



November 15, 2013

Ms. Roseann Koval
State of New Jersey
Department of the Treasury
Division of Administration
via email – IntegrityOversightMonitor@treas.state.nj.us

Re: City of Elizabeth's Veterans Memorial Waterfront Park
Pool 3 – Integrity Monitoring/Anti-Fraud – Response to Engagement Query

Dear Ms. Koval:

Thacher Associates, LLC (“Thacher” or “TA”) appreciates very much having been invited to submit a proposal to serve as Integrity Monitor for the City of Elizabeth’s Veterans Memorial Waterfront Park construction and repair project (“Project”). Enclosed please find our detailed proposal.

Introduction

According to the October 30, 2013, Engagement Query, the Department of Treasury (“Treasury”) on behalf of the City of Elizabeth (“the City”) is seeking quotes for a prequalified contractor from Pool 3 – Integrity Monitoring/Anti-Fraud to serve as the City’s integrity oversight and anti-fraud monitor pursuant to P.L. 2013, Chapter 37. We appreciate the opportunity to provide this proposal and hope to bring our considerable expertise to the Project.

As mentioned in the Integrity Oversight Monitor Training Session on September 17, this Project is the trial balloon and will certainly involve some trial and error in the implementation of the Integrity Monitor Act (A-60). Because the implementation of legislation is no easy task, it is vitally important the first project is assigned to an experienced firm and not one looking to “cut its monitoring teeth.”

We have the utmost confidence in our ability to adequately and appropriately monitor this specific Project and the reasons for this confidence are clear. Thacher originated the discipline of Integrity Monitoring approximately 17 years ago and today remains its leader in both the public and private sectors throughout the New Jersey and New York area. No other integrity monitoring firm has close to the experience on construction projects as has Thacher Associates. Indeed the combined experience of all the other integrity monitoring firms may not equal our experience on such engagements. Most importantly, we are aware of no other firm whose principals were leaders in the development of integrity monitoring and supervising monitorships during their service as public officials overseeing public construction. We have sat

in the same place the State Comptroller and the State Treasurer now sit with the challenge of supervising monitors assigned to protect multi-million-dollar public works programs. We understand the fine line and delicate balance between the operational needs of a governmental agency and an integrity monitor's mandate. We understand how to work effectively as an arm of State Comptroller and the Attorney General. As Comptroller Boxer noted in his address on September 17, we understand the importance of establishing independence from the entities that are being monitored.

Thacher was built to be an Integrity Monitor. Successful integrity monitors must contain legal, accounting, investigative, engineering, environmental and construction experts, all of whom operate as a multi-disciplinary and integrated team. Law firms, engineering firms, and accounting firms, while skilled, do not possess the full range of expertise necessary to successfully monitor these projects. We do. We have on staff lawyers, most former prosecutors, all with experience leading investigations into corruption and fraud; forensic engineers, trained and experienced in the detection and prevention of construction fraud; forensic auditors, including Certified Public Accountants, again, all trained and experienced in the detection and prevention of construction fraud; and investigators with decades of law enforcement experience. No other integrity monitoring firm has all of these needed disciplines on staff, in the numbers that Thacher has.

Recently, Treasury commented that our team, “brings with it decades of experience in the integrity monitoring industry,” and has “extensive experience on large construction projects.” Further, we demonstrated “a quick mobilization plan” and a “detail oriented and intensive project management approach.” As Treasury noted, Thacher is “a contractor that knows Integrity Monitoring and understand the details of the industry.”

We have been selected by our public-sector and private-sector clients for complex and sophisticated integrity monitoring engagements, and have never failed to perform those assignments successfully. We use a combination of innovative problem solving, informed by the experience and expertise of our staff, and hard work to address the problems that we are tasked with solving, and we do not accept a result other than success. We know how to prevent and control fraud, waste and abuse. We know how to establish transparency and accountability in business transactions. We know how to address the problems of organized crime, labor racketeering and other forms of corruption in integrity monitoring engagements, by devising practicable and effective opportunity-blocking strategies.

Finally, we understand what the State of New Jersey needs and does not need and, most importantly, how to meet those needs.

Technical Approach

Our technical approach focuses on practicality and real-world solutions, emphasizing site presence, to determine what is actually happening on the project. Our years of experience in integrity monitoring enable us to target project-specific risks, not wasting resources in areas that do not warrant intense scrutiny. Our recommended approach in meeting the Scope of Work

requirements begins with a review of the current policies and procedures to determine if appropriate systems and controls are in place to ensure compliance with State and Federal guidelines, regulations and law, to ensure the program requirements are met, and finally, to ensure best practices are being implemented to prevent the duplication of benefits, inefficiency, waste, fraud, abuse, malfeasance, or mismanagement of funds. Following this review and during the project's lifespan, we would task our skilled forensic engineers, forensic auditors, and trained investigators with monitoring of the contractors adherence to those enhanced procedures.

Tasks A & B – Review and Enhancement of Procedures and Processes

We will build on our previous experience developing risk assessments and corruption prevention programs to minimize the time and expense required to perform them on this Project.

Our approach to reviewing procedures and processes is designed to identify and implement best practices to provide reasonable assurance that controls placed over monitored activities are adequate, are being complied with, and are operating effectively. Our primary focus is identifying useful control enhancements in any area with high potential integrity risk, and testing those that are accepted.

We follow a three-step internal procedures and policies, reviewing methodology. We identify internal controls that provide corruption and racketeering opportunity-blocking mechanisms. Then we interview executive management, operational supervisors and line staff to learn how they say or believe the system works to protect itself. We identify any variations in business procedures and internal controls understanding among managerial and staff personnel and variations between these understandings and written rules. Lastly, we perform spot audits of specific transactions to test how the system actually works. They also determine whether additional systems “disconnects” or red flags may exist.

We conduct the controls review process as a team-building exercise employing our experience and insights and the wisdom and knowledge of operational personnel to accomplish the shared goal of limiting opportunities for waste, fraud and abuse. The process would create a risk assessment that identifies key integrity risks, evaluates the internal controls over these risks, and, where appropriate, makes recommendations for enhancing those controls.

In this stage of our review, we would also focus on the bidding and procurement process. As noted in the Project Risk Assessment Summary, the City's audited Fiscal Year 2012 financial statements disclosed possible internal control deficiencies with bid processes and federal funding compliance. Because FEMA Public Assistance Funding is contingent upon successful compliance with Federal, State, and local requirements for competitive procurement, this presents a major risk factor.

In the solicitation phase, we can review RFPs to ensure proper procedures were followed and not written to favor particular contractors. We can review bidding pools to ensure they were not stacked to steer work to a favored contractor and that competition is adequate. During the bid submission and contract award phase, we can attend bid and best and final offer (“BAFO”)

openings; ensure that proper bid receipt and opening procedures are followed (and when not, we identify evidence of altered bids or other improprieties); attend scope meetings to ensure that bidders are given the same information and the playing field is level; review bids to identify suspicious bidding patterns and other indications of collusion or other integrity breaches; and review award recommendations and decisions or other documentation of the procurement history. We evaluate the Project's documentation procedures to see if a contemporaneous record is maintained that memorializes all key activities involved in a procurement decision and demonstrates that the procurement decisions are transparent and follow the proper process. We emphasize throughout that "if it is not documented, it didn't happen." Without vigilant documentation, there can be no transparency and auditability.

Our engineers work closely with the team procurement specialists to evaluate technical issues. We identify subjects for a bid leveling review based on red flags such as contracts not going to the lowest bidder; BAFO process irregularities; too few bidders; sole source contracts; supplemental agreements; and departures from procurement protocol. We review the bid leveling process to evaluate whether procurement policies and procedures were followed, the process was fair and open, and that contract award recommendations were based on best overall value. We can examine the RFP, subcontractor proposals, technical requirements, scheduling, alternates, unit pricing, labor rates, allowances, estimates, CM/GC estimates, and overall implementation of the bid leveling process. We can attend bid leveling meetings, pre-scope meetings, interview bidders and CM/GC engineers, estimators and other staff.

At the conclusion of the bidding process, the City can be assured the proper procedures were followed ensuring the allocated FEMA Public Assistance funds are not jeopardized.

Tasks C through H – Records Review and On-Site Monitoring

During the pendency of the project, our skilled team will review records submitted by Envar and the contractors as well as observe, through on-site inspections, the progress of the work. Some examples of the methodologies we would employ include:

1. Payment Applications/ Requisitions

Keeping costs in line with original budget and estimates is a significant challenge in construction projects. Excessive general conditions costs, scope changes, contingencies and allowances, change orders, and claims are over-budget contributors.

Our forensic accounting approach includes analysis of requisitions and supporting documentation, including billings for self-performed work, general conditions and other direct costs, supervisory labor, material and equipment billings.

Thacher forensic engineers work with our auditors to monitor requisitions and evaluate the potential integrity risks, such as front-loaded payments. Trained and certified in Primavera construction scheduling software used by large public owners/developers, our engineers periodically spot-review project schedules for accuracy. Under our monitoring approach we

compare the owner's and CM's schedules to cost-loaded schedules. We identify schedule-based agreements and commitments between projects and stakeholders within and around the site in order to identify project milestones and the possibility that a milestone problem is affecting the schedule reporting.

Reflecting our multi-disciplinary approach, we also use headcounts and other fieldwork by our investigators to assess payment applications, which often identify disconnects and red flags with questions that would not surface in ordinary desk audits.

2. Change Orders

Our forensic engineers review the original contract's scope, the proposed scope change, the justification for the change, the independent estimates, the adequacy of supporting documentation, adherence to policies and procedures, cost reasonableness, and applicability of cost allocation agreements. These reviews aim to ensure that base scope work is not charged again in the change order and that the costs are not inflated. Site visits are performed to verify that the actual work is in place and is representative of the change order scope. Interviews of contractor staff are performed as needed.

3. Contractor/ Vendor Payments – Preventing False Payments

Our forensic auditors and forensic engineers monitor processes known to be subjects of abuse by unscrupulous contractors. In the sections above, we gave examples of our review of requisitions and change orders. Other areas of concern and our methodologies for addressing them are described below.

General Conditions: Similar requirements for general conditions (GC) work may be covered in the CM's, general contractors, and lower-tier subcontractors agreements. CM general conditions labor, material and equipment could be used to remediate design and construction errors without properly documenting costs and appropriately back-charging them to the responsible party. We examine GC provisions in CM and contractor agreements and spot check performance to see whether the work is appropriately billed. We also check to see if lower-tier contractors are performing GC work.

T&M Work: Many lump sum change orders that start as time and materials ("T&M") work are settled as lump sums using work tickets as a negotiation starting point. It is nearly impossible to detect work ticket padding in after-the-fact review. We identify T&M work in real time and review processes as written and actually performed to see if accurate, complete documentation of labor, materials and equipment is created in a timely manner. On a spot basis, we do head counts, and quantify materials and equipment used to verify subsequent ticket submittals, thus identifying potential overcharges and recoveries or confirming T&M charges don't include base contract work. On recent engagements our work has been instrumental in getting CMs and contractors to track costs in accordance with meaningful standards.

