office accounting system. We assisted the Federal Bureau of Investigation with their examination of the Sheriff’s Office activities.

*Joseph Vignola  
Chief Deputy for Finance and Accountability,  
100 South Broad Street  
Philadelphia, PA 19110  
(215) 908-4721*

- **Archdiocese of Philadelphia (2012 – current)**

We served as interim Assistant Controller supporting the financial reporting function as well as the monthly financial close process for a non-profit religious archdiocese. We prepared financial statements for fiscal year end GAAP audit with supporting schedules and documentation. Performed an assessment of the revenue recognition as well expenses management processes providing recommendations to provide accurate accounting and reporting of said transactions. Assisted in the proper accounting and reporting for all gifts and grants received by the numerous entities that constitute the archdiocese as a whole, inclusive of all restrictions on principal and income. Our team worked with the Development department to provide support during the audit of contributions and expenditures of charitable programs within the archdiocese. Reviewed, assessed and updated the Finance department's policies and procedures to reflect proper responsibilities within the department. In addition, we implemented a financial close process inclusive of schedules, due dates and proper review within the archdiocese Finance department in the preparation of monthly financials submitted to the Board of Directors.

*Timothy O'Shaughnessy  
Chief Financial Officer  
222 North 17th Street  
Philadelphia, PA 19103  
(215) 587-4511*

- **Commonwealth of Kentucky, Department of Agriculture**

We developed a comprehensive Cost Allocation Program in accordance with OMB Circular A-87 for the Kentucky, Department of Agriculture. The program included a detailed central service cost allocation plan, an indirect cost rate proposal, and employee fringe benefit rates. The cost allocation plan and indirect cost rate proposal was successfully negotiated with the United States Department of Agriculture, Division of Food and Nutrition Service. Also, as a result of our efforts, we determined that additional un-recovered carry-forward amounts were due the Department of Agriculture from prior indirect cost rate agreements with the Federal government. These carry-forward amounts were successfully negotiated and accepted by United States Department of Agriculture, Division of Food and Nutrition Service.

- **Camden County, NJ – (1992-2008)**

Our team prepared the Camden County central service cost allocation plans and indirect cost rate proposals from 1992 to 2008. Based on our efforts, the County recovered retroactive revenues in excess of \$600,000 and on an annual recurring basis, the County has recovered significant increases from indirect cost reimbursement.

In 2005, we completed a cost analysis of the Camden County Department of Corrections for the purpose of developing a per diem rate for the cost to house State prisoners in the County Jail.

In 2000, our team conducted a budget analysis of the Camden County Board of Social Services and assisted Camden County implement organizational changes to promote improved communications and provide the framework for achieving operational efficiencies and cost savings by establishing lines of authority from Camden County central service departments to related functional responsibility units within the Camden County Board of Social Services.

In 1997, we performed an operational review of the Camden County Adjuster's Office to provide County management with an assessment of operational efficiencies and compliance with applicable laws and regulations.

- **Gloucester County College, NJ – (2007)**

In 2007, our team assisted the Gloucester County College (GCC) with the development of a Facilities & Administrative (F & A) Indirect Cost Program. The program included a comprehensive cost allocation plan, indirect cost rate proposal, and fringe benefits cost rate proposal. The Program was designed to meet the requirements of Federal OMB Circular A-21 (Principles for Determining Costs Applicable to Grants, Contracts, and Other Agreements with Educational Institutions) and was successfully negotiated with the Federal Department of Health and Human Services, Division of Cost Allocation.

- **Raritan Bay Mental Health Center (Middlesex County, NJ) – (2006)**

In 2006, our team performed a financial analysis and assessment of clinical services rendered by psychiatrists employed by the Raritan Bay Mental Health Center to determine if the current compensation and staffing levels are commensurate with the client specific services rendered by the psychiatrists and whether other means for providing these services, including compensation methods, would be in the best interests of the County.

- **Morris View Nursing Home (Morris County, New Jersey) – (2001-2011)**

From 2001 through 2006, our team provided comprehensive fiscal management services to the Morris View Nursing Home and prepared the facility's annual Medicare and Medicaid cost reports (the facility is now operated by a private management company).

In 2011, our team in conjunction with a private nursing home management company developed a financial analysis and options regarding the future of the Morris View Healthcare Center.

The purpose of this analysis was to provide assistance to the County of Morris to assess and develop options for the future operation of the Morris View Healthcare Center (Morris View) so that it operates in an efficient and cost effective manner, optimizes third party reimbursement and, if possible, reduces the need for County financial support without decreasing the quality of services to the residents.

In 2006, we participated in a comprehensive management review to assist the County develop objectives pertaining to the future operation of the Morris View Nursing Home. The focus was to reduce overall costs, without negatively impacting the quality of care. The review concluded with a series of recommendations for Morris View's role in the new continuum of care. All aspects of the organization were within the scope of the review, including management, support services and program services.

In 2004, our team conducted a review of the Patient Accounting Operations of the Morris View Nursing Home to assist the Facility Administrator determine if the procedures, practices and systems used were efficient and effective.

In 2002, we provided technical expertise relating to reimbursement and billing related issues and successfully assisted the County with prior year Medicaid appeals, which generated over \$5.8 million for the County of Morris.

- **Runnells Specialized Hospital (Union County, NJ) – (Since 2006)**

Since 2006, our team has prepared the annual Medicare, Medicaid and State Aid cost reports for the County's Runnells Specialized Hospital. This facility consists of a 300 bed nursing facility and a 44 bed psychiatric hospital. Our team also provides technical expertise relating to reimbursement and billing related issues.

In 2004, we assisted Runnells Specialized Hospital of Union County recover costs that were previously not reimbursed by the Medicaid Program as a result of understated Medicaid TEFRA Target Rates. Our team successfully developed revised Medicaid rates, which resulted in additional Medicaid reimbursement in excess of \$4.1 million for the cost reporting periods 2004 - 2007.

- **Warren County, NJ – (2006)**

In 2006, our team conducted a financial analysis and assessment of the Warren Haven Nursing Home for the County of Warren. The purpose of this review was to determine if the County was receiving maximum third party reimbursement for the operation of the nursing home. Our analysis included a review of the County's cost finding and cost reporting techniques, which included a thorough review of the County's central service cost allocation plan. As a result of our efforts, the annual Medicaid reimbursement to the County of Warren increased by about \$135,000.

- **St. Joseph's Preparatory School (2008 – 2009)**

Our team served as interim Controller supporting the financial reporting function as well as the monthly financial close process for the non-profit College Preparatory school. We prepared financial statements for fiscal year end GAAP audit with supporting schedules and documentation. We implemented a financial close process inclusive of schedules, due dates and proper review within the Prep school in the preparation of monthly financials submitted to the Board of Directors. Reviewed, assessed and updated the Finance department's policies and procedures to reflect proper responsibilities within the department. In addition, worked with the school's Development Director to implement a monthly process for proper financial recognition of contributions made to the school with proper reconciliation of grant expenditures to purpose.

Timothy O'Shaughnessy  
Chief Financial Officer  
Archdiocese of Philadelphia (formerly with St. Joseph's Prep)  
222 North 17th Street  
Philadelphia, PA 19103  
(215) 587-4511

- **Drexel University College of Medicine – Sarbanes Oxley testing**

We led Sarbanes Oxley compliance engagement for a major university in Pennsylvania. The engagement involved reviewing, documenting, assessing and testing of internal controls of various departments within the university including grants, endowments, accounting and financial reporting, as well as purchasing and accounts payable. The compliance testing was extended to include the physician billing function of the College of Medicine. Results of the testing, along with recommendations to strengthen current control deficiencies, were presented to management.

James Seaman  
Vice President: Internal Audit and Consulting Services  
3201 Arch Street - Suite 220  
Philadelphia, PA 19104-2875  
(215) 895-6012

- **University of Pennsylvania Medical Center – Grant Management Assistance**

Provided thorough review of an academic medical center’s Center for Clinical Epidemiology and Biostatistics grant account balances due to close within 90 days of fiscal year end. The results of this review documented the grant expenditures incurred to date plus recalculated encumbrances less funding per account group (salaries, supplies, administrative costs, etc.), noting any significant balances remaining, as well as any issues noted during the close-out process for each grant reviewed. Identification of these specific grant balances allowed CCEB adequate time to follow up with the grant’s appropriate principal investigator to inform them of the significant remaining grant account balances as well as address their grants’ issues prior to the sponsor’s funding withdrawal, providing CCEB with significant savings.

Deborah Dole - Department of Biostatistics and Epidemiology  
Center for Clinical Epidemiology and Biostatistics  
105 Blockley Hall  
423 Guardian Drive  
Philadelphia, PA 19104-6021  
215-898-5536 (voice)

- **Higher Education – Grant expenditure review**

Led grant expenditure review engagement for a major university in New York. The engagement involved reviewing and documenting expenditures charged to a specific grant and assessing whether the expenditure met the criteria (purpose) as documented in the grant document to proper utilize the funds in that manner. A report was prepared and submitted to management documenting all of the procedures followed during the engagement as well as the results of the testing. The client utilized this report to strengthen the policies and procedures concerning proper utilization of numerous grant funds throughout the university

Rick N. Whitfield, Ed.D  
Executive Vice President for Finance and Administration & Treasurer  
One Pace Plaza, 18th floor  
New York City, NY 10038

#### **4.4.4.6 ADDITIONAL EXPERIENCE OF BIDDER**

Please refer to our response in Pool 1 for more details regarding our additional experience with Federal, State and Local government projects.

#### **4.4.4.7 FINANCIAL CAPABILITY OF THE BIDDER**

Please see the Technical write-up for Pool 1 for our financial information.

### **III. 4.4.3 Technical Proposal Response - Pool 3: Integrity Monitoring/ Anti-Fraud**

#### **4.4.3.1 MANAGEMENT OVERVIEW**

In the wake of any major catastrophe, an unfortunate fact is the ever-present risk of individuals and organizations trying to take advantage of the programs initiated to help those affected. The sheer volume and nature of these schemes is limited only by the imaginations of the perpetrators, whether they are contractors, agencies, or individuals posing as victims. The professionals at Smart Devine, through decades of experience in dealing with fraud schemes of all shapes and sizes, developed a distinct methodology in dealing with these types of engagements.

