

Letter of Engagement

November 30, 2021

Successful Bidder:

On behalf of the Department of Environmental Protection, the State of New Jersey, Department of the Treasury hereby issues this Letter of Engagement to Vander Weele Group pursuant to the Engagement Query issued on October 19, 2021 and Vander Weele Group's proposal dated November 15, 2021.

All terms and conditions of the Engagement Query, including but not limited to the Scope of Work, milestones, timelines, standards, deliverables and liquidated damages are incorporated into this Letter of Engagement and made a part hereof by reference.

The total cost of this Engagement shall not exceed \$119,427.

The Integrity Monitor is instructed not to proceed until a purchase order is issued.

Thank you for your participation in the Integrity Monitor program.

Sincerely,

Mona Cartwright
IM State Contract Manager

INTEGRITY MONITOR ENGAGEMENT QUERY

Contract G4018 – Integrity Oversight Monitoring: Program and Performance Monitoring, Financial Monitoring and Grant Management and Anti-Fraud Monitoring for COVID-19 Recovery Funds and Programs

Department of Environmental Protection **Category 3**

I. GENERAL INFORMATION:

On March 9, 2020, Governor Murphy issued Executive Order 103 declaring both a Public Health Emergency and State of Emergency in light of the dangers of the Coronavirus disease 2019 (“COVID-19”). On March 13, 2020, the President of the United States declared a national emergency and determined that the COVID-19 pandemic was of sufficient severity and magnitude to warrant a nation-wide emergency declaration under Section 501 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. § 5121-5207, (“Stafford Act”) and that declaration was extended to the State of New Jersey on March 25, 2020 pursuant to Section 401 of the Stafford Act. Since then, Congress has enacted legislation to stimulate economic recovery and assist State, Local and Tribal governments navigate the impact of the COVID-19 outbreak and cover necessary expenditures related to the public health emergency.

On July 17, 2020, Governor Murphy signed Executive Order 166 (“E.O. 166”), which established the COVID-19 Compliance and Oversight Task Force (the “Taskforce”) and the Governor’s Disaster Recovery Office (GDRO).

Pursuant to E.O. 166, the Taskforce has issued guidelines, which have been updated as of June 2021 and are attached hereto, regarding the appointment and responsibilities of COVID-19 Oversight Integrity Monitors (“Integrity Monitors”). Integrity Monitors (“IOM”) are intended to serve as an important part of the State’s accountability infrastructure while working with Using Agencies in developing measures to prevent, detect, and remediate inefficiency and malfeasance in the expenditure of COVID-19 Recovery Funds and provide expertise in Program and Process Management Monitoring; Financial Auditing and Grant Management; and Integrity Monitoring/Anti-fraud services.

The New Jersey Department of the Treasury (Treasury) has established a pool of qualified Integrity Monitors for oversight of COVID-19 Recovery Funds and Programs pursuant to the Request for Quotation for Integrity Oversight Monitoring: Program and Performance Monitoring, Financial Monitoring and Grant Management and Anti-Fraud Monitoring for COVID-19 Recovery Funds and Programs (IOM RFQ) that Using Agencies may now use to discharge their responsibilities under E.O. 166. The Integrity Monitor’s executed State of NJ Standard Terms and Conditions (SSTC) will apply to all Integrity Monitoring Engagements executed via this Engagement Query.

This Engagement Query is issued by the Department of the Treasury on behalf of **the Department of Environmental Protection (DEP)**.

The purpose of this Engagement Query is for **Category 3 services per Section 3.1.1 of the IOM RFQ**.

The capitalized terms in this Engagement Query shall have the same meanings as set forth in the IOM RFQ.