Allowances, Contingencies, Acceleration and Holds: We review the contract, defining

conditions in which such funds may be spent, examine supporting documentation for associated category costs, and field-verify work has been performed, confirming budget items are not being used as an additional funds source for work outside specified purposes.

Quality Assurance and Control (QA/QC) Reviews: We seek to prevent/identify materials substitutions, and use of “knock-offs”. For selected work items with potential integrity risk we review technical QA/QC specifications and spot check compliance through field observations (covert or escorted) to see if required inspections and other processes, materials and equipment, were followed, installed, and/or used. We follow-up review document submittals (i.e. inspection reports) that correspond to the forensic engineer’s field observations to ensure compliance and confirm field observations. We also interview engineers and other technical staff of the CM, general contractor, subcontractor, and the supplier.

Credit Change Orders and Charge-Backs: Our technical specialists identify safety, environmental and other compliance requirements in lump sum contracts and evaluate contractors’ compliance efforts. We’ve successfully pursued charge-back strategies where the requirements were not satisfied, and obtained recoveries for our clients. More importantly, these strategies have spurred enhanced compliance with the contract requirements.

4. Compliance with Labor Laws and Collective Bargaining Agreements/ Prevention of Certified Payroll Fraud

This project is required to comply with either the Davis-Bacon Act or the New Jersey Prevailing Wage Act. Our monitoring may include site visits for interviews of the trade workers and supervisors; headcounts; identifying overtime work; obtaining supporting documentation from workers, such as pay stubs; observing on-site worker activity and behaviors; observing paychecks distribution from contractor to workers; examining paychecks where appropriate; and otherwise obtaining information about site activities relevant to labor law compliance monitoring. We site visit during the usual working hours, second shift, evenings and weekends, as necessary.

5. Compliance with New Jersey Small Business Requirements and Goals

A legitimate New Jersey small business cannot be a pass-thru entity just to satisfy the Small Business set-aside requirement. We can test the bona fides and independence of the Small Business Subcontractors (“SBS”) by observing it at the construction site, its labor force and supervisors’ identities, and determining ownership or financial responsibilities for equipment in use. Workers and supervisors of the SBS and general contractor employees will be interviewed about the SBS and its general contractor relationship. SBS management will be interviewed at the entity’s headquarters. We will monitor how GC senior management ensures the SBS performs actual and necessary services and complies with opportunity program rules. When able, these tasks are combined with our labor law compliance monitoring and similar activities. Our approach has successfully identified M/W/DBE pass-throughs on our existing engagements.

Contract Schedule

Within forty business (40) days of receiving a Letter of Engagement, Thacher will have completed and delivered to the City of Elizabeth and the State Contract Manager a risk assessment reflecting our review of the current policies and procedures and our recommendations for enhancements of those procedures and other strategies to prevent the duplication of benefits, inefficiency, waste, fraud, abuse, malfeasance, or mismanagement of funds.

Thacher, in accordance with the Engagement Query requirements, will provide status reports quarterly (tentatively on April 1, June 2, and a final status report on September 2) to the State Treasurer. Additionally, Thacher will provide monthly status reports to the City of Elizabeth and the State Contract Manager.

In addition to the deliverables described above, Thacher will immediately report any findings of potential fraud, malfeasance, or criminal activity to the State Contract Manager via email.



Budget

A detailed budget with person-hours and estimated travel and direct costs is attached. Direct costs may include postage, photocopies, database and telephone charges, and are estimated at \$1675. Travel costs are estimated at \$15,000. This budget is in the form of a comprehensive chart showing the person-hours proposed to meet the requirements of the Engagement Query. See Attachment 1.

Thacher’s detailed budget is predicated upon an estimated completion date of Memorial Day Weekend 2014, as provide for in the Project Risk Assessment Summary. Delays in completion of the Project may result in the need for additional person-hours, not contemplated for in the attached budget.

Thacher's proposed total project cost is \$234,600. We believe this engagement will be completed during the entirety of Year One pricing under Thacher's contract pursuant to RFP 14-X-23110. Nevertheless, we have provided quotes for three (3) years as requested in the Engagement Query.

FEMA Experience

Thacher has been involved in several projects funded, in whole or in part, by FEMA Public Assistance grants. Most notably, Thacher monitored the clean-up efforts at Ground Zero following the terrorist attacks of September 11, 2001. Working with FEMA, the project was hailed by the U.S. Congress as "an overwhelming success." See Attachment 2.

Most recently following Hurricane Sandy, Thacher served as an Integrity Monitor for the City of New York's Rapid Repair Program – a \$500 million program designed to perform emergency repairs to residential properties affected by Hurricane Sandy. Additionally, Thacher has been monitoring the Port of New York and New Jersey's post-Hurricane Sandy cleanup efforts at the World Trade Center site, including the Chiller Plant, the Transportation Hub and the September 11 Memorial. Both of these monitorships involve FEMA Public Assistance funding and to the best of our knowledge Thacher has never been involved in a Monitorship that resulted in the deobligation of FEMA funds.

Current Disaster Recovery Engagements

As mentioned above, Thacher is currently engaged in providing Integrity Monitoring/Anti-Fraud services for disaster recovery programs or projects for the Port Authority of New York and New Jersey. Our clean-up related engagements with the Port Authority were issued under our existing contracts to provide Integrity Monitoring services related to the construction of the World Trade Center ("WTC") Transportation Hub (ends October 2015), WTC Memorial, Museum and Visitor Orientation and Education Center (ends January 2014), and the WTC Pre-Tenant And Parking Garage Fitout Project (ends October 2015). The clean-up related engagements were not stand-alone disaster recovery programs or projects.

Thacher's contract with the New York City Department of Investigation to provide Integrity Monitoring for the City's Rapid Repair Program ended on March 31, 2013.

Thacher is not currently providing any Disaster Recovery engagements in the State of New Jersey.

Thacher can provide any additional information the State may require regarding these engagements.

Subcontractor Utilization

Thacher Associates will not utilize a subcontractor on this engagement.

Proposed Staff & Resumes

Our selection of personnel to lead our integrity monitoring team is based on our knowledge of the key integrity risks that the Project will face.

Our Team will include the following persons:

- Principal Joe DeLuca and Toby Thacher (Partner/Principal/Director)
- Managing Director Barry DeFoe (Program Manager)
- Managing Director Brad Breslin (Project Manager)
- Investigator Jim Bush (Senior Consultant)
- Director of Forensic Audits Rich Vermeulen (Subject Matter Expert)
- Senior Forensic Auditor Dan Kassa (Project Manager)
- Forensic Auditor Phillippe LaRock (Senior Consultant)
- Director of Forensic Engineers James Murphy (Subject Matter Expert)
- Forensic Engineer Eric Palummieri (Senior Consultant)
- Senior Research Analyst Rob Ellman (Project Manager)
- Research Analyst Melissa Kolis (Senior Consultant)

Mr. DeFoe has had the lead role for Thacher Associates in conducting risk assessments, investigations and monitoring of procurements on multiple engagements. These include Thacher Associates' service as the Integrity Monitor for the over \$3 billion World Trade Center Transportation Hub project and for the WTC Memorial and Museum and Chiller Plant projects, as well as engagements with multiple private sector clients for which Mr. DeFoe has conducted procurement risk assessments and made recommendations based on those assessments.

Recently joining Thacher Associates from the U.S. Department of Justice, Mr. Breslin has considerable experience in a wide variety of legal matters concerning federal contracting and federal funds, including the Federal Acquisition Regulations, as well as the Stafford Act. Mr. Breslin will be providing day-to-day oversight of the project.

A more detailed description of the background, qualifications and relevant experience of our Team is set forth in their attached resumes (Attachment 3). We have also included a copy of our organizational chart for this Project (Attachment 4).

Summary of Firm Experience

Thacher Associates has experience in reviewing procurements to ensure they comply with best practices and applicable policies. Our most notable example includes one of the most complex procurements in recent memory – the replacement of the Governor Malcolm Wilson Tappan Zee Bridge.

In a first for the New York State Thruway Authority, the project has been undertaken as a

Design-Build procurement. Because Design-Build procurements involve the evaluation of factors other than price, they have sometimes been criticized as being too subjective, and difficult to later review, evaluate and justify. These concerns may be heightened and criticisms may be exacerbated by the need to keep so many parts of the evaluative process confidential, so as not to hamper the owner’s ability to negotiate for the best product at the best price. Still, the decisions and processes surrounding the expenditure of billions of dollars of public funds must be as transparent to the public, and to those vying for the contract, as possible. The tension between these competing interests led to, in part, the decision to retain Thacher Associates as an Independent Procurement Integrity Monitor for this procurement.

This engagement is noteworthy in that it demonstrates Thacher Associates’ recognized familiarity with large, complex procurements and the integrity risks associated with such procurements. Having been brought into the project literally hours before the proposals were due, Thacher was able to mobilize to oversee the receipt of said proposals, and then monitored each step in the required process for the technical and cost evaluation of the proposals, and documented compliance with, and departures from, the established process.

Throughout this engagement, Thacher Associates’ personnel were called upon to assist in devising protocols to ensure the security of technical and pricing documents and information, and to monitor the proposal-evaluators’ compliance with those protocols. Where departures from established protocols occurred, Thacher’s personnel documented those departures and investigated the reasons for said departures. In the end, our report went to the Governor, to the Chairman of the Thruway Authority and to the State Controller’s Office, and assisted in establishing that the procurement was conducted in conformance with best practices.

The project specific details follow:

Project Title and Location	The New Bridge: Tappan Zee Hudson River Crossing Project— procurement phase only
Primary Consultant	Thacher Associates, LLC
Date Started	July 2012
Completion Date	January 2013
Total Construction Project Cost	\$3.5 Billion
Client	New York State Thruway Authority
Contact Name and Contact Information	William Ringwood NYS Thruway Authority 200 Southern Blvd. Albany, NY 12209 Tel # [REDACTED] Joseph Igoe, Esq. NYS Thruway Authority 200 Southern Blvd.

	Albany, NY 12209 Tel # [REDACTED]
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On the construction of the World Trade Center Transportation Hub, which involves construction of a major mass transit hub and related infrastructure, our initial mission as integrity monitor was to design and implement a corruption prevention program. We reviewed and assessed the adequacy of corruption controls on all phases of the project to assure that all transactions are conducted and documented in such a way as to be both transparent and auditable. Based on our review, a corruption prevention program was designed to assure adequate oversight and monitoring of compliance with those controls. This engagement is ongoing, and we are continuing to conduct field audits of construction activities, desk audits of invoices, change orders and other project documents. We are also charged with undertaking inquiries as assigned and/or approved by the OIG.