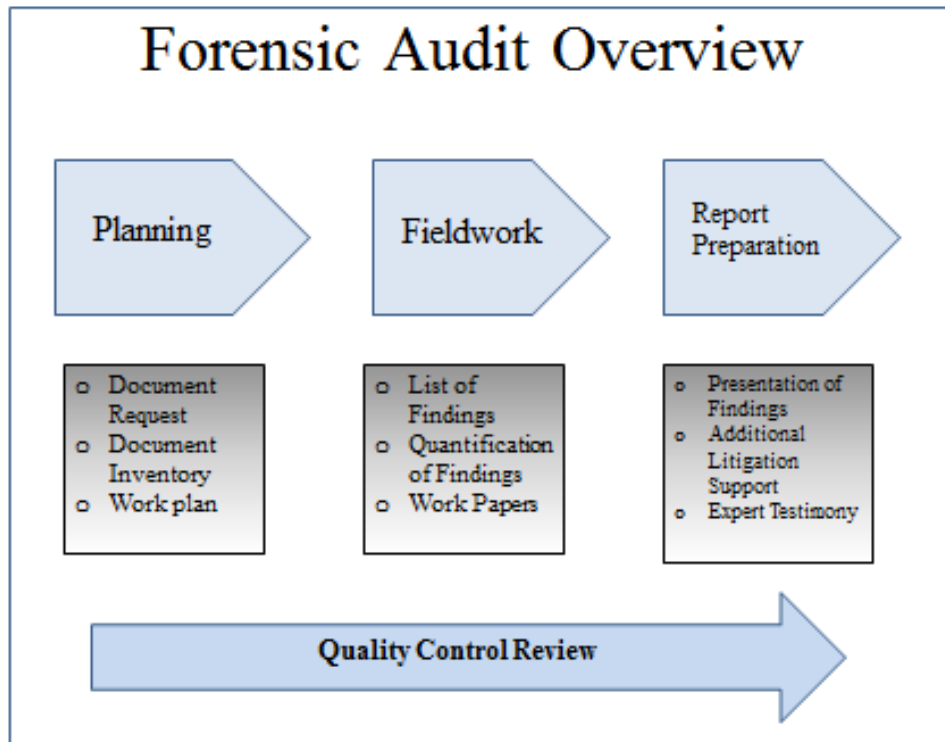
Smart Devine has developed a reputation as one of the pre-eminent national forensic accounting firms. We provide consulting and expert witness services to a diverse base of clients, including law firms, public corporations, non-profits, governmental agencies and privately-held businesses. Our reputation has been built on a solid record of accomplishment by an experienced team of professionals. Many of our principals have backgrounds in federal law enforcement and more than 25 years of practice in private industry.

Our clients rely on our experience and expertise to discover and develop relevant fact patterns, to analyze complex financial issues and to clearly communicate the results. We have provided expert testimony in federal, state and local courts as well as arbitration forums in matters including commercial damages, fraud, tax controversies, environmental damages and other types of claims. We have also served as court appointed trustees.

#### **Approach to Forensic Accounting Engagement**

Our general approach to forensic accounting and investigative projects is to perform them in three phases – **Planning, Field Work** and **Report Preparation**. Each phase of our investigation is critical to the success of our project. With this in mind, each

deliverable prepared by Smart Devine is subjected to a quality control review performed by an experienced management team member.



### **Planning**

As the first step in the forensic investigation process, we will conduct the initial project planning. The focus of this step will be to confirm the project scope and timeline with the executive leadership team, conduct interview sessions with the purchasing agency’s team members, create our work plan, and gather and review the documents required to commence the forensic investigation.

This phase of the investigation will primarily be performed by Smart Devine’s senior management team which will consist of Managing Directors and Directors/Senior Managers.

### **Key Activities**

- Compile a documentation request (financial statements, audit reports, check registers, disbursement journals, bank statements, bank reconciliations, roles and responsibilities of key employees, ledger details, etc.)
- Scope Planning - Interview key employees
  - Confirm and discuss issues identified by the individuals
  - Identify key objectives of investigation
- Complete initial review of documentation received
- Refine interview session templates based on information gathered



- Field Work Planning
  - Prepare detailed work plan
  - Define and refine Smart Devine resource roles

#### **Deliverables<sup>1</sup>**

- Document request
- Document inventory
- Work plan

#### **Field Work**

In the second phase of our investigation, we will perform the field work related to our forensic investigation. During this phase we will perform analytical procedures and substantive testing to analyze and substantiate the financial activity related to the fraud. Smart Devine utilizes tools such as Microsoft Excel, Access and Visio, and ACL to assist in our forensic investigations. In addition, Smart Devine will utilize the information obtained through Planning and Field Work phases to identify additional activities for consideration.

Smart Devine understands the need for direct and open communication during the Field Work phase of the investigation. To that end, we will be available to discuss engagement progress on an ongoing basis. Smart Devine will report any significant findings or proposed scope changes to the State or Using Agency as they arise. This phase of the investigation will be performed by the entire proposed engagement team which will consist of Managing Directors, Directors/Senior Managers, Managers, Senior Consultants, and Staff.

#### **Key Activities**

- Utilizing analytical and substantive procedures, analyze selected transactions and financial activity to identify any improprieties or trends related to the transactions that occurred.
- Supporting Documentation – Utilizing analytical and substantive procedures, analyze all supporting documentation to identify any improprieties or trends.
- General Ledger Activity – Utilizing analytical and substantive procedures, analyze all general ledger and journal entry activity to identify any improprieties or trends.
- Additional Mutually Agreed Upon Procedures – Based on the procedures performed in the Planning and Field Work phases identify and discuss with the Using Agency additional procedures they may wish to consider.

#### **Deliverables**

- Detailed listing of findings related to each key activity

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<sup>1</sup> The deliverables identified in the Planning phase of the engagement will be considered working documents that will change through the course of our investigation based on additional information obtained in the Planning and Field Work phases.

- Quantification of each finding identified (if applicable)
- Work papers to support the various analysis, testing and computations completed

### **Report Preparation**

The final phase of our forensic investigation involves the report preparation phase. The report will contain an executive summary that will clearly and concisely identify the key findings our forensic investigation uncovered. In addition, our report will contain a detail section that will identify the objectives, procedures and findings related to each of our key activities. The report will be supported by our detailed work papers and will be subject to Smart Devine's quality control review. Further, this report will be used as the basis for testimony by the designated expert, as required.

This phase of the investigation will be performed by the entire proposed engagement team which will consist of Managing Directors, Directors/Senior Managers, Managers, Senior Consultants, and Staff.

### **Key Activities**

- Drafting of Report
- Communication of Report contents to the appropriate personnel

### **Deliverables**

- Report detailing our work performed and our findings
- Expert testimony and other litigation support activities, as required

### **IT Forensics Specialization**

Smart Devine also has dedicated forensic IT professionals who possess the skills and experience to collect and analyze data required for compliance and anti-fraud analytics. Digital investigations are critical in determining the facts surrounding incidents that involve data communications, data storage, and the evaluation of circumstances in which evidence of impropriety may reside in electronic data. Digital forensic investigations preserve forensically sound evidence, document the incident, identify responsible parties, recover deleted data, analyze user activity and identify data to assist with recovery.

There are special considerations for investigations in preparation for litigation, administrative sanctions, disciplinary actions, or referral to law enforcement authorities. Smart Devine's team of digital forensic experts support the full litigation life-cycle and can process evidence according to federal standards, in order to preserve all options as companies determine the most prudent course of action.

We feel that the general approach discussed above coupled with Smart Devine's unique specialization in IT forensic investigations will provide the results needed to fulfill many of the requirements of the anticipated projects in the Pool 3 group. These

procedures can also be used to assess risk of fraud and abuse, monitor the activities and controls of grantees, and other monitoring and oversight activities.

#### 4.4.3.2 CONTRACT MANAGEMENT

Please refer to the Contract Management section in Pool 1 for our detailed approach.

#### 4.4.3.4 POTENTIAL PROBLEMS

Please refer to the Potential Problems section in Pool 1 for our list of problems and solutions.

### 4.4 ORGANIZATIONAL SUPPORT AND EXPERIENCE

Smart Devine and the Pino Consulting Group, Inc., offer an extensive portfolio of experience to the State of New Jersey to perform all of Pool 3 requirements for Integrity Monitoring/ Anti-Fraud.

| Skill Classification         | Pool 3 Professionals         | Specialty                                                                                                                                                                                                                     | Hourly Rate |
|------------------------------|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| Partner, Principal, Director | Charles Herman, JD, CFE      | Claims, Forensic Accounting, Litigation Support, Fraud                                                                                                                                                                        | \$325       |
| Partner, Principal, Director | Alfred Pino, CGFM            | Federal, State and Local Governments, Contract Reimbursement, Cost Allocations, Government Cost Reports and Reimbursement, Grant Management, Cost Analysis, Operational and Process Reviews, Financial Management and Systems | \$325       |
| Program Manager              | Ric Zayas, CPA, CFE, CVA     | Forensic Accounting, Litigation Support, Fraud                                                                                                                                                                                | \$300       |
| Project Manager              | Wayne Geisser, CPA, CFE, CVA | Forensic Accounting, Litigation Support, Fraud                                                                                                                                                                                | \$275       |
| Project Manager              | Ray Dovell                   | Forensic Accounting, Litigation Support, Fraud, Environmental                                                                                                                                                                 | \$275       |
| Project Manager              | Chris Bradish, CFE, ARe      | Claims, Forensic Accounting, Litigation Support, Fraud                                                                                                                                                                        | \$275       |
| Project Manager              | Matt Musgnung, CPA, CFE, CFF | Claims, Forensic Accounting, Litigation Support, Fraud                                                                                                                                                                        | \$275       |
| Subject Matter Expert        | Joseph Pino                  | Federal, State and Local Governments, Cost Allocation, Cost Analysis, Cost Reimbursement Claims, Government Reimbursement Grants Management, Operational and Process Reviews, Legislation Impact Analysis                     | \$265       |
| Subject Matter Expert        | Kyle Midkiff, CPA, CFE       | Forensic Accounting, Litigation Support, Fraud                                                                                                                                                                                | \$265       |
| Subject Matter Expert        | Bill Clark, CPA              | Forensic Accounting, Litigation                                                                                                                                                                                               | \$265       |