A. Background

New Jersey's fishery and aquaculture resources contribute over \$2 billion annually to the State's economy. The fishing industries in New Jersey have been particularly impacted by the economic downturn caused by measures taken to reduce the spread of COVID-19. For-hire fishing boats have been unable to make trips, as all non-essential businesses were shuttered, and stay-at-home orders kept anglers away. Commercial fisheries, aquaculture, processors, and dealers have all seen drastic dips in revenue as restaurants shutter – as nearly 70% of the money American consumers spend on seafood is spent at restaurants. Although Americans are now purchasing seafood at record numbers to cook at home through quarantine, it is not enough to make up for the loss of restaurant sales.

Though New Jersey is reopening, the fishery industries of New Jersey are likely to continue to see economic impacts as restaurants and for-hire charters will continue to operate at a reduced capacity to accommodate for social distancing, in addition to continued suppressed demand as many New Jerseyans choose to continue to avoid crowds in confined spaces.

The commercial fisheries, processors, and dealers may continue to operate with smaller staffs to avoid transmission of the virus, while also still feeling the effects COVID-19 has had on the restaurant industry.

On May 7, 2020, the Secretary of Commerce announced an initial allocation of \$300 million in fisheries assistance funding provided by Section 12005 of the CARES Act, of which New Jersey was awarded \$11,247,242. The funding supports states, tribes, and territories with coastal and marine fishery participants who have been negatively affected by COVID-19.

On March 29, 2021, the Secretary of Commerce announced an additional allocation of \$255 million in fisheries assistance funding provided by the Consolidated Appropriations Act of 2021, of which New Jersey was awarded \$9,439,080. The funding supports commercial fishing and associated activities previously authorized under Section 12005 of the CARES Act.

II. SCOPE OF WORK (SOW) REQUIREMENTS

A. Description of Project underlying Engagement

The DEP prepared 2 separate spending plans in response to the assistance funding opportunities. The primary purpose of each spending plan was to provide direct financial assistance to fisheries affected by COVID-19. To be eligible for an assistance payment, a fishery had to confirm that they had incurred, as a direct or indirect result of the coronavirus pandemic, a loss in revenue greater than 35% as compared to the prior 5-year average. States were allowed to include additional eligibility components based on individual State fishery requirements. Both the Round 1 and Round 2 Programs will be the subjects of oversight by the successful Integrity Monitor, as further described below.

1. Round 1 Program

The DEP was allocated \$11,247,242 in May 2020, from Section 12005 of the CARES Act, for assistance payments to eligible fisheries. Of this amount, \$11,111,741 was budgeted for direct assistant payments, with the remaining \$135,501 set aside for administrative costs (Section 12005 allowed for up to 2% of the allocated amount for administrative costs).

A brief description of the two budgeted components of the Round 1 program:

- **Direct Aid Payments:** An application was developed in DEP's electronic grants management system, NJDEP SAGE (System for Administering Grants Electronically). Potential recipients had to provide information on their business, answer several eligibility questions, input revenue amounts, and certify a series of assurances provided by the National Oceanic and Atmospheric Administration (NOAA). To date, \$10,824,618.54 in direct assistance payments have been made to 89 recipients.
- **Administrative Expenses:** Salary costs include staff time spent on the development and management of the program in NJDEP SAGE, as well as time spent on the review and approval decision making of submitted applications. Non-salary administrative expenses include the development of the program within NJDEP SAGE and envelopes and postage for direct mailing to spread awareness of the program. To date, \$77,924.99 in administrative expenses have been invoiced and reimbursed to DEP.

Complete Round 1 Program details can be found in Attachment 3 – Round 1 Spending Plan.

2. Round 2 Program

The DEP was allocated \$9,439,080 in March 2021, from the Consolidated Appropriations Act of 2021, for assistance payments and other activities that were eligible under Section 12005 of the CARES Act. Of this amount, \$8,032,163 was budgeted for direct assistance payments, \$1,250,000 for marketing to increase awareness and promote New Jersey's diverse fisheries industry, \$98,220 for administrative costs and \$58,697 for training and education. It should be noted that these budgeted amounts will need to be modified to accommodate the cost of IOM services.