During the engagement, we have made numerous recommendations regarding improvements in the areas of purchasing practices, construction processes, project finances, environmental compliance, safety, physical site security, information security, prevailing wage compliance and MBE-WBE program compliance, many of which have been adopted by the Port Authority.

The project specific details for this engagement include:

Project Title	WTC Transportation Hub Project
Primary Consultant	Thacher Associates, LLC
Date Started	October 2006
Completion Date	October 2015 (planned)
Total Construction Project Cost	\$2.5 billion (planned)
Client	Port Authority of NY & NJ
Contact Name/ Contact Info	Robert E. Van Etten, Inspector General, PANYNJ 5 Marine View Plaza, Suite 502, Hoboken, N.J. 07030 Tel # [REDACTED] Steven A. Pasichow, PANYNJ-OIG, 5 Marine View Plaza, Hoboken, NJ 07030; tel. # [REDACTED]

These two projects are just a small sample of Thacher’s engagements and both reflect our ability to perform the work contemplated in the Engagement Query. While both are examples of the expertise Thacher brings to mega-projects, our expertise on smaller scale construction projects is similarly impressive.

From 1998 to 2003, after HRH Construction Corp. employees were convicted of public bidding and change order fraud, Thacher was approved by the New York City Department of Investigation and the New York City School Construction Authority (“SCA”) to serve as HRH’s Independent Private Sector Inspector General (“IPSIG”). On behalf of the SCA, Thacher

monitored all HRH school construction projects. On behalf of the City, we monitored HRH's build out of the Department of Buildings' interior space at the "Marble Palace." As IPSIG, Thacher conducted background reviews of the minority ("MBE") and women-owned ("WBE") firms solicited by HRH, seeking to identify any organized crime influences, inappropriate links to HRH and/or false MBE/WBE status. We also oversaw HRH's bidding and bid leveling practices and audited the periodic payment requisitions and requests for change orders of HRH and its subcontractors. In addition, we monitored HRH's activities as a Mentor Program construction manager on SCA projects.

We firmly believe our ability to perform these similar tasks on the City of Elizabeth Veteran's Memorial Waterfront Park project could be accomplished more efficiently than any other firm given the broad expertise Thacher brings to any size engagement.

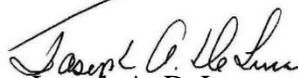
Specialty Services

As explained in great detail above, Thacher Associates currently employs *in house*, a multi-disciplinary team of lawyers, forensic engineers, forensic auditors, investigators, and analysts who will be utilized on this project and therefore has the requisite ability to provide the professional specialties identified in the Engagement Query.

Conclusion

I hope that the foregoing adequately explains our proposed approach to monitoring the City of Elizabeth Veterans Memorial Waterfront Park construction and repair project, our qualifications, the qualifications of our proposed team, and the costs associated with the work. We would, of course, be happy to meet to discuss any or all aspects of our Proposal in greater detail.

Very truly yours,


Joseph A. DeLuca

Enclosures

Attachment 1

Attachment 2

109TH CONGRESS }
2d Session }

COMMITTEE PRINT

{ COMMITTEE
PRINT 109-C }

AN EXAMINATION OF FEDERAL 9/11 ASSISTANCE TO
NEW YORK: LESSONS LEARNED IN PREVENTING
WASTE, FRAUD, ABUSE, AND LAX MANAGEMENT

A STAFF REPORT

SUBCOMMITTEE ON MANAGEMENT,
INTEGRATION, AND OVERSIGHT

OF THE

COMMITTEE ON HOMELAND SECURITY

U.S. HOUSE OF REPRESENTATIVES
109TH CONGRESS



AUGUST 2006

U.S. GOVERNMENT PRINTING OFFICE

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WASHINGTON : 2006

Best practice: Private integrity monitoring caught and deterred fraud

The removal of cost-control incentives on private contracts, combined with the chaos at Ground Zero, made it exceedingly important for the government to exercise oversight and implement stringent controls over debris-removal operations. FEMA's OIG asserted that it initially stationed people at the four exits of the site of the World Trade Center to track the shipments of debris to ensure they were not diverted.⁴⁵ On October 4, 2001, the administration of former New York City Mayor Rudolph Giuliani announced it had dispatched four integrity monitoring companies to oversee the four construction management companies hired to clean up the four Ground Zero quadrants.⁴⁶ This action came just days after a grand jury began hearing testimony about truck drivers allegedly diverting debris shipments to scrap yards to sell instead of to the landfill to be sifted.

⁴⁵ *Id.*

⁴⁶ Jennifer Steinhauer, *A Nation Challenged: City Hall, 4 Companies Are Hired to Oversee Contractors*, N.Y. Times, Oct. 5, 2001, at B11.

The World Trade Center Integrity Compliance Monitorship Program, which was continued by Mayor Giuliani's successor, Mayor Michael Bloomberg, hired four private integrity monitor companies—Decision Strategies/Fairfax International; Getnick & Getnick; Stier, Anderson & Malone; and Thacher Associates—all of which were run by former prosecutors. Known as Independent Private Sector Inspectors General (IPSIGs) the companies employed an innovative approach to contract management first utilized in New York in the 1990s for public school construction projects. Working with the New York City Department of Investigation (DoI), FEMA, and DDC, the IPSIGs used forensic auditing, surveillance, interviews, informants, global position system tracking of trucks, background checks, and other investigative techniques to screen subcontractors and ensure they were utilizing the appropriate equipment and workers, accurately billing the government, and hauling debris to the appropriate destination.

The private integrity monitors' performance of background checks on contractors, using New York City's VENDEX database and independent means, proved a useful tool. The checks resulted in the indictments by the Manhattan District Attorney's office of two principals of a Yonkers carting firm working at Ground Zero who allegedly lied about their ties to organized crime in documents filed with New York City. The private integrity monitors also identified numerous instances of over-billing by this firm.⁴⁷

Private integrity monitors had never previously been deployed on such a large scale⁴⁸ and, by all accounts, their deployment in the debris removal context was an overwhelming success. Private integrity monitors identified a number of contractors with ties to organized crime which were subsequently removed from the site, found trucks cooping while on the clock,⁴⁹ flagged several attempted frauds that were referred for prosecution, recovered \$47 million in over-billing by contractors and subcontractors, and saved immeasurably more money by deterring fraud.⁵⁰

The World Trade Center Integrity Compliance Monitorship Program was effective in large part because it was preventive. By embedding private integrity monitors with the individual contractors, the monitoring program prevented fraud and abuse by contractors that were unscrupulous or sloppy in their accounting. In addition, the monitoring ensured proper record keeping and established internal controls, which created a culture of compliance within each contractor's operations and ensured accountability to New York City.

DoI and the monitors took several steps to bolster the effectiveness of the monitoring program. First, they met regularly with one another and with law enforcement agencies. Second, they set up an electronic key-card system to track each person who accessed the site. Third, they established a fraud hotline, which received 80 tip calls.⁵¹ Together, these controls increased the effectiveness of the private integrity monitor program and enhanced the overall vigilance against fraud and waste during the debris removal. It is the

⁴⁷ *Id.*

⁴⁸ Gill Hearn Briefing, *supra* note 35.

⁴⁹ Subcommittee Staff Briefing with Mr. Neil Getnick et al., *Independent Private Sector Inspectors General*, Mar. 21, 2006, in New York, New York.

⁵⁰ Gill Hearn Written Testimony, *supra* note 36.

⁵¹ Gill Hearn Briefing, *supra* note 35.

sense of the Subcommittee that private integrity monitors should be incorporated into future disaster response oversight, particularly in instances requiring debris removal.

High-ranking officials in the DHS OIG office said debris-removal work has always posed oversight problems for FEMA, but the removal of debris from Ground Zero was among the agency's best run projects.⁵² In the Subcommittee's judgment, that success resulted from the presence of private integrity monitors and occurred in spite of very challenging conditions.

Hard lesson learned: Costly oversight in aerial photography contract

Not every part of the response phase paralleled the success of the private integrity monitoring program. For example, FEMA contracted with a photographer to take aerial photographs of Ground Zero without checking the photographer's background or experience and without including in the contract standard language giving FEMA title and ownership of the photographs. As a result, the photographer was able to copyright 30,000 photographs and 34 minutes of video of Ground Zero that he took from a New York City Police Department helicopter while also receiving \$300,000 from FEMA and the DDC. He sold 36 of the photographs to LIFE Books, which printed them in a 2002 book. A lawyer for the photographer reportedly sent New York City a letter warning that it could not use the photographs without the photographer's permission.⁵³

According to an interview the photographer gave to LIFE Books, a representative from FEMA called the photographer at 2:00 a.m. on September 15, 2001, after spotting his ad in a phone book, and asked if he had ever taken aerial photographs. LIFE Books quoted the photographer as saying:

I said "yes," and we all know now that I had never taken aerial photos before. I guess the reason I said yes was because I have gotten all kinds of strange calls from my photography business ad in the yellow pages. When you have a yellow pages ad in New York City, you can just imagine the kind of calls you might get."⁵⁴

FEMA could not identify the FEMA employees responsible for awarding the contract. FEMA did not offer a satisfactory answer to the Subcommittee's repeated queries about whether FEMA typically includes clauses in contracts ceding title and ownership to the agency,⁵⁵ though Mr. Joe Picciano, Deputy Director for the FEMA regional office that includes New York, testified before the Sub-

⁵² Subcommittee Staff Briefing with the Honorable Richard L. Skinner, Inspector General, Department of Homeland Security, June 28, 2006, in Washington, D.C. (hereinafter Skinner Briefing); White Telephone Interview, *supra* note 44. Mr. Skinner stated that debris removal poses challenges. Mr. White stated that the 9/11 debris removal was among the best ever run.

⁵³ Greg B. Smith, Shameful Abuse of 9-11 Footage, N.Y. Daily News, Feb. 12, 2006, at 6 (hereinafter Shameful Abuse of 9-11 Footage).

⁵⁴ Interview by Life.com with Gregg Brown, Photographer, New York, New York, available at <http://www.life.com/life/lifebooks/amspirit/brown.html> (last visited August 3, 2006).

⁵⁵ According to Adrian Sevier, FEMA does not engage in much direct contracting and does not have standard contract language. FEMA did not respond to Subcommittee Staff inquiries requesting additional information about FEMA contracting practices, generally, or the 9/11 aerial photography contract, specifically. In a subsequent telephone interview in April 2006, a FEMA representative said contractors are normally required to cede title and ownership of their work, but also said most photographers dealing with FEMA do not give up ownership of their photographs. Subcommittee Staff briefing with Mr. Adrian Sevier, Acting Deputy Director, Federal Emergency Management Agency, Mar. 24, 2006, in Washington, D.C. (hereinafter Sevier Briefing).