| <b>Skill Classification</b>  | <b>Pool 3 Professionals</b>                              | <b>Specialty</b>                                                            | <b>Hourly Rate</b> |
|------------------------------|----------------------------------------------------------|-----------------------------------------------------------------------------|--------------------|
| Subject Matter Expert        | Bob Heydt, CPA                                           | Support, Fraud<br>Forensic Accounting, Litigation                           | \$265              |
| Subject Matter Expert        | Steve Witten, CPA, CFE, CFF                              | Support, Fraud<br>Claims, Forensic Accounting,<br>Litigation Support, Fraud | \$265              |
| Supervisory/Senior Manager   | Nicole Donecker, CPA                                     | Forensic Accounting, Litigation<br>Support, Fraud                           | \$200              |
| Supervisory/Senior Manager   | Heather Craden, CPA, CFE, CFF                            | Forensic Accounting, Litigation<br>Support, Fraud                           | \$200              |
| Consultant                   | Casey Vaughn, CPA                                        | Accounting, Finance, Audit                                                  | \$150              |
| Consultant                   | Brian McGettigan                                         | Accounting, Finance, Audit                                                  | \$150              |
| Associate/Staff              | Andrea Marrical                                          | Accounting, Finance, Audit                                                  | \$125              |
| Associate/Staff              | John Tyszka                                              | Accounting, Finance, Audit                                                  | \$125              |
| Associate/Staff              | Kristin Wilton, CPA                                      | Accounting, Finance, Audit                                                  | \$125              |
| Administrative Support Staff | Denise Gricco, Lexy Johnson,<br>Dina Massey, Edith Perry | All Administrative Support                                                  | \$75               |

#### **4.4.4.1 LOCATION**

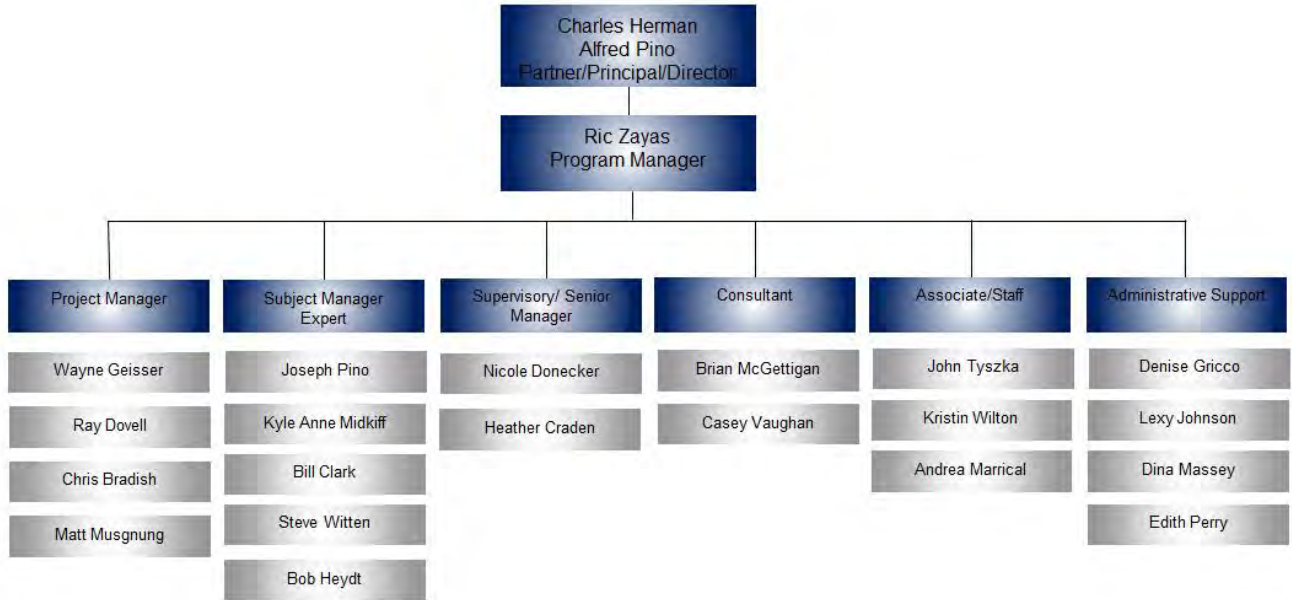
Please refer to Pool 1 for our location and contact information.

#### **4.4.4.2 ORGANIZATION CHARTS**

##### *a. Contract-Specific Chart.*

Charles “Bud” Herman and Alfred Pino will serve as the Partners/Principals/Directors. They will be responsible for all aspects of the project. Bud will be the primary point of contact and maintain relationships with the New Jersey Contract Manager to keep them abreast of ongoing progress and results of the engagement.

## NJ Disaster Recovery Services Team\* Pool 3



\* Detailed resumes are included in Appendix A for all management, supervisory and key personnel that are assigned to this project.

*b. Chart for Entire Firm.*

Please reference the organization chart in the Pool 1 Technical response.

#### 4.4.4.3 RESUMES

Please refer to **Appendix A** to review the resumes for Pool 3.

#### 4.4.4.4 BACKUP STAFF

Smart Devine possesses a depth of experience in our professionals that will allow us to quickly identify backup staff to fulfill the requirements of assigned tasks should any of the primary staff listed for this Pool become unavailable.

| Skill Classification         | Professionals               | Hourly Rate |
|------------------------------|-----------------------------|-------------|
| Partner, Principal, Director | Ric Zayas, CPA, CFE,<br>CVA | \$325       |
| Program Manager              | Ed Waddington, CPA          | \$300       |

| Skill Classification       | Professionals                   | Hourly Rate |
|----------------------------|---------------------------------|-------------|
| Project Manager            | Frank Brulenski, CPA,<br>CFE    | \$275       |
| Subject Matter Expert      | Chris Niwinski, CPA             | \$265       |
| Subject Matter Expert      | John Bullock, CPA               | \$265       |
| Supervisory/Senior Manager | Chris Cush                      | \$200       |
| Supervisory/Senior Manager | Chris Bradish, CFE,<br>ARe      | \$200       |
| Supervisory/Senior Manager | Matt Musgnung, CPA,<br>CFE, CFF | \$200       |

#### 4.4.4.5 EXPERIENCE OF BIDDER ON SIMILAR CONTRACTS

- **Darigold – (2012 – Current)**

Smart Devine was engaged by an attorney representing an insurance company in a matter relating to litigation arising from a product recall dispute. We performed financial analysis and review of financial transactions and supporting documentation relating to the recall, resale and disposal of over 6 million pounds of a commodity sold to international markets. A damage analysis related to the recall events and an expert report was prepared, and our services included deposition and anticipated trial testimony.

Reference:

Michael J. Cawley

Attorney at Law

Wilson Elser Moskowitz Edelman & Dicker LLP

Independence Sq. West - The Curtis Center - Suite 1130 East

Philadelphia, PA 19106-3308

215.606.3923 (Direct)

- **National Penn Bank v. Roberta Stutzman and U.S. v. Roberta Stutzman – (2008 – 2010)**

The engagement involved an investigation of an embezzlement by the vice president of loan operations through the use of creating lines of credit using fictitious names and the electronic transfer of funds into accounts held by herself and relatives. Over \$4 million was embezzled. We interviewed witnesses, quantified the amount of the loss, testified in a TRO hearing to have the assets frozen, and assisted in the recovery of the assets through preparation of the insurance claim.

Reference:

**Efrem Grail, Esq.**  
Reed Smith Centre  
225 Fifth Avenue  
Pittsburgh, PA 15222  
412-288-4586

**Tracy Rea, Esquire**  
Same  
412-288-4184

- **Philadelphia Insurance Companies – (2010 to Current)**

Smart Devine provides investigative claim review services to Philadelphia Insurance companies on an on-going basis. The claims normally involve fidelity losses related to employee theft. Smart Devine performs investigative procedures to verify the nature of the fraud scheme and verification of the value of the loss reported by the insured company. Investigative procedures include interviews, review of documentation and other forensic procedures.

Reference:

John Gavin  
Sr. Claims Examiner  
Philadelphia Insurance Companies  
A Member of the Tokio Marine Group  
One Bala Plaza, Suite 100  
Bala Cynwyd, Pa 19004  
Direct Dial: 610.617.5989

- **Gumberg v. Gumberg – (2007 – 2009)**

The engagement involved an investigation of various real estate partnerships that were closely held by a family and how they were managed. A forensic investigation was performed and testimony was provided.

Reference:

**Michael Bomstein, Esq.**  
Pinnola & Bomstein  
834 Chestnut Street, Suite 206  
Philadelphia, PA 19107

- **Loss Prevention Training – Banking – (2006)**

Bank Fraud Prevention and Identification Training was developed by Nicole Donecker and Kyle Midkiff to provide education to employees of National Penn Bank in the loan areas, credit analysis areas, and loan operations area.

Reference:  
Roxanne Miller  
Steve Kunkle

- **Railroad Construction et al vs. St Paul / Travelers  
Re: Construction of NJ E-Z Pass system – (2004-2005)**

Smart Devine was engaged as experts to evaluate the costs incurred by Railroad Construction in connection with the construction of the NJ E-Z Pass system. The focus of the expert report was the damage / delay claim of Railroad Construction.

Reference:  
David C. Dreifuss, Esq.  
Dreifuss Bonacci & Parker, PC  
26 Columbia Turnpike  
Florham Park, New Jersey 07932  
973-514-1414

- **Keystone Construction vs. Travelers Casualty and Surety  
Re: Verrazano Narrows Painting Contract – (2004-2006)**

Smart Devine was jointly engaged by the plaintiff and defendant as experts to “audit” and evaluate the wages paid to employees of Keystone Construction under the Keystone contract to paint the Verrazano Narrows Bridge over a multi-year period. The focus of the report was to identify inconsistencies between various sources of payroll records and to quantify the differences in wages and benefits paid to employees.