A brief description of the four current budgeted components of the Round 2 program:

- **Direct Aid Payments:** Slight modifications were made to the application used in the Round 1 Program to accommodate for changes in the revenue reporting period. The same business information, eligibility questions, and assurance certification were used for Round 2. Applications for direct aid payments will be accepted between 8/18/2021 and 11/12/2021.
- **Fisheries Marketing Plan:** A broad marketing strategy will be developed and implemented, with a specific focus on New York City and Philadelphia. Funding will be used to support the following activities: branding & design, web development, billboard advertising, video/tv services, radio/tv commercials and social media advertising. Vendors will be selected in accordance with State of New Jersey procurement policies.
- **Administrative Expenses:** Salary costs include staff time spent on the development and management of the program in NJDEP SAGE, as well as time spent on the review and approval decision making of submitted applications. Non-salary administrative expenses include updates to NJDEP SAGE and envelopes and postage for direct mailing to spread awareness of the program.
- **Training and Education:** In an effort to learn how the industry responded to challenges presented by the pandemic, DEP is planning to partner with an educational institution to first assess and understand how the pandemic affected our fishing industries, our working waterfronts and our stakeholders. This would be accomplished by surveying communities and industry members on how they responded to the pandemic throughout 2020 (e.g., initial market impacts, responses to mitigate those impacts, lessons learned and future vulnerabilities). DEP also plans to hold an in-person training to educate stakeholders of New Jersey's commercial and recreational marine fishing industries to better prepare individuals for getting involved with fisheries science and management and to share how certain sectors responded to the pandemic. The program would build on existing educational programs offered in the United States and in New Jersey, to offer a more in-depth program tailored to local stakeholders and issues impacting New Jersey's marine fisheries as well as potentially adding extension

training for aquaculture permitting and related programs. Partners and contractors will be selected in accordance with State of New Jersey procurement policies.

Complete Round 2 Program details can be found in Attachment 4 – Round 2 Spending Plan.

B. Specific Performance Milestones/Timelines/Standards/Deliverables

Engagement Performance Requirements

The IOM shall perform all the following tasks:

Task 1: Attend a kick-off meeting with representatives from DEP and other key participants as required to discuss the tasks and deliverables required under this Engagement. Depending on the current physical restrictions in place due to COVID-19 on the scheduled date, this meeting can also be held virtually.

Task 2: Review DEP's financial, application and administrative processes for all components of both the Round 1 and Round 2 programs. This review shall include both retrospective analysis, as the vast majority of Round 1 activities have been completed, and prospective monitoring, as Round 2 is currently in process. Applications for Round 2 funding will be accepted until 11/12/2021 and will thereafter be evaluated and those approved will receive an award.

1. Ensure that these functions adhere to all grant/assistance program guidelines, rules, and reporting requirements. Ensure there are proper controls in place to minimize the risk of duplication of benefits, process and payment errors, waste, fraud, abuse, malfeasance and mismanagement of funds.
2. Review program and applicant data, including applicant self-certifications, to validate eligibility of program grantees and identify potential fraud using data analytics or other methods to identify anomalies, patterns and discrepancies. This may be completed through an appropriate sampling methodology.
3. Review an appropriate sample of applicant data to determine whether any applicants have been made more than whole at the end of 2020 and whether such excess funds should be returned to the program.
4. If weaknesses, gaps, or errors are detected, develop recommendations and strategies to ensure prospective compliance with all laws and prevention of associated risks.

Report findings to DEP Contract Manager.

Task 3: Review the procurement, invoice and payment process and contract deliverables for goods/services procured in Round 1, and to be procured in the Round 2 Program, as it is anticipated that contracts will be awarded to multiple vendors to complete the objectives of the Fisheries Marketing Plan, and the Education and Training budget categories.