Attachment 3

THOMAS D. THACHER II

330 West 42nd Street, New York, New York 10036

Toby@ThacherAssociates.com

THACHER ASSOCIATES, LLC, New York, NY

1996 - Present

President/CEO

- Founder and CEO of investigative and integrity risk management firm specializing in investigations, audits, due diligence and loss prevention with concentration in construction and real estate industries.
- Provide monitoring and oversight programs directly to government agencies or private sector contractors and assist government agencies in the management of Independent Private Sector Inspector General (“IPSIG”) programs.

NEW YORK CITY SCHOOL CONSTRUCTION AUTHORITY, Bronx, NY

1990 - 1996

Vice President and Inspector General

- Founder and chief executive of fifty person inspector general office that vetted the integrity of all contractors, consultants and vendors seeking to participate in a multi-billion dollar capital program, performed management reviews, conducted investigations and audits to support criminal, civil and administration proceedings, and designed loss prevention programs and strategies.

NEW YORK STATE CONSTRUCTION INDUSTRY STRIKE FORCE, NY

1985 - 1990

Executive Director

- Directed investigations and prosecutions of racketeering and corruption in NYC’s construction industry.
- Supervised task force comprised of up to 100 persons on staff or detailed from federal, state and local law enforcement offices.

NEW YORK STATE ORGANIZED CRIME TASK FORCE, West Trenton, NJ

1984 - 1990

Deputy Assistant Attorney General (1984-1990)

Executive Director, Construction Industry Project (1985-1990)

- Coordinated operations of Construction Industry Strike Force (see above) with New York State Organized Crime Task Force.
- Coordinated research and co-authored report to Governor on Corruption and Racketeering in the New York City Construction Industry (N.Y.U. Press 1990)

SIFF AND NEWMAN, PC

1980 – 1984

Associate

NEW YORK COUNTY DISTRICT ATTORNEY’S OFFICE

1976 - 1980

Assistant District Attorney

EDUCATION

Fordham University School of Law, New York, NY

Juris Doctor, 1974

Hamilton College, Clinton, NY

B.A., 1969

MONITORSHIP EXPERIENCE

As President and Chief Executive Officer, Mr. Thacher has shared principal responsibility (with the Firm’s co-founder Joseph DeLuca) for executive management of all of the Firm’s key integrity monitorships, including the Ground Zero, MTA Transit Projects and MWDBE Compliance programs, Yankees, Scalamandre, and the NYC Rapid Repairs Program monitorships. In this capacity, he has played a key role in the development and

refinement of the integrity risk management monitoring plans, and in the management teams that have overseen the implementation of those plans.

References:

Available upon request.

JOSEPH A. DELUCA

330 West 42nd Street, New York, New York 10036

Joe@ThacherAssociates.com

THACHER ASSOCIATES, LLC, New York, NY

1996 - Present

Co-Founder, Executive Vice President and Chief Operating Officer

- Created a full service organization that provides corruption prevention/detection services including investigations and research, electronic due diligence, database services, forensic audits, risk assessments, business intelligence, compliance programs and civil prosecutions to public and private sector clients.
- Provide monitoring and oversight programs directly to government agencies or private sector contractors and assist government agencies in the management of Independent Private Sector Inspector General (“IPSIG”) programs.

NEW YORK CITY SCHOOL CONSTRUCTION AUTHORITY, Bronx, NY

1990 - 1996

Assistant Inspector General (Office of the Inspector General)

- Co-founded office along with the Inspector General.
- Conceptualized mission, structure and methods.
- Developed, implemented and staffed the Office of the Inspector General where none had previously existed: from site selection, office design, computer/telephone/security systems purchase, to hiring of attorneys, analysts, investigative engineers and support staff.
- Managed three units central to the agency: research and analysis, intelligence and MIS.
- Supported the Inspector General through problem identification; crime pattern assessments; the collection, storage and retrieval of intelligence; conducting policy and procedure analysis; and developing policy recommendations to protect and improve the integrity of the SCA’s construction process.
- Developed sophisticated structural and systems analysis programs aimed at prevention and detection; an intelligence capability complemented by proactive undercover operations; and a state of the art computer system designed to facilitate the exchange and analysis of information within the agency and with other law enforcement entities.

NEW YORK STATE ORGANIZED CRIME TASK FORCE, White Plains, NY

1980 - 1990

Chief Analyst, Construction Industry Task Force

- Supervised research and analysis component of OCTF’s construction industry project which culminated in two published reports to Governor Cuomo, Corruption and Racketeering in the New York City Construction Industry.

Senior Analyst

- Labor racketeering: Headed the analysis team that led to a major prosecution of the Long Island carting industry.
- Participated in and conducted research for Racketeering in Legitimate Industries, a report published by the Rand Corporation, which focused on organized crime control of the Long Island carting industry.
- Commission Case: Played a significant role and assisted in the prosecution of the New York’s five Cosa Nostra crime family bosses and underbosses for their control of the City’s concrete industry.

NEW JERSEY STATE POLICE, West Trenton, NJ

1978 - 1980

Intelligence Analyst

- Participated in the pilot study of a New Jersey State Police Analysis Unit. Many law enforcement agencies, including FBI, Scotland Yard and the Canadian and Australian Police Departments drew upon the unit’s expertise in designing and implementing intelligence analysis components.

EDUCATION

West Virginia University, Morgantown, WV

M.P.A., Public Administration, 1976

Salem College, Salem, WV

B.A., Criminal Justice/Sociology, 1975

PROFESSIONAL MEMBERSHIPS/CERTIFICATIONS

Licensed Private Investigator (NY and NJ)

MONITORSHIP EXPERIENCE

As Executive Vice President/Chief Operating Officer, Mr. DeLuca has shared principal responsibility (with the Firm's co-founder Thomas Thacher) for executive management of all of the Firm's key integrity monitorships, including the Ground Zero, MTA Transit Projects, Scalamandre, the Port Authority of New York and New Jersey's WTC Transportation Hub, Retail and the National September 11th Memorial monitorships. In this capacity, he has played a key role in the development and refinement of the integrity risk management monitoring plans, and in the management teams that have overseen the implementation of those plans.

References:

Available upon request.

BARRY DEFOE

330 West 42nd Street, New York, New York 10036

Barry@ThacherAssociates.com

THACHER ASSOCIATES, LLC, New York, NY

2000 - Present

Managing Director/Senior Investigator

- Supervise and conduct field investigations, provide investigative planning and case analysis, and oversee internal investigations of corporate fraud for a corporate investigations firm.
- Integrity Monitor of the rebuilding of the World Trade Center Transportation Hub.
 - Part of a multi-disciplinary team working with the Port Authority of New York and New Jersey's Office of Inspector General on this \$3 billion project.
 - Identified integrity risks and existing controls and have developed and implemented procedures to minimize the risk of fraud and unethical practices, with a focus on procurement practices.
- Managed internal investigation of allegations of fraudulent or inappropriate conduct by employees and vendors of a large non-profit organization
 - Identified and reported to the Executive Director and Audit Committee of the Board of Directors on significant issues uncovered.
 - Uncovered evidence leading to the removal of senior management and other staff, monetary recoveries from vendors and changes in procurement procedures.
- Multiple domestic and international investigations on behalf of the Audit Committee of a publicly-traded technology company. Investigations of various forms of financial misconduct resulted in the restatement of financial statements.
- Integrity compliance monitor, with Ernst & Young, for the Lower Manhattan Development Corporation's ("LMDC") \$280 million Residential Grant Program, which offered financial assistance to qualified tenants residing in Lower Manhattan following September 11, 2001.
 - Working closely with LMDC, participated in the development and implementation of policies, procedures and controls to ensure internal and external compliance and to minimize the risk of fraud.
 - Developed evidence contributing to the conviction of four individuals on Federal charges of having made fraudulent statements to obtain grants.

NEW YORK STATE ORGANIZED CRIME TASK FORCE (OCTF), Albany, NY **1981 - 2000**

Senior Investigator

- Performed all investigative tasks associated with complex multi-agency investigations and prosecutions of organized criminal groups. Specialized in the investigation of financial crimes, including money laundering, corporate and government corruption, false billing schemes, construction and real estate frauds, planned bankruptcies, tax frauds and illegal gambling. Significant cases included:
 - International money laundering through Broadway National Bank in New York City:
 - Initiated and was sole investigator in investigation and resulting seizure and forfeiture of \$1,200,000 from international money laundering ring's account at the bank.

- Initiated regulatory action against the bank, resulting in Federal order requiring changes in bank's practices and the hiring of an independent auditing firm leading to seizure of 19 additional account containing over \$800,000.
- Multimillion dollar fraud and tax violations by Donald Carter and The Carter Organization, a Wall Street proxy-solicitation firm:
 - Lead investigator in case. Developed critical informants and interviewed subjects, witnesses and victims throughout the United States.
 - Carter pled guilty to felony charges and served term in state prison. New York State received \$3,200,000 in civil forfeitures and \$537,000 in back taxes.

PROFESSIONAL CREDENTIALS

Certified Fraud Examiner (CFE); Member, Association of Certified Fraud Examiners; Board of Directors, NYC Chapter of the Association of Certified Fraud Examiners; Member, International Association of Independent Private Sector Inspectors General

EDUCATION

State University of NY - Albany, Albany, NY

Ph.D. Candidate, Criminal Justice, 1986
M.A., Criminal Justice, 1980

Colorado College, Colorado Springs, CO

B.A., Political Science, 1979

MONITORSHIP EXPERIENCE

P.J. Mechanical and Affiliates Integrity Monitoring Engagements

I have been the Project Manager of Integrity Monitorships of P.J. Mechanical (PJM), an HVAC firm, and its affiliates, including Delta Sheet Metal, since May 2011. We were selected to serve as PJM's Integrity Monitor on both public and private projects following the execution of search warrants at PJM's offices in June 2010. PJM and a principal were indicted on Grand Larceny charges in May 2011; the indictment against PJM was subsequently dismissed but the principal remains under indictment. We report to owners and their representatives on private projects and we report to the Port Authority Office of Inspector General in connection with four contracts that PJM and Delta have at the WTC site on the Transportation Hub, Retail and Memorial Projects. As a result of an agreement that Delta just entered into with the New York City Department of Investigation, we will also be monitoring Delta's work on two contracts with the City of New York.

On this engagement, our mission is to monitor the integrity of the Projects so as to prevent/ detect organized crime, labor racketeering, corruption, fraud, and failure to comply with regulatory and contractual requirements. We designed and implemented a project integrity compliance program and have conducted ethics training for staff. We examine the Projects' construction and financial processes and perform forensic analyses of a sample of transactions. We perform these functions with a multi-disciplinary team consisting of investigators, auditors, engineers, and other specialists as determined by the need of the engagement. During the engagement, we have made recommendations that have been accepted by PJM to improve their internal controls.