Reference:  
David C. Dreifuss, Esq.  
Dreifuss Bonacci & Parker, PC  
26 Columbia Turnpike  
Florham Park, New Jersey 07932  
973-514-1414

- **Driscoll Hunt JV vs. Havens Steel Corporation / Travelers Casualty and Surety et al - Re: Construction of Citizens Bank Park in Philadelphia – (2005-2006)**

Smart Devine was engaged as experts to evaluate the costs incurred by Haven Steel Corporation in connection with their subcontract for the erection of the steel structure at Citizens Bank Park in Philadelphia. The focus of the engagement was to evaluate various profit estimates and cost overruns during the period of construction.



Reference:

Jeffrey D. Grossman, Esquire  
Stradley, Ronon, Stevens & Young, L.L.P.  
2600 One Commerce Square  
Philadelphia, PA 19103-7098  
(215) 564-8061

- **Liberty Mutual Surety vs. Hisaw Construction (Dallas TX)  
Re: Indemnity action – (2009-2010)**

Smart Devine was engaged as experts to identify and evaluate the use of contract trust funds and withdrawal of assets by the indemnitors / owners of Hisaw Construction. The engagement also included the evaluation of the financial condition of the indemnitors / owners of Hisaw.

Reference:

Gregory M. Weinstein  
**Langley Weinstein**  
**Attorneys & Counselors llp**  
901 Main Street, Suite 600  
Dallas, Texas 75202  
214/722-7165 (direct)

#### **4.4.4.6 ADDITIONAL EXPERIENCE OF BIDDER**

Please refer to our response in Pool 1 for more details regarding our additional experience with Federal, State and Local government projects.

#### **4.4.4.7 FINANCIAL CAPABILITY OF THE BIDDER**

Please see the Technical write-up for Pool 1 for our financial information.

## **Appendix A - Resumes**

### **CHARLES J. HERMAN, JD, CFE**

*Managing Director*

Mr. Herman has over 40 years' experience as an attorney in construction litigation and insurance litigation in professional liability, property, fidelity, surety and insurance coverage, including banking and brokerage house issues. His experience ranges from small subcontractor claims to building a nuclear training school for Naval personnel. Mr. Herman has handled multi-million dollar bank fraud and professional liability matters. He primarily has represented suppliers, manufacturers and owners, developers, public agencies and lenders in public and private commercial projects.

Mr. Herman has been an arbitrator/mediator since 1966. He has chaired arbitration panels concerning multi-million dollar disputes between contractors and large school districts. He has also arbitrated and mediated numerous construction disputes involving contract terms and conditions, change orders, delays, design defects, etc. In addition, he has mediated contract disputes between manufacturers and distributors and fee disputes between counsel and clients and has participated and/or chaired numerous reinsurance arbitration panels as well as testified in reinsurance disputes.

### **EDUCATION AND PROFESSIONAL AFFILIATIONS**

- University of Baltimore (AB-1958; LLB-1961)\**LLB changed to JD by University*
- Admitted to the Bar – Maryland, 1961
- U.S. District Court, District of Maryland
- U.S. Court of Appeals
- Certified Fraud Examiner 1994
- Member, American Bar Association
- Member, International Association of Defense Counsel
- Member, Defense Research Institute
- Member, Maryland Bar Association
- Member, Association of Certified Fraud Examiners
- Member, ARIAS

**ALFRED PINO, CGFM**

*President of Pino Consulting Group, Inc.*

Mr. Pino is a Certified Government Financial Manager (CGFM) and is considered an expert in the field of cost accounting and reimbursement. Mr. Pino's experience includes over 40 years in the public sector as an auditor, finance manager of complex governmental operations, and financial management consultant.

As a negotiation specialist with the U.S. Department of Health and Human Services, Division of Cost Allocation, Mr. Pino reviewed and negotiated hundreds of indirect cost allocation plans and rate computations for state and local governments, colleges and universities, non-profit organizations and hospitals. He also developed training models and case studies which were used to train grantees and contractors in the preparation and application of indirect cost allocation plan and rates. Mr. Pino was also an auditor for the U.S Department of Defense. In this role, Mr. Pino reviewed complex accounting systems of defense contractors to determine the accuracy and reliability of their cost accounting techniques, with emphasis on various types of overhead cost allocations.

Mr. Pino was the Director of Finance for the NJ Department of Human Services and the Administrator of the Office of Cost Reimbursement within the New Jersey Department of Human Services. His responsibilities included the cost reporting and rate setting for six State psychiatric hospitals, a State nursing home and 10 State developmental centers and a specialized hospital. Mr. Pino also developed the following rate setting and reimbursement systems:

- Contract Reimbursement System for the New Jersey Department of Human Services
- New Jersey Medicaid Reimbursement Methodology for Intermediate Care Facilities for the Mentally Retarded (ICF/MR).
- New Jersey Medicaid Reimbursement Methodology for State and County Psychiatric Facilities.
- New Jersey County Psychiatric Hospital State Aid Reimbursement Methodology.
- New Jersey Rate Setting Methodology for Establishing State Psychiatric Hospital and Developmental Center Per Capita Cost Rates.
- New Jersey Medicaid Reimbursement Methodology for the Home and Community Care Waiver Program.

As a consultant, Mr. Pino has prepared and negotiated hundreds of indirect cost allocation plans and indirect cost rate proposals, with success in generating significant increases to indirect cost reimbursement. Mr. Pino has also provided expert opinions, testimony and other expert services for various healthcare facilities and other government operations. In addition, Mr. Pino has successfully represented his clients before Federal and State Auditors, Medicare and Medicaid Fiscal Intermediaries, State and Federal Courts and other State and Federal agencies. Mr. Pino has prepared numerous financial and operational assessments and organizational reviews of complex government operations.

**FRANCIS C. BRULENSKI, CPA, CFF**

*Managing Director – Audit & Accounting, Forensic Accounting and Litigation Services*

Mr. Brulenski has over 25 years of diversified experience in the accounting field. Mr. Brulenski provides financial statement, consulting project, agreed-upon procedure and other advisory engagement services to business clients. This experience has ranged from a one location audit to a complex international consolidation, covered a broad range of industries, and included privately held business concerns to public companies. Mr. Brulenski is responsible for Firm performance on financial statement engagements, which involve his initial development and ongoing monitoring of the Firm's quality control system for the accounting and auditing practice.

Leveraging the strength of the aforementioned financial statement and business operations experience, Mr. Brulenski has worked for over 20 years in the forensic accounting arena providing investigative accounting and litigation support services to attorneys and businesses. Litigation support activities typically include financial analyses, witness interviews and preparation for and assistance at trial. Mr. Brulenski has been called upon to provide expert testimony concerning the results of investigations. Sample engagements include shareholder disputes, business loss claims, accounting malpractice, bankruptcy, internal accounting controls, employee dishonesty matters, business valuation, income tax fraud and other financial frauds.

**EDUCATION AND PROFESSIONAL AFFILIATIONS**

- B. S. Accounting – Bloomsburg State University
- Certified Public Accountant licensed in Pennsylvania and New Jersey
- Certified Fraud Examiner, Association of Certified Fraud Examiners
- Member, American Institute of Certified Public Accountants
- Member, Pennsylvania Institute of Certified Public Accountants
- AICPA Forensic and Valuation Services Division
- ACFE – Associate Member
- PICPA – A & A Procedures Committee (1996 – Present)
- Freedoms Foundation of Valley Forge – Board/Audit & Fin. Committee/Secretary (2006 – present)

**RAYMOND F. DOVELL, CPA, CFE, CFF**

*Managing Director – Forensic Accounting and Litigation Services*

Mr. Dovell has over 25 years of experience as a consulting and testifying expert on forensic accounting matters. He has been engaged by major US and international law firms, corporate legal departments and corporations to investigate fraud allegations, resolve business disputes, calculate damages and provide a wide range of services in cases involving environmental issues. He has testified in federal and state courts, arbitration hearings and grand jury investigations.

Mr. Dovell is responsible for the firm's environmental practice and has been retained to analyze accounting related issues at over 100 sites. He has assisted many clients in negotiating settlements of government claims for past costs and oversight costs. His practice also includes analysis of costs in private party claims and insurance coverage disputes, allocation of shares based on volume, and allocation of costs for divisibility arguments.

**EDUCATION AND PROFESSIONAL AFFILIATIONS**

- B.S. - Accounting, LaSalle University
- Certified Public Accountant licensed in Pennsylvania
- Certified Fraud Examiner, Association of Certified Fraud Examiners
- Certified in Financial Forensics, American Institute of Certified Public Accountants
- Member, American Institute of Certified Public Accountants
- Member, Pennsylvania Institute of Certified Public Accountants
- Fellow, New Jersey Society of Certified Public Accountants

**ROB DROVER**

*Managing Director, Business Advisory Services*

Rob is a Managing Director for the Business Advisory Services Practice at Smart Devine. Rob specializes in enterprise-level application and infrastructure support, high-volume data management and business process outsourcing (BPO). With a focus on operational excellence and process improvement, Rob has assisted a wide range of clients including Fortune 200 organizations optimize their enterprise level applications and processes.

With over 22 years of experience in Accounting and Finance, Sales and Marketing and Information Technology, Rob offers a broad background in Project Management, Operations Support and Business Process Re-engineering. His industry experience includes over 10 years in the Chemical, Agriculture and Pharmaceutical business at DuPont.

Rob has delivered both domestic and international engagements in many different industries including Financial Services, Pharmaceuticals, Real Estate, and the Public Sector. He has experience with Business Process Outsourcing, Data Management, Program Management, IT Support Operations, Custom System Development, Package System Selection, and ERP & CRM Implementation. He also has worked with databases such as Oracle, MS SQL Server, and a variety of Data warehousing OLAP tools.

**EDUCATION AND PROFESSIONAL AFFILIATIONS**

- LaSalle University, B.S. Accounting
- Masters of Business Administration (MBA) from York University, Toronto, Canada

**WAYNE D. GEISSER, CPA, CVA, CFE, CFFU**

*Managing Director – Forensic Accounting and Litigation Services*

Practice concentration in forensic accounting. Responsible for management, development and analysis of various accounting, auditing and financial evaluation cases, generally involving matters under litigation.