1. Ensure that these functions adhere to all grant/assistance program guidelines, rules, and reporting requirements. Ensure there are proper controls in place to minimize the risk of duplication of benefits, process and payment errors, waste, fraud, abuse, malfeasance and mismanagement of funds.
2. Verify that procurements were done in accordance with all federal, State, and local laws, regulations and ordinances.
3. Verify that each invoice and payment is consistent with all applicable federal, State, and local laws, and that there is no duplication of benefits, process and payment errors, waste, fraud, abuse, malfeasance or mismanagement of funds.
4. Verify that all contract deliverables are provided, and within acceptable timeframes for the duration of the Engagement.
5. If weaknesses, gaps or errors are detected, develop recommendations and strategies to ensure compliance with all laws, and prevention of associated risks.

Report findings to the DEP Contract Manager.

Task 4: Provide ongoing quality assurance/quality control review for the duration of this Engagement.

1. Continue oversight and reviews for the length of the Engagement.
2. Provide ongoing guidance and problem resolution to support compliance with all federal, State, and local laws as necessary.

Report findings to the DEP Contract Manager.

Task 5: Provide deliverables as set forth in this Engagement Query.

Required Timelines

The contractor must ensure compliance with the following:

1. Task 1, documenting and providing meeting minutes, is required to be completed within ten (10) business days of the kick-off meeting.
2. Task 2, reviewing DEP's financial and administrative processes, is required to be completed within sixty (60) business days of the kick-off meeting.
3. Task 3, reviewing the procurement, invoice and payment process for specific purchases is required to be completed for each procurement within thirty (30) days of final payment.
4. All other tasks shall be performed on an ongoing basis for the duration of the Engagement.

The period of performance for this assistance program is expected to conclude on July 31, 2022, however that may be extended by NOAA as needed.

C. Risk Assessment Summary

A Risk Assessment performed by DEP Accountability Officer can be found in Attachment 5.

D. Reporting Requirements

1. Quarterly Integrity Monitor Reports
 - a. Pursuant to E.O. 166, the Integrity Monitor shall submit a draft quarterly report to the NJDEP on the last day of every calendar quarter detailing the specific services rendered during the quarter and any findings of waste, fraud, or abuse using the Quarterly Report template attached hereto as Attachment 2. If the Integrity Monitor report contains findings of waste, fraud or abuse, the NJDEP has an opportunity to respond within 15 days after receipt.
 - b. Fifteen business days after each quarter-end, the Integrity Monitor shall deliver its final quarterly report, including any comments from the NJDEP, to the State Treasurer, who shall share the reports with the GDRO, the Senate President, the Speaker of the General Assembly, the Attorney General, and the State Comptroller. The Integrity Monitor quarterly reports will be posted on the COVID-19 transparency website pursuant to E.O. 166.

2. Additional Reports

- a. E.O. 166 directs the Office of the State Comptroller, (OSC) to oversee the work of Integrity Monitors. Therefore, in accordance with E.O. 166 and the IOM Guidelines, OSC may request that the Integrity Monitor issue additional reports or prepare memoranda that will assist OSC in evaluating whether there is waste, fraud, or abuse in COVID-19 Recovery Programs administered by the DEP. OSC may also request that the Integrity Monitor share any corrective action plan(s) prepared by DEP to evaluate whether those corrective plan(s) have been successfully implemented.

3. Reports of Waste, Fraud, Abuse, or Potential Criminal Conduct

- a. The Integrity Monitor shall report issues of waste, fraud, abuse and misuse of COVID-19 Recovery Funds immediately to the GDRO, OSC, the State Treasurer, the State Contract Manager, and the Accountability Officer. The Integrity Monitor shall report issues of potential criminal conduct immediately to the Office of the Attorney General.

III. Proposal Content:

At minimum, the Integrity Monitor's proposal shall include the following:

- 1) A detailed proposal, describing how the Integrity Monitor intends to accomplish each component of the scope of work.
- 2) A detailed budget identifying staff classifications and hourly rates which shall not exceed the rates in the Integrity Monitor's BAFO Price Schedule.
- 3) A timeline for submission of the deliverables required by this Engagement Query.
- 4) Identification of any potential conflicts of interest regarding the delivery of services for the scope of work under this Engagement Query.