As the Project Manager, I am responsible for directing the activities of the Thacher integrity monitoring team so as to meet contractual requirements and client priorities. I am responsible for consulting with the clients so as to identify and from time to time modify the mission/ objectives of the engagements and for providing oral and written reports to the clients. On a day to day basis, I am responsible for coordinating the activities of our team to maximize team efficiency.

(Reference: Robert Joyce, Port Authority OIG, 5 Marine View Plaza, Hoboken, NJ 07030; tel. # [REDACTED]
[REDACTED])

BRADLEY J. BRESLIN

330 West 42nd Street, New York, New York 10036

Bbreslin@ThacherAssociates.com

THACHER ASSOCIATES, LLC, New York, NY

2012 - Present

Managing Director

- Responsible for the overall direction, coordination, implementation, execution, control and completion of integrity monitoring projects.
- Manage integrity monitoring team consisting of investigators, forensic auditors and engineers.
- Design and implement strategies and programs to protect client projects from waste, fraud and abuse.
- Matters include:
 - Managing integrity monitoring project for New York City Rapid Repairs Program by designing and implementing strategies to monitor all aspects of contractor operations involved in performing emergency repairs to residential properties affected by Hurricane Sandy.

UNITED STATES DEPARTMENT OF JUSTICE, Washington D.C.

2007 - 2012

Attorney - Advisor

- Litigate contract appeals before the Civilian Board of Contract Appeals and bid protests before the Government Accountability Office.
- Provide litigation support to United States Attorneys' offices and DOJ Civil Division components encompassing all phases of federal court practice from initial pleadings to post-trial appeals.
- Provide legal guidance and review for federal procurements, legal assistance to contracting staff and provide legal advice to management officials on employment and labor related matters
- Draft and review inter-agency agreements and memoranda of understanding between DOJ and other federal agencies

ADMISSIONS

United States Supreme Court; Commonwealth of Pennsylvania; State of New Jersey

EDUCATION

Duquesne University, Pittsburgh, PA

Juris Doctor 2007

University of Scranton, Scranton, PA

B.S., Criminal Justice and Political Science 2002

MONITORSHIP EXPERIENCE

NYC Rapid Repair Program (12/2012-Present)

As the Project Manager, I direct a team of engineers, investigators, and forensic auditors, consistent with the designed work plans and budget, to provide monitoring of a contractor assigned to repair approximately 600 residential properties affected by Hurricane Sandy. The scope of the monitorship included the deterrence and detection of fraud, waste and abuse, as well as, prevailing wage reviews. While this monitorship is still ongoing, to date, Thacher Associates has uncovered several systemic deficiencies and overcharges, the discovery of which will result in millions of dollars of potential savings to the City of New York.

(Reference: Marjorie Landa, General Counsel, Department of Investigations, City of New York, 80 Maiden Lane, 17th Floor, New York, N.Y. 10038, Tel. # [REDACTED])

JAMES A. BUSH

330 West 42nd Street, New York, New York 10036

Jbush@ThacherAssociates.com

THACHER ASSOCIATES, LLC, New York, NY

2012 - Present

Investigator

- New York City Rapid Repair Program, Integrity Monitor – Investigator.

FEDERAL BUREAU OF INVESTIGATION, New York, NY

2009

Private Service Contract

- Monitor/Electronic Surveillance.

PASSAIC COUNTY PROSECUTOR'S OFFICE, New Jersey

1981 - 2008

Captain of Detectives (2006-2008)

- Captain of Detectives assigned to the FBI, Garret Mountain Resident Agency, as a Task Force Officer within the Criminal Enterprise/Violent Crimes Unit.

Deputy Chief of County Detectives (2003-2006)

- In charge of the Passaic County Joint Narcotics Task Force, Gang Suppression Unit and the Intelligence Unit.

Captain of County Detectives (2003)

- Commander of the Passaic County Joint Narcotics Task Force.

Captain of County Detectives (2000-2003)

- Promoted to Captain of County Detectives while assigned to the FBI, Garret Mountain Resident Agency, as a Task Force Officer within the Criminal Enterprise/Violent Crimes Unit; also assigned to conduct interviews, interrogations and investigations relating to terrorism post 9/11.

Lieutenant of County Detectives (1999-2000)

- Assigned as a Task Force Officer with the FBI, Garret Mountain Resident Agency, as a Task Force Officer within the Criminal Enterprise/Violent Crimes Unit.

Lieutenant of County Detectives (1998-1999)

- Assigned to the United States Customs Service, Newark, NJ, as a Cross Designated Task Force Officer within a Criminal Enterprise Investigative/Narcotics Unit.

Lieutenant of County Detectives (1992-1995)

- Assigned as a supervisor of the Narcotics/Organized Crime Unit.

Investigator

- Assigned to the Narcotics/Organized Crime Unit.

BOROUGH OF TOTOWA POLICE DEPARTMENT, New York, NY

1979 - 1981

- Uniformed Patrol Officer.

EDUCATION

Trenton State College, Ewing, NJ

B.S., Criminal Justice, 1979

New Jersey Police Training Commission

Certified Police Instructor, 1990

New Jersey State Police

Police Supervision, 1988

MONITORSHIP EXPERIENCE

New York City Rapid Repair Program - Staten Island, N.Y. - Integrity Monitor (2012 – present)

Integrity monitor overseeing contractors, subcontractors and construction workers involved in the NYCRRP which consisted in the repairs of homes damaged from Hurricane Sandy.

Daily monitoring consisted of investigating active worksites for proper work orders, sign-in sheets, building materials, etc., and ascertaining the prevailing wages of workers on site. Further monitoring consisted of assessments of homes to be repaired and close-outs of homes in which repairs were completed.

Investigations were performed at times by analyzing invoices that were submitted by the contractor indicating work performed and material that was installed during the repairs against actual work performed and material installed during the repair. A significant amount of these investigations resulted in the detection of improper billing of work performed and material installed. These findings resulted in hundreds of thousands of dollars of improper billing being credited to the city of New York. Some of these pending investigations may lead to future criminal prosecutions.

(Reference: Marjorie Landa, General Counsel, Department of Investigations, City of New York, 80 Maiden Lane, 17th Floor, New York, N.Y. 10038, Tel. # [REDACTED])

RICHARD F. VERMEULEN, CPA, CFE, Cr.FA

330 West 42nd Street, New York, New York 10036

RVermeulen@ThacherAssociates.com

THACHER ASSOCIATES, LLC, New York, NY

2010 - Present

Director – Forensic Auditing

- Responsible for management and oversight of forensic audit department including: hiring and development of staff, department budgeting and forecasting, development of work plans, coordination of engagements, final approval of work product, interfacing with clients and practice development.
- Services include fiscal and integrity monitoring, litigation support, forensic accounting and investigative auditing for a wide range of public and private clients.

J.H. COHN, LLP, Eatontown, NJ

2005 - 2010

Senior Manager

- Responsible for managing the accounting and auditing (A&A) department as well as the forensic accounting/audit department.
- A&A responsibilities consisted of oversight and approval of client financial statements prepared in accordance with current accounting standards; including Generally Accepted Accounting Principles (GAAP), Generally Accepted Accounting Standards (GAAS), Statement on Auditing Standards (SAS), and Statements on Standards for Accounting and Review Services (SSARS).
- Forensic accounting/auditing responsibilities included corporate governance, corporate investigations, SAS 99 compliance, internal control reviews, integrity monitoring and litigation support.

CALLAHAN & COMPANY, PC (MERGED WITH J.H. COHN, 2005), Red Bank, NJ

2001 - 2005

Forensic Accounting Manager

- Manager of firm's forensic accounting and litigation support department.
- Heavily involved in internal control reviews and SAS 99 compliance for clients of the firm.
- Involved in corporate fraud investigations, litigation support, surety claims consulting and contractual dispute resolution.
- Oversaw and monitored over \$250 million of construction contracts for the New York City Department of Design and Construction as well as the NY Department of Investigation on the World Trade Center cleanup and recovery project. Proposed savings of approximately \$25 million to the city on the project.

GELLER & COMPANY, PC, New York, NY

2000 - 2001

Accounting Manager – Investment Partnership Practice

- Co-managed day-to-day operations related to accounting for venture capital, buy-out, and real estate investment partnerships.
- Worked with general partners, fund managers, and legal counsel regarding all aspects of fund set-up, operations and liquidation.
- Performed final review of client deliverable; including financial statements, partner statements and tax returns.

MCGUIGAN & COMPANY, PC, CPA's, Wall, NJ

1996 - 2000

Accounting Supervisor

- Performed and supervised audits, reviews, and compilations of financial statements for diversified client base.
- Performed and reviewed a full range of tax compliance functions including federal and multi-state individual, partnership, corporation, fiduciary and payroll tax filings.

MERILLY LYNCH, Princeton, NJ

1993 - 1996

Senior Mutual Fund Accountant/Pricing Specialist

- Performed all aspects of accounting and security pricing related to multi-million dollar mutual funds.
- Provided financial data to portfolio managers making critical investment decisions.
- Coordinated audit process with external auditors, and prepared daily management reports.
- Trained new staff and reviewed work of subordinates.

SPEAKING ENGAGEMENTS

Presented on various accounting and auditing topics for the School Construction Authority of New York, the New Jersey Schools Development Authority, DASNY, the Bar Association of New Jersey, the Surety Association of New Jersey, the New Jersey Society of CPA's and various construction industry associations.

EDUCATION

Monmouth University, West Long Branch, NJ

B.S., Accounting, 1993

PROFESSIONAL MEMBERSHIPS/CERTIFICATIONS

Certified Public Accountant (CPA), Certified Fraud Examiner (CFE), Certified Forensic Accountant (Cr.FA), Member of the American Institute of Certified Public Accountants, Past President and current Chairperson of the New Jersey Society of Certified Public Accountants, Monmouth/Ocean Chapter, Past President of the Surety Underwriters Association of New Jersey, Member of the Litigation Support Services Committee of the New Jersey Society of Certified Public Accountants

MONITORSHIP EXPERIENCE

WTC Cleanup and Recovery (November 2001 - 2004)

Deutsche Bank Demolition – LMDC (2008 – May 2011)

National September 11 Memorial (April 2010 – Present)

United Nations (April 2010 – Present)

Croton Water Treatment Plant (April 2010 – Present)

Madison Square Garden (March 2011 – August 2011)

Moynihan Station (August 2012 – Present)

MTA East Side Access (September 2012 – Present)

NYC Rapid Repairs (November 2012 – Present)

As Director of Forensic Auditing on these monitoring engagements, I am responsible for designing and implementing corruption prevention programs which address the specific integrity risks identified on each project, reviewing and assessing the adequacy of both corruption controls to assure that all transactions are conducted and documented in such a way as to be both transparent and auditable and depending on the risk identified, the monitorship programs may include contractual or regulatory compliance reviews and audit procedures designed to analyze and “test” specific transitions.