Matters have included: evaluation of business and economic losses, shareholder disputes, various types of financial fraud, business valuations, preparation of financial projections, analysis of securities trading activities, employee dishonesty audits and investigations, studies of internal control, preparation of fidelity bond claims, evaluation of compliance with professional accounting / tax preparation standards.

Provided analysis and opinions regarding misstated financial statements, including those involving publicly traded securities. Performed analysis of various private placement and tax shelter programs. Evaluated Medicare/Medicaid claims on behalf of various hospitals, physicians, other health care providers and the government, including matters brought under the False Claims Act.

Provided assistance to attorneys in analyzing records and interviewing witnesses in connection with various civil and criminal matters and internal corporate investigations. Served as Receiver and in other fiduciary capacities in various matters.

Represented clients in connection with audits/investigations by various federal agencies including the U.S. Securities and Exchange Commission, Philadelphia Stock Exchange/FINRA, Internal Revenue Service, and the Departments of Defense and Health and Human Services. Served as consultant to the Pennsylvania State Treasurer in connection with various matters including review of internal controls associated with the Pennsylvania Short Term Investment Pool. Testified as an expert witness.

**EDUCATION AND PROFESSIONAL AFFILIATIONS**

- B.S. - Accounting, Drexel University
- Certified Public Accountant licensed in Pennsylvania
- Member, American Institute of Certified Public Accountants
- Member, American Institute of Certified Public Accountants, Tax Division
- Member, Pennsylvania Institute of Certified Public Accountants
- Member, National Bond Claims Association
- Sponsor/Member, Eastern Bond Claims Review

**TODD HECKMAN**

*Managing Director – Business Advisory*

Todd Heckman is a Managing Director for the Business Advisory Practice in Smart Devine's Philadelphia office.

Prior to joining Smart Devine, Todd was a principal at Grant Thornton and a managing director with LECG where he led the company's higher education practice. He assists clients with financial operations, information technology, and strategic planning.

Todd was formerly a Partner for SMART Business Advisory and Consulting and also spent nearly eight years with Arthur Andersen. Currently, Todd provides management advisory services to colleges and universities, focusing on strategic planning, cost containment, performance improvement, and information technology.

He has nearly 20 years of experience assisting clients with large-scale business transformations and has specialized in ERP implementations, shared services, and post-merger integration. He has also taught seminars on project management, change enablement, performance improvement and strategic planning. Todd has conducted numerous presentations for industry conferences and is a regular contributor to industry publications.

Todd has supported numerous institutions including Johns Hopkins University, Columbia University, Bucknell University, University of Pennsylvania, New York University, Drexel University, Dickinson College, Franklin & Marshall College, Gettysburg College, University of Maryland, Villanova University, St. Joseph's University, Haverford College, Temple University and Seton Hall University.

**EDUCATION**

- Bachelor's degree from Shippensburg University
- Master's degree from Penn State University.



**JOHN J. MCGONIGAL, JR., CPA**

*Managing Director*

John is a Managing Director in Smart Devine's Accounting and Business Advisory Services Practice. John is a highly experienced executive providing a wide range of accounting and business advisory services to a diverse portfolio of public and privately held companies. John is seasoned in working with the evolving issues facing companies subject to SEC reporting requirements as well as providing leadership on strategic transactions.

John's unique value is demonstrated by his ability to quickly understand a company and its business operations, interact effectively with all levels of management, and assess organizational structure/management controls. John is viewed as a trusted business advisor as a result of the close working relationships he has developed with his client's, facilitating a deeper understanding of their business objectives enabling him to formulate high impact, cost-effective solutions.

John's global experience in the Americas and Europe coordinating accounting, audit and advisory services, along with his technical expertise managing IPO's, mergers, dispositions, public and private debt offerings, and SEC comment letters, all bring added depth to his perspective.

**EDUCATION AND PROFESSIONAL AFFILIATIONS**

- Bachelors of Science (BS) from Widener University
- Certified Public Accountant licensed in Pennsylvania, New Jersey and New York
- American Institute of Certified Public Accountants
- Pennsylvania Institute of Certified Public Accountants

**KYLE ANNE MIDKIFF, CPA, CFE, CFF**

*Managing Director – Forensic Accounting and Litigation Services*

Ms. Midkiff has over 24 years of forensic accounting and litigation services experience. Her experience includes evaluation of business and economic losses, employee dishonesty audits/investigations, internal investigations, studies of internal control, preparation of fidelity bond claims, financial investigations to pierce the corporate veil, conflict of interest and ethics investigations in the defense contract industry, and evaluation of compliance with professional standards in connection with certification of financial statements.

Ms. Midkiff evaluated various types of Medicare/ Medicaid claims on behalf of hospitals, physicians and other health care providers. She has provided assistance to attorneys in analyzing records and interviewing witnesses in connection with civil and criminal matters and internal corporate investigations.

She has assisted clients in connection with audits/investigations by the Department of Health and Human Services and the Office of the Inspector General of the Commonwealth of PA., has testified as an expert witness, served as a Court Appointed Damage Expert and assisted Federal Judge and Court Liaison Officer in monitoring Labor Union placed under Court Trusteeship.

**EDUCATION AND PROFESSIONAL AFFILIATIONS**

- B.S. Accounting – Rutgers, The State University of New Jersey
- Certified Public Accountant licensed in Pennsylvania
- American Institute of Certified Public Accountants
- Pennsylvania Institute of Certified Public Accountants
- AICPA-Joint Trial Board
- Association of Certified Fraud Examiners
- Former Chairperson and Member, PICPA State Committee on Forensic & Litigation Services

**EDWARD M. WADDINGTON, C.P.A.**

*Managing Director – Audit and Accounting*

Managing Director of the Firm's traditional accounting and business services division. Responsible for financial statement/tax engagements and litigation cases involving specialized financial investigations and analysis of complex accounting and valuation related issues. Sample engagements include civil and criminal tax issues, business valuation services, loss of earnings, shareholder disputes, contract breaches, and accounting malpractice.

Testimony has been accepted in the United States District Court; Eastern and Middle Districts of Pennsylvania; Pennsylvania Court of Common Pleas - Bucks, Montgomery, Lancaster, Dauphin, Delaware, and Philadelphia Counties; Superior Court of New Jersey Chancery Division; Department of Health & Human Services; Pennsylvania Board of Revenue and Finance; United States Bankruptcy Court - Philadelphia; United States Tax Court; arbitration proceedings; and various administrative and appellate proceedings within the Internal Revenue Service.

**EDUCATION AND PROFESSIONAL AFFILIATIONS**

- B.S. - Accounting, LaSalle University
- Certified Public Accountant licensed in Pennsylvania
- Member, American Institute of Certified Public Accountants
- Member, Pennsylvania Institute of Certified Public Accountants
- Member, National Association of Certified Valuation Analysts

**RICARDO J. ZAYAS, CPA, CFE, CVA, CFF**

*Managing Director – Forensic Accounting and Litigation Services*

Mr. Zayas has over 30 years of unique experience in the accounting field. Mr. Zayas provides investigative accounting and litigation support services to attorneys, insurance companies, corporate and governmental units.

Mr. Zayas' engagements have included providing assistance to counsel in both civil and criminal litigation matters. Civil litigation experience includes the investigation of employee dishonesty matters, shareholder disputes and business loss claims. Civil matters frequently require the preparation of detailed reports supporting our findings and conclusions. He has been called upon to provide expert testimony concerning the results of investigations.

Criminal litigation experience includes assistance to both prosecution and defense. Financial analyses and testimony has been provided in the prosecution of "kiting" schemes and in defense of alleged income tax fraud, money laundering and other financial frauds.

Litigation support activities typically include financial analyses, witness interviews and preparation for and assistance at trial.

**EDUCATION AND PROFESSIONAL AFFILIATIONS**

- B.S. Accounting – The Pennsylvania State University
- M.S. Taxation – Widener University
- Certified Public Accountant licensed in Pennsylvania
- Certified Fraud Examiner, Association of Certified Fraud Examiners
- Certified Valuation Analyst, National Association of Certified Valuation Analysts
- Certified in Financial Forensics by the AICPA
- Member, American Institute of Certified Public Accountants
- Member, Pennsylvania Institute of Certified Public Accountants

**JOHN BILANIN, CPM**

*Senior Manager, Business Advisory Services*

John has over 15 years' experience applying his expertise in accounting, finance and information technology with a strong ability to manage complex projects. With this talent John helps organizations become more efficient, improve operations and reduce costs. He is responsible for managing engagements to help organizations apply new technologies to improve business processes and workflow.

John has developed RFI/RFP's for software selection, provided direction and guidance during the software selection process, conducted post implementation assessments, performed business process analyses, resolved a multi-million dollar sub-ledger variance at a major university, performed a reconciliation and compliance review of research accounting activity for a major university.

John has successfully led teams responsible for review, design, configuration, testing and re-design of the Banner Finance and Student Accounts Receivables modules at institutions ranging in size from small liberal arts colleges to systems with 60,000+ students. He was also responsible for implementing PeopleSoft Billing and Accounts Receivable for a government entity with \$140+ million in annual tax billings. Implemented PeopleSoft Asset Management and Project Costing for a major healthcare system with five (5) owned and six (6) affiliated hospitals. Implemented PeopleSoft Financials for an Internet retailer with \$1 billion in annual revenue.

- Developed and managed operating and capital budgets
- Revised internal budgeting procedures
- Implemented forecasting and reporting procedures for all revenue sources
- Performed cash flow analysis and short term investing
- Re-engineered banking relationships
- Implemented lockbox and credit card services
- Developed investment policies.
- Application enhancements, development, and upgrades
- Security administration
- Coordinated activities between functional end-user groups, technical staff and applications consultants in a shared services environment.

**EDUCATION**

- BA in Economics, with a minor in Accounting, from Rutgers University.
- Public Management Certification Program at Kean University.

**CHRISTOPHER J. BRADISH, CFE, ARe**

*Senior Manager – Business Advisory Services*

Chris Bradish is a Certified Fraud Examiner and Associate in Reinsurance with over 12 years of consulting and forensic accounting experience specifically within the Insurance/Reinsurance Industry. Chris has focused on reinsurance dispute resolution, financial analysis and forensic investigations in support of arbitrations, commutations and reinsurance settlements. He also provides additional service to the insurance industry, namely: claims audits, TPA investigations, fidelity and surety investigations and analysis. Chris has the proven ability to interact with executive management, provide leadership and formulate appropriate and practical solutions to complex issues.