References:

(WTC Cleanup and Recovery): Goodwin Benjamin, Department of Investigation, City of New York, 80 Maiden Lane, 18th Floor, New York, N.Y. 10038

(Deutsche Bank Demolition): John T. Conroy, Chief Investigator, Lower Manhattan Development Corporation, 1 Liberty Plaza, 20th Floor, New York, N.Y. 10006, Tel. # [REDACTED]

(National September 11 Memorial): Robert E. Van Etten, Inspector General, PANYNJ, 5 Marine View Plaza, Suite 502, Hoboken, N.J. 07030, Tel # [REDACTED] Steven A. Pasichow, Port Auth OIG, 5 Marine View Plaza, Hoboken, NJ 07030; tel. # [REDACTED]

(United Nations): Vivian Van de Perre, Chief – Administration & Communications Capital Master Plan, United Nations, UN Secretariat, 1st Avenue and 42nd Street, New York, N.Y. 10017, Tel. # [REDACTED]

(Croton): Melissa Ballard, Department of Investigations, City of New York, 80 Maiden Lane, 17th Floor, New York, N.Y. 10038, Tel. # [REDACTED]

(Madison Square Garden): Gene Heaney, Senior Vice President, Madison Square Garden, 2 Penn Plaza, 14th Floor, New York, N.Y. 10016, Tel. # [REDACTED] 4

(Moynihan Station): Mehul J. Patel, Vice President, Development, Moynihan Station Development Corporation, 633 Third Avenue, 36th Floor, New York, N.Y. 10017, Tel. # [REDACTED]

(MTA East Side Access): William Goldstein, Executive Vice President, MTA Capital Program, 2 Broadway, New York, N.Y. 10004, Tel. # [REDACTED]

(NYC Rapid Repairs): Marjorie Landa, General Counsel, Department of Investigations, City of New York, 80 Maiden Lane, 17th Floor, New York, N.Y. 10038, Tel. # [REDACTED]

L&L Painting Engagement (April 2010 – Present)

The LaQuila Group Engagement (April 2010 – Present)

Waldorf Demolition (June 2011 – Present)

MDG (May 2011 – Present)

On these engagements, I am responsible for assessing the business operations and design and implementation of a corporate compliance/business management and ethics program, working with the companies to improve internal controls and standardize recordkeeping practices, primarily in the areas of payments to workers and subcontractors and perform regular office visits to conduct reviews for compliance with prevailing wage requirements, as well as compliance with other requirements of the monitorship agreement.

References:

(L&L Painting): Allen J. Ross, Duane Morris LLP, 1540 Broadway, 14th Floor, New York, N.Y. 10036, Tel. # [REDACTED]

(The LaQuila Group): Angelo Sisca, Vice President – Operations, LaQuila Group, 1590 Troy Avenue, Brooklyn, N.Y. 11234, Tel. # [REDACTED]

(Waldorf Demolition): Mike Marrone, Waldorf Demolition, 50 East Palisade Avenue, Englewood, N.J. 07631, Tel. # [REDACTED]

(MDG): Christopher Ferguson, Associate, Kostelanetz & Fink, LLP, Seven World Trade Center, 250 Greenwich Street, 34th Floor, New York, N.Y. 10007, Tel. # [REDACTED]

Schiavone MWDBE (October 2010 – Present)

Skanska MWDBE (February 2012 – February 2013)

Dragados MWDBE (September 2012 – Present)

Judlau MWDBE (September 2012 – Present)

On these engagements, I am responsible for reviewing and assessing the CM's implementation of and compliance with their respective MWDBE compliance programs.

References:

(Schiavone & Dragados): Lorraine D'Angelo, Esq., CCEP, Sr. Vice President – Ethics & Compliance, Dragados USA, 500 Fifth Avenue, 38th Floor, New York, N.Y. 10110, Tel. # [REDACTED]

(Skanska): Martin Flumenbaum, Partner, Paul Weiss Rifkind Wharton & Garrison LLC, 1285 Avenue of the Americas, New York, N.Y. 10019, Tel. # [REDACTED]

(Judlau): Frank T. Cara, Esq., EVP & General Counsel, The Judlau Companies, 26-15 Ulmer Street, College Point, N.Y. 11354, Tel. # [REDACTED]

DANIEL J. KASSA, MBA

330 West 42nd Street, New York, New York 10036

Dkassa@ThacherAssociates.com

THACHER ASSOCIATES, LLC, New York, NY

2010 - Present

Senior Forensic Auditor

- Provide Integrity Monitoring services on various construction projects at Ground Zero.
- Ensure compliance of contractors with DBE/WBE/MBE requirements on public projects.
- Perform forensic audits and earnings analyses.
- Provide litigation support services.

MAROTTA, GUND, BUDD & DZERA, LLC, New York, NY

2008 - 2010

Manager, Workout/Turnaround/Crisis Management Consulting

- Served as Vice President – Interim Chief Financial Officer for luxury master planned golf community leveraged at \$800M.
 - Served as officer/director for 8 different legal entities under client's holding company.
 - Oversaw all aspects of accounting functions and managed cash flow.
 - Reviewed construction invoices resulting in over \$1M of savings on potentially fraudulent billings.
 - Prepared quarterly funding request to senior lender.
 - Composted quarterly analysis/reports for use by other executive management, senior lender and prospective investors.
 - Authored monthly management analysis reports.
 - Prepared annual budgets for 8 operating entities.
 - Oversaw general operations consisting of approximately 100 employees.

PRUDENTIAL FINANCIAL, INC., New York, NY

2006 - 2008

Manager, Financial Analysis – Corporate Controllers (09/07-04/08)

Financial Analyst – Corporate Controllers (06/06-09/07)

- Reviewed Quarterly Statutory analyses prior to distribution to senior management.
- Prepared annual Management Discussion & Analysis reports for 2 legal entities.
- Compiled quarterly and annual operations forecasts and analyses on parent and subsidiaries.
- Prepared quarterly and annual Risk Based Capital filings.
- Performed ad-hoc analyses for review by senior management.
- Created process improvements in quarterly reporting periods to improve accuracy and reduce preparation time.
- Oversaw preparation of Quarterly and Annual Statutory Financial Statements.
- Prepared investment analyses for inclusion in Management Discussion & Analysis report.
- Prepared investment exhibits in Quarterly and Annual Statutory Financial Statements.
- Managed workload and assignments of 2 units in the department.

BED BATH & BEYOND, INC., Union, NJ

2005 - 2006

Real Estate Accountant

- Performed monthly accounting close: reconciled accruals, expenses, and prepaids on 700+ properties.
- Analyzed expense trends and investigated irregularities.
- Produced various square footage cost analyses.

- Prepared fiscal budget for all operating properties.
- Improved information flow process to reduce errors and maximize efficiency.
- Compiled monthly, quarterly and annual gross sales reports.

J.H. COHN LLP (formerly Callahan & Co.), Eatontown, NJ
Staff Accountant, Forensic & Construction Accounting

2002 - 2005

- Perform integrity monitoring on forensic engagements; analyze bank statements to reconstruct years of financial records.
- Analyzed requisition for payments submitted by construction managers and compared expenses to FAR rates and other government regulated rates.
- Provided attestation services to global bank for \$100M construction project.
- Reconciled AIA requisitions to contractor's financial records, verified payments to subcontractors, prepared Contractor's Sworn Affidavit and Subcontractor's Waiver of Lien forms and prepared Agreed Upon Procedures reports.
- Performed forensic investigation on numerous contractors for the NYC School Construction Authority.
- Investigated client's former CPA/Controller for fraudulent accounting practices and reconciled client books to reflect actual financial standing.
- Prepared and audited financial statements of private construction contractors.
- Developed niche in company to handle real estate matters.
- Produced DCF's for clients on an ad-hoc basis on commercial, retail and residential properties.

PROFESSIONAL CERTIFICATIONS

Associate Member – Association of Certified Fraud Examiners; Certified Fraud Examiner Candidate

EDUCATION

Rutgers University, Newark, NJ

M.B.A., Finance 2005

James Madison University, Harrisonburg, VA

B.B.A., Finance 2000

COMPUTER SKILLS

Proficient in Excel, Word, Powerpoint, Newstar, Oracle, Argus, MRI, Quickbooks, Peachtree, JDA General Ledger.

MONITORSHIP EXPERIENCE

I have been a Senior Forensic Auditor on the following WTC projects: Transportation Hub (July 2010 – Current), National September 11 Memorial and Museum (July 2010 – Current), Central Chiller Plant (July 2010 – October 2011) and Retail (October 2011 – Current). On these projects we have completed risk assessments and detailed examinations of subcontractors, vendors and suppliers which included reviews of company and project specific books and records. These detailed examinations were performed to prevent or determine if there were instances of fraud, waste or abuse. Some of the potential frauds we have investigated were prevailing wage violations committed by the subcontractors, overcharges on Time & Materials change order work and M/WBE frauds committed either solely by one firm, or jointly with the assistance of other firms.

I have also performed compliance assessments on the following four (4) major General Contractors / Construction Managers and their M/W/DBE Compliance Programs on numerous MTA projects: Schiavone

Construction Company (October 2010 – Current), Dragados USA Inc. (September 2012 – Current), Judlau Enterprises (October 2012 – Current) and Skanska Civil Northeast (February 2012 – Current). In performing these assessments we evaluated whether the contractor’s M/W/DBE Compliance Program was consistent with best practices, if the program controls mitigated the likelihood of committing M/W/DBE fraud, and whether the M/W/DBE subcontractors utilized on the MTA projects were in fact, bona-fide. We reviewed the programs and created our own testing matrix to determine whether the contractors were in compliance with their plans in addition to providing recommendations to improve the program or the process.

References:

WTC Projects (Hub, NS11MM, Central Chiller Plant, Retail) - Robert E. Van Etten, Inspector General, PANYNJ, 5 Marine View Plaza, Suite 502, Hoboken, N.J. 07030, Tel # [REDACTED] Steven A. Pasichow, Port Auth OIG, 5 Marine View Plaza, Hoboken, NJ 07030; tel. # [REDACTED]

MTA – (Schiavone, Dragados) - Lorraine D’Angelo, Esq., CCEP, Sr. Vice President – Ethics & Compliance, Dragados USA, 500 Fifth Avenue, 38th Floor, New York, N.Y. 10110, Tel. # [REDACTED]
[REDACTED]

MTA – (Judlau) - Frank T. Cara, Esq., EVP & General Counsel, The Judlau Companies, 26-15 Ulmer Street, College Point, N.Y. 11354, Tel. # [REDACTED]

MTA – (Skanska) - Martin Flumenbaum, Partner, Paul Weiss Rifkind Wharton & Garrison LLC, 1285 Avenue of the Americas, New York, N.Y. 10019, Tel. # [REDACTED]

Philippe Larock

330 West 42nd Street, New York, New York 10036

plarock@ThacherAssociates.com

THACHER ASSOCIATES, LLC, New York, NY

November 2012 - Present

Forensic Auditor

- Perform audits and integrity monitorship activities for the NYC Rapid Repair Project.
- Identified overbillings and worked with construction managers and project managers to remedy issues.
- Conduct investigations to prevent and detect fraud in billing requisitions.
- Analyze certified payroll reports, union benefit records, timesheets, payroll and various financial documents to ensure proper compliance with prevailing wage guidelines.
- Draft various reports and analyses requested by clients.
- Perform review of M/W/DBE firms to verify legitimacy and compliance with applicable laws and guidelines.
- Perform site visits to verify work in place against billings.
- Analyze work orders and time and material tickets to ensure accuracy of invoices from prime contractors and subcontractors.

1199 SEIU, New York, NY

April 2012 - November 2012

Financial Research Analyst and Consultant

- Performed an investigation into internal control weaknesses of a department with income totaling over two billion dollars annually.
- Conducted payroll audits of employers & participants and presented audit findings to senior management and external auditors.
- Worked to integrate and reconcile ten years worth of data into a new analytic system.
- Reviewed and performed quality control tests on payroll processing procedures and compared them against collective bargaining agreement parameters.
- Maintained and updated payroll tracking reports.
- Helped design and conduct control improvement activities, tracked results, and recommended corrective action for problems, irregularities and anomalies.

NEW YORK STATE ASSEMBLY, Albany, NY

January 2010 - July 2010

Clerk of the Banks Committee

- Managed and coordinated the distribution of legal bills before the Committee in order to move them forward through the legislature.
- Maintained correspondence with elected officials and constituents regarding bills before the committee.

SHOWPAPER, Brooklyn, NY

January 2009 - December 2010

Consultant and Accountant

- Established an accounting system for this not-for-profit organization.
- Maintained all original books of entry and general ledger accounts.
- Audited receipts and charitable income totals for fundraising events.

EDUCATION

John Jay College of Criminal Justice, New York, NY

BS, Economics, Dec. 2011

Borough of Manhattan College, New York, NY

AS, Accounting, Dec. 2009

JAMES P. MURPHY

330 West 42nd Street, New York, New York 10036

Jim@ThacherAssociates.com

THACHER ASSOCIATES, LLC, New York, NY

2005 - Present

Director of Forensic Engineering (2008 – Present)

- Manage a team of forensic engineers.
- Plan and coordinate construction integrity monitoring activities.

Senior Forensic Engineer (2005 – 2008)

- Perform forensic investigations in the field of construction.

NEW YORK CITY SCHOOL CONSTRUCTION AUTHORITY, Bronx, NY

2001 - 2005

Principal Engineering Auditor (Office of the Inspector General)

- Examined capital construction projects to detail evidence of fraud, corruption, defective pricing or waste in design, execution or management.
- Recommended modifications to improve controls, operating efficiencies and correct deficiencies identified through audits.
- Perform change order reviews and recovery analysis.

PERINI CORPORATION, Hawthorne, NY

1999 - 2001

Cost Engineer

- Managed, updated and maintained cost reports for design-build projects.
- Conducted regular cost and production analysis.
- Established cost control procedures and prepared cost data banks.
- Prepared project budget estimates for designs from concept to bid issue.
- Made design recommendations, during design development and updated budget.

PFISTER CONSTRUCTION, Medford, NY

1986 - 1999

Project Manager

- Managed site activities, scheduling, personnel and subcontractors.

EDUCATION

Manhattan College, Bronx, NY

M.S., Civil Engineering, 2001

Manhattan College, Bronx, NY

B.S., Civil Engineering, 1999

PROFESSIONAL MEMBERSHIPS/CERTIFICATIONS

NYC Site Safety Manager, Certified Mobile Crane Inspector, ACI Concrete Field Testing Technician, LEED Accredited Professional, 40-Hour OSHA Safety Training Course, Managing Crane Safety, Primavera Project Planner (P3)

MONITORSHIP EXPERIENCE

Yankee Stadium Monitoring Engagement (2007-2010)

United Nation Capital Master Plan Monitoring Engagement (2009-Present)

MTA Fulton Street Transit & South Ferry Terminal Monitoring Engagement (2006-2009)

WTC Monitoring Engagements – Hub, Retail & Memorial (2008-Present)

NYCTA 2nd Avenue Subway Monitoring Engagement (2011-Present)

As Director of Forensic Engineering, my responsibilities consist of managing a team of forensic engineers performing fraud detection, prevention and investigative activities including: spot audits of change orders, scheduling impact analysis and quality control assessments and identifying significant financial recoveries and prepared detailed reports in support of potential backcharges to the trade contractors. I manage multi-disciplined team of engineers, safety and environmental specialists in identifying integrity risks and recommending improvement in controls to mitigate those risks with regard to: compliance with the Project Labor Agreement, change orders, fees and mark-ups, allowances, contract procurement, general conditions and quality control, timely payments to subcontractors and vendors, prevailing wage laws, utilization of women and minorities in the trades and achieving goals for real participation of disadvantaged business enterprises.

References:

(Yankee Stadium): Randy Levine, President, Yankees, 161st Street and River Avenue, Bronx, N.Y. 10451, Tel. # [REDACTED]

(United Nations): Vivian Van de Perre, Chief – Administration & Communications Capital Master Plan, United Nations, UN Secretariat, 1st Avenue and 42nd Street, New York, N.Y. 10017, Tel. # [REDACTED]

(MTA Fulton Street): Lamond Kearse, Office of Inspector General, Metropolitan Transportation Authority, 2 Broadway, 16th Floor, New York, N.Y. 10004, Tel. # [REDACTED]

(WTC Projects – Hub, Retail & Memorial): Robert E. Van Etten, Inspector General, PANYNJ, 5 Marine View Plaza, Suite 502, Hoboken, N.J. 07030, Tel # [REDACTED]; Steven A. Pasichow, Port Auth OIG, 5 Marine View Plaza, Hoboken, NJ 07030; tel. # [REDACTED]

(NYCTA 2nd Avenue Subway): Lamond Kearse, Office of Inspector General, Metropolitan Transportation Authority, 2 Broadway, 16th Floor, New York, N.Y. 10004, Tel. # [REDACTED]

ERIC J. PALUMMIERI

330 West 42nd Street, New York, New York 10036

Epalummieri@ThacherAssociates.com

THACHER ASSOCIATES, LLC, New York, NY

2012 - Present

Forensic Engineer

- Provide forensic reviews and investigations including detection and reporting of instances of fraud, waste and abuse.
- Integrity monitoring both public and private sector
- Contractor-based and Project-based surveying to ensure work is being performed as per schedule, contract and specifications.
- Change order and requisition audits.

ROBERT JENNY DESIGN, Hoboken, NJ

2011 - 2012

Construction/Project Manager

- Provided full-range business development, construction supervision and project management for upscale residential, retail and commercial interiors.
- Scheduled projects with respect to logic, efficiency, and budget in order to meet aggressive deadlines and maximize profitability.
- Determined labor/material requirements and dispatched workers/resources to construction sites.
- Closely monitored, inspected, and reviewed projects for design, building, and safety compliance.
- Coordinated interactive on-site meetings with architects, interior designers, property management and clients.
- Interpreted and explained plans and contract terms to administrative staff, workers and clients.
- Fabricated up-to-the-minute/hour/day progress reports for clients and internal use.
- Prepared contracts and negotiated revisions, changes, and additions to contractual agreements with architects, consultants, clients, suppliers, and subcontractors.
- Responsible for hiring of and payroll for approximately 18 in-house tradesmen.
- Management of projects budgeted \$10,000 to \$1million.

GOLD AND BENNETT FX, New York, NY

2010 - 2011

Business Development/Sales Specialist

- Generated and managed new and existing business relationships with accredited institutional and retail investors.
- Diversification of client portfolios within alternative asset classes, particularly foreign currency and precious metals markets.
- Proven track record in growing business and expanding client base.
- Analyzed and identified specific growth areas and potentially favorable market conditions.
- Effectively managed Sales Team (Brokers/Broker Trainees) of 7-10 employees including one-on-one training, group seminars, and weekly/monthly/quarterly sales forecasting and monitoring.

M-E ENGINEERS, New York, NY

2005 - 2010

Mechanical Project Engineer/Manager

- Consulting engineer for the development of healthcare, sports, retail and office facilities as well as luxury properties in the mechanical, plumbing, sprinkler and renewable energy system design capacity.

- Specialized in development of Solar Photovoltaic, Thermal systems design.
- Coordinated system design with NYSERDA, LIPA, NABCEP, and NJCEP in conjunction with federal/local governments as well as local utilities.
- Provided on-site construction administration along with proper quality control measures for ensuring the entire project finish on time and due budget.
- Utilized LEED and other sustainable “green” building techniques to reduce energy consumption and improve building efficiencies.
- Produced monthly/weekly development report to supporting staff and higher management.
- Created AutoCAD technical system site plans for bid & construction.
- Worked closely with architects, construction managers, and property management to identify new projects and develop long-lasting relationships for future project partnerships.
- Proactively identified and designed HVAC systems for relief and modernization of regional facilities.
- Provide timely, cost effective in-field engineering work orders to construction, while monitoring performance and cost both internally and commercial clients.

PROFESSIONAL ASSOCIATIONS

Institute of Industrial Engineers (IIE); OSHA; Society of Automotive Engineers (SAE); Energy Star Contractors; American Solar Energy Society (ASES)

EDUCATION

New Jersey Institute of Technology, Newark, NJ

B.S., Industrial Engineering, 2005

COMPUTER SKILLS

Microsoft Office Suite including MS Project; AutoCAD; ProEngineer; Dashboard CRMs; Database extraction

MONITORSHIP EXPERIENCE

PJ Mechanical Monitorship (Madison Square Garden, Carnegie Hall, Carnegie 57)

(Oct 22, 2012 to Nov 23, 2012) - As Forensic Engineer, performed meticulous comparison of work observed within the field to monthly requisitions, invoices and change orders, examining for instances of double-billing, fraudulent charges, material/ equipment substitutions and abuse. Performed site visits, conducting work scope, progress and prevailing wage interviews with PJ Mechanical labor, accompanied by TA investigative personnel. Performed office visits to PJ Mechanical headquarters, requesting clarification of requisition and change order billing, accompanied by TA auditing personnel.