Chris has analyzed complex reinsurance agreements, including treaty, facultative, excess of loss, pro rata, specific, and aggregate treaties. He assists clients in a variety of litigation and arbitration matters, including transitional services agreement disputes, ceded reinsurance balances, and misappropriation of funds, as well as premium and claims audits for state compliance disputes. He has worked with reinsurers to resolve coverage issues and discrepancies in amounts due to collect balances in a timely manner. Chris assisted a ceding company with an investigation of a reinsurance intermediary suspected of fraudulently conveying funds by way of rebuilding and tracing cash through multiple bank accounts and entities, resulting in successful prosecution of a \$45 million fraud case.

He has performed detailed cash testing of problematic high loss workers compensation programs, resulting in a net cash position analysis of each TPA involved which supported settlement negotiations, including TPA and claim investigations where large variances were uncovered during cash testing.

**EDUCATION AND PROFESSIONAL AFFILIATIONS**

- Bachelor of Science in Business Management from West Virginia University
- Certified Fraud Examiner (CFE)
- Associate in Reinsurance (ARe)
- ARIAS-US - AIDA Reinsurance and Insurance Arbitration Society
- ACFE – Association of Certified Fraud Examiners
- Philadelphia ACFE Chapter

**ROBERT J. HEYDT, CPA**

*Senior Manager – Forensic Accounting and Litigation Services*

Bob has over 28 years of experience in accounting, serving as a controller, auditor and government investigator. His practice concentration is in forensic accounting.

At Nihill & Riedley and now Smart Devine, Bob's engagements have included providing assistance to counsel in both civil and criminal litigation matters. Civil litigation experience includes the investigation of employee dishonesty matters, contractual disputes and business loss claims for plaintiffs and defendants. He has worked on matters involving professional service firms, as well as clients in banking, construction, telecommunications and manufacturing industries. Bob has assisted in the evaluation and administration of claims in bankruptcy and receivership settings. This work included investigating the factual basis for claims, preparing the calculation of proposed distributions and supervising the disbursement of the estate for the disbursement agent.

Other activities include financial analysis and document examination for the purpose of developing factual information to assist counsel in the assessment of claims or defenses. Civil matters frequently require the preparation of detailed reports supporting findings and conclusions. Litigation support activities include financial analyses, witness interviews and preparation for trial. Bob has provided expert testimony in both Federal and state courts.

**EDUCATION AND PROFESSIONAL AFFILIATIONS**

- Kutztown University, B.S. Business Administration
- Certified Public Accountant licensed in Pennsylvania
- American Institute of Certified Public Accountants
- Pennsylvania Institute of Certified Public Accountants

**MATTHEW D. MUSGNUNG, CPA, CFE, CFF**

*Senior Manager – Business Advisory Services*

Matt Musgnung has over 15 years of audit and accounting experience with a focus on the Health Care and Insurance/Reinsurance industries. As a member of the Insurance and Reinsurance Services Group, Matt has worked on a variety of engagements including claim and underwriting reviews, investigations of brokers, agents and reinsurance intermediaries, TPA claim audits, and reinsurance accounting and operations outsourcing.

Matt's Health Care experience includes managing an engagement to review the reimbursement contracts and the billing, collections and cash posting procedures of a large local hospital system. His team was responsible for resolving patient accounting issues, specifically working with credit accounts receivable balances. The project resulted in the review of over 5,000 accounts and the removal over \$3 million of credit A/R balances. Matt has also worked on outsourced internal audits of the claim functions of limited medical carriers, performed analysis in support of the resolution of a pricing dispute involving durable medical equipment, worked on claim review engagements involving disputes between healthcare providers and CMS, and has performed evaluations of the internal audit and risk management function of a health insurer.

In a litigation and arbitration support capacity, Matt has assisted ceding companies in investigating reinsurance intermediaries suspected of fraudulently diverting funds. This included reviewing all applicable contracts of underlying and inuring insurance, establishing reporting procedures, tracing cash flows, and supporting arbitrations with the reinsurers to collect on amounts due.

**EDUCATION AND PROFESSIONAL AFFILIATIONS**

- Bachelor of Science degree in Business Administration/Accounting from Bloomsburg University
- Member of the Healthcare Financial Management Association, co-chair of the Networking Committee,
- Member, AIDA Reinsurance and Insurance Arbitration Society U.S. (ARIAS U.S.)
- Member, Association of Certified Fraud Examiners, (ACFE)
- Member, American and Pennsylvania Institutes of Certified Public Accountants
- Certified Public Accountant licensed in Pennsylvania



**KEVIN J. BAKER, EnCE, ACE**

*Manager – Digital Forensics Services*

At Smart Devine, Kevin procures electronic data for preservation and analysis. Perform forensically sound examinations of computer systems, related digital media, Internet and e-mail activity in accordance with best-practice procedures. Leverage extensive experience using forensic software including Guidance Software’s EnCase Forensic Edition v6 and AccessData’s FTK v2. Responsible for managing computer forensic cases to completion and authoring reports detailing findings.

Kevin oversees the daily operations of all technology in use including hardware, software and information services, as well as plan and implement new technology resources, oversee managed IT clients and perform data analysis and production from multiple forms of input including electronic files, paper documents and databases

Kevin managed database programming for benefit administration systems using MS SQL Server, MS Access and other common database technologies. Prepares training for in-house database systems, managed Year 2000 readiness initiatives and provide technical support for users and computer systems in a call center environment

Kevin managed all aspects of a 200-person network with 150 off-site employees, including creation, maintenance and support. Hire, train and manage IT personnel in the Cherry Hill, NJ branch office.

**EDUCATION AND PROFESSIONAL AFFILIATIONS**

- University of Central Florida, M.S. Digital Forensics
- Chestnut Hill College, Computer Forensics
- Rutgers University, BA Computer Science
- AccessData Certified Examiner – AccessData
- EnCase Certified Examiner - Guidance Software
- Microsoft Certified Systems Engineer and Administrator (2000,2003), Microsoft, Inc.
- Security+ - CompTIA
- Network+ - CompTIA
- A+ - CompTIA

**WILLIAM N. CLARK, CPA**

*Manager – Forensic Accounting and Litigation Services*

Bill has over 44 years in the accounting field. His practice concentration is in forensic accounting. At Nihill & Riedley and now Smart Devine, Bill is responsible for the analysis and development of various accounting and financial evaluation cases.

Matters have included various types of financial fraud, analysis of securities trading activities, banking transactions, employee theft, fidelity bond claims, damages analysis, accounting malpractice, contract disputes, securities and bank litigations.

**EDUCATION AND PROFESSIONAL AFFILIATIONS**

- LaSalle University, B.S. Accounting
- University of Miami, MBA
- Florida International University, B.S. Computer Science
- CPA licensed in the State of New Jersey

**HEATHER L. CRADEN, CPA, CFE, CFF**

*Manager - Forensic Accounting and Litigation Services*

Heather is a Manager for Smart Devine and has over 13 years of public accounting and consulting experience. Heather provides forensic accounting and litigation support services to companies ranging in size from multi-billion dollar publicly held entities to mid-sized and emerging growth companies. Services Heather has provided to her clients include fraud investigations, economic damages, asset searches, lost earnings capacity analyses, partnership/shareholder disputes, professional liability, wrongful termination, special accountings, reconstructions, bankruptcy consulting, business reorganization, and insolvency analyses.

In the past several years, Heather has provided audit, tax, consulting, and litigation support services to both solvent and insolvent companies in a number of industries. She has written articles for national publications. Heather's forensic accounting and litigation support experience includes providing both consulting and expert services to outside litigators and corporate counsel and executives. Heather has assisted with deposition testimony and has testified as an expert in Bankruptcy Court in matters of liquidation. Heather provides support in venues such as arbitration, mediation, settlement, and litigation within the U.S. Market.

**EDUCATION AND PROFESSIONAL AFFILIATIONS**

- Bachelor of Science from the University of Delaware in Accounting and a minor in Economics
- Certified Public Accountant licensed in Pennsylvania
- American Institute of Certified Public Accountants
- Pennsylvania Institute of Certified Public Accountants
- Association of Certified Fraud Examiners (ACFE)
- Philadelphia Chapter of the Association of Certified Fraud Examiners (PCACFE)
- American Bar Association

**NICOLE McNEIL DONECKER, CPA**

*Manager – Forensic Accounting and Litigation Services*

Nicole has over 13 years in the accounting field providing investigative accounting and litigation support services to attorneys, insurance companies, financial institutions and governmental units. Her practice concentration is in forensic accounting. At Nihill & Riedley and now Smart Devine, Nicole’s engagements have included providing assistance to counsel in both civil and criminal litigation matters. Civil litigation experience includes the investigation of employee dishonesty matters, class action, bankruptcy, receivership, partnership disputes and business loss claims for plaintiffs and defendants. Criminal litigation experience includes assistance to both prosecution and defense, and financial analyses in embezzlement cases.

Nicole provides financial analysis and document examination for the purpose of developing factual information to assist counsel in the assessment of claims or defenses. Civil matters frequently require the preparation of detailed reports supporting findings and conclusions. Litigation support activities typically include financial analyses, witness interviews and preparation for and assistance at trial. Nicole has also assisted in bankruptcy and receiver matters.

Nicole is knowledgeable in the preparation of campaign finance reports for federal elected offices. Nicole also has knowledge of the preparation of campaign finance reports for City of Philadelphia elected officials which include reporting to Philadelphia City Commissioners and the Philadelphia Ethics Board.

**EDUCATION AND PROFESSIONAL AFFILIATIONS**

- Penn State Harrisburg, BS Professional Accountancy
- Certified Public Accountant licensed in Pennsylvania
- American Institute of Certified Public Accountants
- Pennsylvania Institute of Certified Public Accountants
- Association of Certified Fraud Examiners (ACFE)
- Philadelphia Chapter of the Association of Certified Fraud Examiners (PCACFE)
- NACVA

**Joseph M. Pino***Business Manager and Fiscal Analyst*

Joseph has worked for Pino Consulting Group, Inc. for the past 14 years and is responsible for the overall general business and administrative tasks as well as certain cost accounting and analytical consulting services.