(Reference: Robert Joyce, Port Authority OIG, 5 Marine View Plaza, Hoboken, NJ 07030; tel. # [REDACTED])

NYC Rapid Repair Program (Brooklyn region, monitoring Skanska and DSW)

(Nov 26, 2012 to Present) - As Forensic Engineer, ascertain program procedures and field operations, citing deficiencies and suggesting implementations for improvement of operations to CM and QA personnel. Observe and monitor all field activities, including assessments, repairs-in-progress and closeouts, carefully measuring/ verifying all line-items for comparison, preparing checklists and securing photos, noting and recording all discrepancies with respect to protocol (accompanied by TA investigative, auditing and engineering personnel). Coordinate plans of action with TA Project Management personnel, NYC DOI, NYC DEP/

OEA regarding issues observed by TA field team. Interview homeowner while at NYC RRP premises; interview subcontractors re work scope, prevailing wages, noting PPE and work methods deficiencies observed. Interview QA and Shaw personnel regarding operational deficiencies with respect to quality assurance. Analyze work orders in order to identify work order anomalies for repair scope verification. Prepare TA daily activity report, TA issues log and closeout verification database.

(Reference: Marjorie Landa, General Counsel, Department of Investigations, City of New York, 80 Maiden Lane, 17th Floor, New York, N.Y. 10038, Tel. # [REDACTED])

ROBERT D. ELLMAN

330 West 42nd Street, New York, New York 10036

Rob@ThacherAssociates.com

THACHER ASSOCIATES, LLC, New York, NY

2001 - Present

Senior Research/Analyst

- Project Manager for a premiere equity firm client's administrative and executive level employee background screens.
- Coordinate investigative planning with Project Managers and company executives.
- Supervise/review/delegate research assignments, interface with field investigators and forensic engineers.
- Establish document management protocol.
- Conduct interviews with Project managers and draft reports summarizing research of hundreds of subcontractors re M/W/DBE integrity compliance for monitorship between a multinational general contractor and large New York City agency.
- Coordinate due diligence research regarding hundreds of subcontractors for a prominent investment bank re construction of new branch in midtown Manhattan on previous project; manage workflow with colleagues, perform troubleshooting with client and report to Project Manager and Thacher executives.
- Initiated development of identity theft protocol to solicit new business.
- Mentor junior analysts and knowledge management resource for entirety of office.
- Research, analyze and manage documents for investigations of contractors, vendors and suppliers for compliance with local, state and federal laws governing prevailing wage requirements, DBE/MBE requirements and general accounting and engineering contractual requirements for public sector clients.
- Perform litigation support research; asset tracing and analysis for law firm clients.
- Perform internal audit document reviews for government and private sector clients.
- Complete specific research assignments within the time and budgetary constraints allocated.
- Interview witnesses and conduct field surveillance for a mid-sized New York City agency client.

SUITE101.COM

2011 – Present

Freelance Writer

- Commentary about politics, current events, history, information science, sports and society.

BERRET-KOHLER PUBLISHERS, (based in) Oakland, CA

2006 – Present

Part-Time Freelance Editing Consultant

- Review early drafts of political, economic and social science books.
- Submit detailed itemized reviews with suggestions and criticisms regarding reviewed drafts.
- Interface with authors via telephone and e-mail.
- Contributions to Andrea Batista-Schlesinger's Book, "The Death of Why" referenced in Acknowledgements section.

AMERICAN EXPRESS, Hoboken, NJ

2001 - 2001

Research Assistant

- Provided research support for Business Intelligence/Marketplace Insights Team on information queries from Amex's worldwide corporation.
- Assisted library users with online databases and other library resources.
- Collected and maintained library user/reference statistics and create monthly Excel reports.

- Scanned research materials into a proprietary digital database.
- Catalogued and classified library reference materials using INMAGIC software and LC cataloging.
- Regularly contacted EBSCO and used EBSCONET for serials control.
- Supervised and trained high-school co-op students.
- Interviewed prospective interns.

PROFESSIONAL CREDENTIALS AND ASSOCIATIONS

Licensed New York State Private Investigator; member of the Special Libraries Association.

EDUCATION

Queens College, Graduate School of Library & Information Studies, Flushing, NY M.L.S., 2001

Sarah Lawrence College, Bronxville, NY B.A., History & Political Science, 1991

COMPUTER SKILLS

Microsoft Word, Excel, Powerpoint; ACT for Windows; Lotus Notes; Great Plains Dynamics; Alchemy Research; ISYS; Millennium; New York City Mayor's Office of Contract Services VENDEX Database; Provantage; LEXIS-NEXIS; Westlaw; Factiva/Dow Jones; Dun & Bradstreet; Accurint/IRB; Tracers; CLEAR; Merlin; Pacer; Live Edgar; First Call; OneSource; Dialog; World-Check; popular Internet search engines.

MONITORSHIP EXPERIENCE

Ground Zero Engagement (2001-2006)

Scalamandre Engagement (2001-2006)

Washington Group International (2004-2010)

Jacobs Engineering (2004-2010)

Safeway Environmental Engagement (2001-2006)

MTA – Skanska Engagement (2012-Present)

Schiavone Construction Engagement (2012-Present)

LaQuila Group Engagement (2001-Present)

Port Authority WTC Projects (Hub, Retail, NS11MM) (2006-Present)

P.J. Mechanical Engagement (2010-Present)

Senior Research Analyst. Extensive experience with corporate and construction industry related due diligence, investigative planning and analysis, asset tracing, litigation support, research utilizing public records and commercial databases. Responsibilities include synthesizing large volumes of information into succinctly written reports.

References:

(Ground Zero): Goodwin Benjamin, Department of Investigation, City of New York, 80 Maiden Lane, 18th Floor, New York, N.Y. 10038

(Scalamandre): Arkin, Kaplan & Cohen LLP, 590 Madison Avenue, 35th Floor, New York, N.Y. 10022,
Tel [REDACTED]

(Washington Group): Washington Group International Inc., 510 Carnegie Center, Princeton, N.J. 08540

(Jacobs Engineering): John F. Hoehner, Esq., Director – Global Litigation, Jacobs Engineering Group, Inc., 501 North Broadway, 11th Floor, St. Louis, M.O. 63102, Tel. [REDACTED]

(Safeway Environmental): Kirk Eng, Chief Fiscal Officer, Department of Investigation, City of New York, 80 Maiden Lane, 18th Floor, New York, N.Y. 10038, Tel. [REDACTED]

(MTA – Skanska): Martin Flumenbaum, Partner, Paul Weiss Rifkind Wharton & Garrison LLC, 1285 Avenue of the Americas, New York, N.Y. 10019, Tel. [REDACTED]

(Schiavone Construction): Lorraine D'Angelo, Esq., CCEP, Sr. Vice President – Ethics & Compliance, Dragados USA, 500 Fifth Avenue, 38th Floor, New York, N.Y. 10110, Tel. [REDACTED]

(The LaQuila Group): Angelo Sisca, Vice President – Operations, LaQuila Group, 1590 Troy Avenue, Brooklyn, N.Y. 11234, Tel [REDACTED]

(Port Authority WTC Engagements): Robert E. Van Etten, Inspector General, PANYNJ, 5 Marine View Plaza, Suite 502, Hoboken, N.J. 07030, Tel # [REDACTED]; Steven A. Pasichow, Port Auth OIG, 5 Marine View Plaza, Hoboken, NJ 07030; tel. # [REDACTED]

(PJ Mechanical): Robert Joyce, Port Authrity OIG, 5 Marine View Plaza, Hoboken, NJ 07030; tel. # [REDACTED]

PERSONAL RESUME OF MELISSA KOLIS

SUMMARY OF QUALIFICATIONS

- A highly motivated and skilled social sciences professional in the investigative sector with a Master's degree in Criminal Justice Leadership. Possesses vocational and educational experience with the structure and operations of the justice system, and governmental and private investigatory organizations.
- Maintains excellent research, case management, organizational and time-management skills.
- Detail-oriented problem solver with strong written and verbal communication skills. Ability to communicate clearly and concisely with people of diverse backgrounds and levels of authority, and work effectively in a team setting, as well as, independently.

RELATED EXPERIENCE

Research Analyst, THACHER ASSOCIATES, LLC, New York, N.Y. (November 2007 – present)

- Manage database administration within the investigative and analysis units
- Conduct due diligence research using commercial databases and the Internet to retrieve public information on prospective contractors, vendors, suppliers to the NYC construction industry, and employees for blue chip clients
- Determine criminal associations and patterns of potential fraud activity relating to organized/white collar crime through public records analysis (criminal history, litigation, assets, business interests, regulatory debarments, etc.)
- Analyze intelligence data retrieved for compliance with local, state and federal laws governing prevailing wage, MBE/WBE/DBE and general accounting contractual requirements
- Collaborate with principals, project managers, attorneys, investigators, forensic engineers and auditors, and compliance experts
- Draft client-specific reports within time and budget constraints

Volunteer, NASSAU COUNTY DEPARTMENT OF PROBATION, Hempstead, N.Y. (May 2011 – February 2012)

- Assisted Probation Officers in the Pre-Trial Services unit in District Court where cases are screened for low or no bail status
- Shadowed Probation Officers into holding pens and interviewed offenders
- Performed statistically based COMPAS risk and needs assessments on defendants
- Observed arraignment proceedings and provided clerical support

Investigative Intern, N.Y.S. DIVISION OF HUMAN RIGHTS, Hempstead, N.Y. (Summer 2004)

- Investigated allegations of employment discrimination and handled confidential case information
- Attended mediations and conferences, conducted intake meetings with complainants and interviewed witnesses and respondents
- Gained proficiency in drafting notices, report writing/note taking skills, tracking cases and utilizing office equipment
- Worked expeditiously under strict deadlines

EDUCATION

- **Master of Professional Studies (MPS)**, Criminal Justice Leadership, *St. John's University*, May 2007
Capstone Research Project – “Improving Correctional Institutions’ Handling of Mentally Ill Offenders”
Relevant Coursework: Criminal Justice Policy & Analysis, US Constitution & Criminal Justice Administration, Police & Correctional Administration, Ethical Issues in Criminal Justice, Leadership in Criminal Justice, Public Administration, Methods of Research
- **Bachelor of Arts (BA)**, Sociology/Criminology, Spanish; *SUNY New Paltz*, May 2005, *Dean's List*
Relevant coursework: Human Services, Juvenile Delinquency, Crime and Society, Criminology, Deviant Behavior, Social Statistics, Research Methods, Introduction to Sociology, Social Inequality, Sociological Theory and Sociology of Family

SKILLS

- Certificates, training and seminars: Strategic Multi-Platformed Analyst Research Training seminar by CLEAR & The Smarter Academy (2010, 2012)
- Computer literacy: Windows and Macintosh operating systems, Microsoft Office, Typing, Link analysis charting
- Research: Skip tracing, Fraud investigations, Background checks, Boolean language, Internet
- Public research databases: LexisNexis, Westlaw, Factiva, Dun & Bradstreet, CLEAR, IRB, Merlin, Tracers, federal and state criminal records, NYC Mayor's Office of Contract Services (Vendex)
- Language(s): Proficient in Spanish

Attachment 4