Mr. Pino's cost accounting and analytical consulting services include assisting with the preparation of central service indirect cost allocation plans; development of user fee studies; and other analytical tasks associated with client specific projects. Other responsibilities include maintaining communication with current and prospective clients; managing contracts and procurements; and maintaining corporate compliance with all applicable federal, state or local government agencies.

Joseph has assisted in the preparation of over 150 central services cost allocation plans and indirect cost rate proposals, user fee cost studies, cost analyses and cost reimbursement claims.

Joseph also assists with legislation and regulatory impact analysis, grants management and various financial and management related tasks for government health care facilities.

**NEIL YOUNG, ACE, SCA, MCP**

*Manager – Digital Forensics Services*

Neil procures electronic data for preservation and analysis. He performs forensically sound examinations of computer systems, related digital media, internet and e-mail activity in accordance with best-practice procedures.

Managed telephony for small to medium on-demand call center. Programmed call routing logic in Automated Call Distributor (ACD) and AT&T network. Designed call center solutions for fast turnaround HR related call center projects.

**EDUCATION AND PROFESSIONAL AFFILIATIONS**

- AccessData Forensics
- AccessData Forensics Boot Camp
- AD Summation Loading Data, Administration & Enterprise Differentials
- AccessData Certified Examiner (ACE)
- AccessData Summation Certified Administrator (SCA)
- Microsoft Certified Professional (MCP)

**STEVEN A. WITTEN, CPA, CFE, CFF**

*Manager – Business Advisory Services*

Steve Witten has over 34 years of experience in public accounting, consulting and private industry. His area of concentration is in forensic accounting. He provides litigation and insurance consulting services on behalf of attorneys, insurance companies, financial institutions and firm clients. Steve's typical investigations include fraud investigations, economic damage analyses, and insurance and fidelity bond claims investigations.

Steve has evaluated fidelity bond claims for an international insurance company. The claims were for a number of employee embezzlements and fraud schemes involving the theft of cash and/or inventory. The claims were submitted by title insurance companies, manufacturers, distributors, auto dealers and health care providers and the loss amounts ranged from \$500,000 to \$21,000,000.

Steve served as a defendant's expert in connection with the responsibilities of a third party administrator and a broker of record pertaining to claims reported by an insured to determine if the third party administrator and broker gave proper notification to an insurance carrier in accordance with the insurance policy as it was written.

He also assisted as a defendant's expert in connection with litigation involving a D&O coverage claim by developing fair value statements that were used to determine when a holding company entered the zone of insolvency for the purpose of ascertaining whether the directors and officers of the holding company breached their fiduciary responsibilities, and if they did, whether the D&O coverage was available.

In connection with a class action matter, Steve prepared expert rebuttal reports critiquing the methodology the opposing expert used in determining business personal property damages and business income losses resulting from a fire that wiped out 55 businesses and affected residents and businesses in the surrounding neighborhood. He also assisted counsel in developing cross-examination questions for the opposing expert at trial.

**EDUCATION AND PROFESSIONAL AFFILIATIONS**

- Bachelors of Science (BS) with a major in Accounting from Pennsylvania State University in Pennsylvania.
- Certified Public Accountant (CPA) licensed in Pennsylvania
- Certified Fraud Examiner (CFE)
- Certified in Financial Forensics (CFF)
- Member, Association of Certified Fraud Examiners, (ACFE)
- Member, American Institute of Certified Public Accountants (AICPA)
- Member, Pennsylvania Institute of Certified Public Accountants (PICPA)

**Proposal to Provide Services**  
**for**  
**the New Jersey Department of the Treasury**  
**RFP # 14-X-23110**

PREQUALIFICATION POOLS: AUDITING AND OTHER RELATED  
SERVICES IN SUPPORT OF DISASTER RECOVERY (HURRICANE SANDY)

**PRICING - VOLUME 2**

**General Information:**

This proposal is submitted on May 31, 2013 by:

Smart Devine  
1600 Market Street  
Suite 3200  
Philadelphia, PA 19103  
267-670-7300  
215-238-8469 (fax)

Please Direct Responses or Inquiries to:

Charles Herman, JD, CFE ([cherman@smartdevine.com](mailto:cherman@smartdevine.com))

The services outlined in this proposal will be provided by Smart Devine (bidder) and  
Pino Consulting Group, Inc. (subcontractor).

Charles Herman, JD, CFE  
Managing Director, Business Advisory Services  
Smart Devine  
1600 Market Street, 32<sup>nd</sup> Floor  
Philadelphia, PA 19103  
267-670-7330



## **PRICE SCHEDULE**

### **RFP 14-X-23110**

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

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

#### **Bidder's Name: SMART DEVINE**

The leadership team of each Smart Devine engagement carefully analyzes all aspects of the project to determine the staffing size and levels needed to provide the client with outstanding service at the most cost effective price. To provide the best value, all work performed on any task orders will be given to the most capable professionals with the lowest classification while ensuring quality, accuracy and timeliness. A cash discount of 2% will be given if payment is made within the first 10 days of billing.

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

| <b>LINE #</b> | <b>STAFF CLASSIFICATIONS</b>     | <b>YEAR 1<br/>HOURLY RATE</b> | <b>YEAR 2<br/>HOURLY RATE</b> | <b>YEAR 3<br/>HOURLY RATE</b> |
|---------------|----------------------------------|-------------------------------|-------------------------------|-------------------------------|
| 1             | Partner/Principal/Director       | \$325                         | \$341                         | \$358                         |
| 2             | Program Manager                  | \$300                         | \$315                         | \$331                         |
| 3             | Project Manager                  | \$275                         | \$289                         | \$303                         |
| 4             | Subject Matter Expert            | \$265                         | \$278                         | \$292                         |
| 5             | Supervisory/Senior<br>Consultant | \$200                         | \$210                         | \$221                         |
| 6             | Consultant                       | \$150                         | \$158                         | \$165                         |
| 7             | Associate/Staff                  | \$125                         | \$131                         | \$138                         |
| 8             | Administrative Support Staff     | \$75                          | \$79                          | \$83                          |

| <b>LINE #</b> | <b>PASS THROUGH PRICING<br/>LINES*</b> | <b>YEAR 1</b> | <b>YEAR 2</b> | <b>YEAR 3</b> |
|---------------|----------------------------------------|---------------|---------------|---------------|
| 9             | Other Direct Costs                     | Actual Costs  | Actual Costs  | Actual Costs  |
| 10            | Travel Expenses and<br>Reimbursements  | Actual Costs  | Actual Costs  | Actual Costs  |

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

**Bidder's Name: SMART DEVINE**

The leadership team of each Smart Devine engagement carefully analyzes all aspects of the project to determine the staffing size and levels needed to provide the client with outstanding service at the most cost effective price. To provide the best value, all work performed on any task orders will be given to the most capable professionals with the lowest classification while ensuring quality, accuracy and timeliness.

A cash discount of 2% will be given if payment is made within the first 10 days of billing.

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

| <b>LINE #</b> | <b>STAFF CLASSIFICATIONS</b>  | <b>YEAR 1<br/>HOURLY RATE</b> | <b>YEAR 2<br/>HOURLY RATE</b> | <b>YEAR 3<br/>HOURLY RATE</b> |
|---------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| 11            | Partner/Principal/Director    | \$325                         | \$341                         | \$358                         |
| 12            | Program Manager               | \$300                         | \$315                         | \$331                         |
| 13            | Project Manager               | \$275                         | \$289                         | \$303                         |
| 14            | Subject Matter Expert         | \$265                         | \$278                         | \$292                         |
| 15            | Supervisory/Senior Consultant | \$200                         | \$210                         | \$221                         |
| 16            | Consultant                    | \$150                         | \$158                         | \$165                         |
| 17            | Associate/Staff               | \$125                         | \$131                         | \$138                         |
| 18            | Administrative Support Staff  | \$75                          | \$79                          | \$83                          |

| <b>LINE #</b> | <b>PASS THROUGH PRICE LINES*</b>   | <b>YEAR 1</b> | <b>YEAR 2</b> | <b>YEAR 3</b> |
|---------------|------------------------------------|---------------|---------------|---------------|
| 19            | Other Direct Cost                  | Actual Costs  | Actual Costs  | Actual Costs  |
| 20            | Travel Expenses and Reimbursements | Actual Costs  | Actual Costs  | Actual Costs  |

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

**Bidder's Name: SMART DEVINE**

The leadership team of each Smart Devine engagement carefully analyzes all aspects of the project to determine the staffing size and levels needed to provide the client with outstanding service at the most cost effective price. To provide the best value, all work performed on any task orders will be given to the most capable professionals with the lowest classification while ensuring quality, accuracy and timeliness.

A cash discount of 2% will be given if payment is made within the first 10 days of billing.

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

| LINE # | STAFF CLASSIFICATIONS         | YEAR 1 HOURLY RATE | YEAR 2 HOURLY RATE | YEAR 3 HOURLY RATE |
|--------|-------------------------------|--------------------|--------------------|--------------------|
| 21     | Partner/Principal/ Director   | \$325              | \$341              | \$358              |
| 22     | Program Manager               | \$300              | \$315              | \$331              |
| 23     | Project Manager               | \$275              | \$289              | \$303              |
| 24     | Subject Matter Expert         | \$265              | \$278              | \$292              |
| 25     | Supervisory/Senior Consultant | \$200              | \$210              | \$221              |
| 26     | Consultant                    | \$150              | \$158              | \$165              |
| 27     | Associate/Staff               | \$125              | \$131              | \$138              |
| 28     | Administrative Support Staff  | \$75               | \$79               | \$83               |

| LINE # | PASS THROUGH PRICE LINES*          | YEAR 1       | YEAR 2       | YEAR 3       |
|--------|------------------------------------|--------------|--------------|--------------|
| 29     | Other Direct Costs                 | Actual Costs | Actual Costs | Actual Costs |
| 30     | Travel Expenses and Reimbursements | Actual Costs | Actual Costs | Actual Costs |

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

|                                                                                  |                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                     |
|----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SIGNATORY PAGE                                                                   | STATE OF NEW JERSEY<br>REQUEST FOR PROPOSAL (RFP)                                                                                                                                        | RFP/Solicitation Number: <b>14-X-23110</b>                                                                                                                                                                                                                                                                                                          |
|  | <b>FOR: AUDITING AND OTHER RELATED SERVICES FOR DISASTER RECOVERY (HURRICANE SANDY)</b>                                                                                                  | Term Contract #: T2939<br>Requesting Agency: PROCUREMENT BUREAU<br>Requisition #: 1041262                                                                                                                                                                                                                                                           |
|                                                                                  | ESTIMATED AMOUNT: \$ 0.00<br>CONTRACT EFFECTIVE DATE: July 01, 2013<br>CONTRACT EXPIRATION DATE: June 30, 2016<br>COOPERATIVE PURCHASING: NO<br>SET ASIDE: SMALL BUSINESS SUBCONTRACTING | <i>TO ASK QUESTIONS CONCERNING THE CONTENTS OF THIS RFP:</i><br>Please go to the Advertised Solicitation Current Bid Opportunities Web Page and click on the Quicklink button labeled Q&A.<br><a href="http://www.state.nj.us/treasury/purchase/bid/summary/14x23110.shtml">http://www.state.nj.us/treasury/purchase/bid/summary/14x23110.shtml</a> |

**PURSUANT TO N.J. STATUTES, REGULATIONS AND EXECUTIVE ORDERS, PROPOSALS WHICH FAIL TO CONFORM WITH THE FOLLOWING REQUIREMENTS WILL BE SUBJECT TO REJECTION:**

- 1) PROPOSALS MUST BE RECEIVED AT OR BEFORE THE PUBLIC OPENING TIME OF 2:00 PM EASTERN TIME ON May 31, 2013 AT THE FOLLOWING ADDRESS (NOTE: TELEPHONE, EMAIL, TELEFACSIMILE OR TELEGRAPH PROPOSALS WILL NOT BE ACCEPTED):  
 DEPARTMENT OF THE TREASURY  
 PROCUREMENT BUREAU, PO BOX 230  
 33 WEST STATE STREET - 9TH FLOOR  
 TRENTON, NEW JERSEY 08625-0230
- 2) THE BIDDER MUST SIGN THE PROPOSAL.
- 3) THE PROPOSAL MUST INCLUDE ALL PRICE INFORMATION. PROPOSAL PRICES SHALL INCLUDE DELIVERY OF ALL ITEMS, F O B. DESTINATION OR AS OTHERWISE PROVIDED. PRICE QUOTES MUST BE FIRM THROUGH ISSUANCE OF CONTRACT.
- 4) ALL PROPOSAL PRICES MUST BE TYPED OR WRITTEN IN INK.
- 5) ALL CORRECTIONS, WHITE-OUTS, ERASURES, RESTRIKING OF TYPE, OR OTHER FORMS OF ALTERATION, OR THE APPEARANCE OF ALTERATION, TO UNIT AND/OR TOTAL PRICES MUST BE INITIALED IN INK BY THE BIDDER.
- 6) THE BIDDER MUST COMPLETE AND SUBMIT ALL FORMS, CERTIFICATIONS, REGISTRATIONS AND OTHER DOCUMENTS AS REQUIRED IN THE RFP. SEE THE ADVERTISED SOLICITATION, CURRENT BID OPPORTUNITIES WEBSITE  
<http://www.state.nj.us/treasury/purchase/bid/summary/14x23110.shtml>
- 7) THE BIDDER MUST ATTEND THE MANDATORY PRE-PROPOSAL CONFERENCE(S) AND SITE VISIT(S) AT THE FOLLOWING DATE(S) AND TIME(S):
- 8) FOR SET ASIDE CONTRACTS ONLY, A BIDDER MUST BE REGISTERED WITH THE N.J. DIVISION OF REVENUE AS A SMALL BUSINESS BY THE DATE OF PROPOSAL OPENING. (SEE N.J.A.C. 17:13-3.1 & 13.3.2).

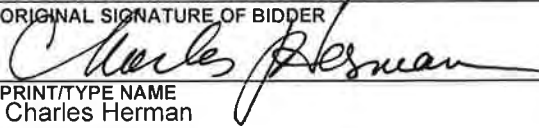
**ADDITIONAL REQUIREMENTS**

- |                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                      |                              |     |     |     |   |                       |     |   |  |  |                                                                                                                                                                                                                                          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----|-----|-----|---|-----------------------|-----|---|--|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ol style="list-style-type: none"> <li>9) BY SIGNING AND SUBMITTING THIS PROPOSAL, THE BIDDER CERTIFIES AND CONFIRMS THAT NEITHER THE BIDDER, ITS REPRESENTATIVES, AGENTS OR LOBBYISTS HAVE INITIATED ANY INAPPROPRIATE CONTACT WITH ANY EXECUTIVE BRANCH EMPLOYEE DURING THE PROCUREMENT TO ATTEMPT TO AFFECT THE BIDDING PROCESS AND SHALL NOT DO SO AFTER SUBMISSION OF THE PROPOSAL.</li> </ol> | <table border="0"> <tr> <td>10) PERFORMANCE SECURITY: \$</td> <td>N/A</td> <td>or.</td> <td>N/A</td> <td>%</td> </tr> <tr> <td>11) PAYMENT RETENTION</td> <td>N/A</td> <td>%</td> <td></td> <td></td> </tr> </table> | 10) PERFORMANCE SECURITY: \$ | N/A | or. | N/A | % | 11) PAYMENT RETENTION | N/A | % |  |  | <ol style="list-style-type: none"> <li>12) BY SIGNING AND SUBMITTING THIS PROPOSAL, THE BIDDER CONSENTS TO RECEIPT OF ANY AND ALL DOCUMENTS RELATED TO THIS RFP AND THE RESULTING CONTRACT BY ELECTRONIC MEDIUM OR FACSIMILE.</li> </ol> |
| 10) PERFORMANCE SECURITY: \$                                                                                                                                                                                                                                                                                                                                                                        | N/A                                                                                                                                                                                                                  | or.                          | N/A | %   |     |   |                       |     |   |  |  |                                                                                                                                                                                                                                          |
| 11) PAYMENT RETENTION                                                                                                                                                                                                                                                                                                                                                                               | N/A                                                                                                                                                                                                                  | %                            |     |     |     |   |                       |     |   |  |  |                                                                                                                                                                                                                                          |

**TO BE COMPLETED BY BIDDER**

- 13) FIRM NAME: Nihill & Riedley PA DBA SMART DEVINE CITY: Philadelphia  
 ADDRESS 1: 1600 Market Street STATE: Pennsylvania  
 ADDRESS 2: 32nd Floor ZIP: 19103
- 14) THE BIDDER MUST SUBMIT WITH THE PROPOSAL BID SECURITY IN THE AMOUNT OF \$ \_\_\_\_\_ N/A OR \_\_\_\_\_ N/A %.  
 CHECK THE TYPE OF BID SECURITY SUPPLIED:  
 ANNUAL BID BOND ON FILE       BID BOND ATTACHED       NONE  
 CERTIFIED OR CASHIERS CHECK ATTACHED       LETTER OF CREDIT ATTACHED
- 15) DELIVERY CAN BE MADE \_\_\_\_\_ DAYS OR \_\_\_\_\_ WEEKS AFTER RECEIPT OF ORDER. 16) REQUESTED DELIVERY: 30 DAYS AFTER RECEIPT OF ORD
- 17) CASH DISCOUNT TERMS (SEE RFP) \_\_\_\_\_%, \_\_\_\_\_ DAYS: NET \_\_\_\_\_ DAYS.
- 18) BIDDER PHONE NO: (267) 670-7330 EXT: \_\_\_\_\_
- 19) BIDDER FAX NO: (215) 238-8469 EXT: \_\_\_\_\_ 21) FEDERAL EMPLOYER IDENTIFICATION NUMBER XXXXXXXXXX
- 20) BIDDER EMAIL ADDRESS: cherman@smartdevine.com

SIGNATURE OF THE BIDDER ATTESTS THAT THE BIDDER HAS READ, UNDERSTANDS, AND AGREES TO ALL TERMS, CONDITIONS, AND SPECIFICATIONS SET FORTH IN THE REQUEST FOR PROPOSAL, INCLUDING ALL ADDENDA, FURTHERMORE, SIGNATURE BY THE BIDDER SIGNIFIES THAT THE REQUEST FOR PROPOSAL AND THE RESPONSIVE PROPOSAL CONSTITUTES A CONTRACT IMMEDIATELY UPON NOTICE OF ACCEPTANCE OF THE PROPOSAL BY THE STATE OF NEW JERSEY FOR ANY OR ALL OF THE ITEMS BID, AND FOR THE LENGTH OF TIME INDICATED IN THE REQUEST FOR PROPOSAL. FAILURE TO ACCEPT THE CONTRACT WITHIN THE TIME PERIOD INDICATED IN THE REQUEST FOR PROPOSAL, OR FAILURE TO HOLD PRICES OR TO MEET ANY OTHER TERMS AND CONDITIONS AS DEFINED IN EITHER THE REQUEST FOR PROPOSAL OR THE PROPOSAL DURING THE TERM OF THE CONTRACT, SHALL CONSTITUTE A BREACH AND MAY RESULT IN SUSPENSION OR DEBARMENT FROM FURTHER STATE BIDDING. A DEFAULTING CONTRACTOR MAY ALSO BE LIABLE, AT THE OPTION OF THE STATE, FOR THE DIFFERENCE BETWEEN THE CONTRACT PRICE AND THE PRICE BID BY AN ALTERNATE VENDOR OF THE GOODS OR SERVICES IN ADDITION TO OTHER REMEDIES AVAILABLE.

|                                                                                                                         |                                |
|-------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| 22) ORIGINAL SIGNATURE OF BIDDER<br> | 23) DATE<br>May 30, 2013       |
| 24) PRINT/TYPED NAME<br>Charles Herman                                                                                  | 25) TITLE<br>Managing Director |