IV. Submission of Proposals:

Detailed proposals in response to this Engagement Query shall be submitted electronically by 3:00 p.m. on **November 15, 2021**. Proposals must be submitted via email as set forth below:

TO: State Contract Manager
Mona Cartwright, Fiscal Manager, Department of the Treasury
[REDACTED]

With a copy to the Agency Contract Manager:

Stephen C. Matis, Comptroller, Department of Environmental Protection
[REDACTED]

V. Duration of the Engagement:

The Engagement will commence upon the issuance of a Letter of Engagement and expire on **9/30/22**. At the option of the DEP, this Letter of Engagement may be extended. Any extension to this Letter of Engagement, however, may not exceed the Contract Term, and any extensions thereto, as set forth in Section 5.2 of the IOM RFQ.

VI. Contract Termination

The IOM's failure to comply with the requirements of the Engagement, including but not limited to E.O. 166, the IOM RFQ, the IOM Guidelines, and this Engagement Query may constitute a breach of contract and may result in termination of the contract by the DEP or imposition of such other remedy as the DEP deems appropriate in accordance with Section 9.0 of the RFQ.

VII. Liquidated Damages

At the DEP's option, liquidated damages may be assessed each time any of the below events occur, due to an act or omission of the IOM. The DEP and the IOM agree that it would be extremely difficult to determine actual damages that the DEP will sustain as the result of the IOM's failure to meet its contractual requirements. Any breach by the IOM could prevent the DEP from complying with E.O. 166, the IOM Guidelines, and laws applicable to the use and expenditure of COVID-19 Recovery Funds and other public funds; will adversely impact the DEP's ability to ensure identification and mitigation of risks; and may lead to damages suffered by the DEP and the State as a whole. If the IOM fails to meet its contractual obligations, the DEP may assess liquidated damages against IOM as follows:

Pursuant to Section II(D) and E.O. 166, the Integrity Monitor shall submit a draft quarterly report to the DEP on the last day of every calendar quarter detailing the specific services rendered during the quarter and any findings of waste, fraud, or abuse using the prescribed Quarterly Report template. Failure to meet this reporting due date may result in liquidated damages of \$250 a day for each day past the due date.

VIII. Questions regarding this Engagement Query:

Any questions related to the Scope of Work must be submitted electronically by 3:00 p.m. on **November 1, 2021**. They must be submitted via email to the Agency Contract Manager; Stephen Matis, [REDACTED] with a copy to the State Contract Manager; Mona Cartwright, [REDACTED]

IX. Selection Process

The Agency Contract Manager will review the proposal(s) received and select the Integrity Monitor whose proposal is most advantageous, price and other factors considered. The State Contract Manager will then issue a Letter of Engagement with a “not to exceed” clause to the selected proposer.

Prior to issuing a Letter of Engagement, the Agency Contract Manager in consultation with the Accountability Officer, will independently determine whether the proposed Integrity Monitor has any potential conflicts with the Engagement.

ATTACHMENTS

- Attachment 1: Integrity Oversight Monitor Guidelines, 2021 Update
- Attachment 2: Quarterly Report Template
- Attachment 3: Round 1 Spending Plan
- Attachment 4: Round 2 Spending Plan
- Attachment 5: Risk Assessment



Integrity Oversight Monitor Guidelines

2021 Update

**STATE OF NEW JERSEY
COVID-19 COMPLIANCE AND
OVERSIGHT TASKFORCE**

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INTRODUCTION

On July 17, 2020, Governor Murphy signed Executive Order 166 (“EO 166”), which, among other things, established the COVID-19 Compliance and Oversight Task Force (the “Taskforce”). The purpose of the Taskforce is to advise State departments, agencies, and independent authorities that receive or administer COVID-19 recovery funds (“Recovery Program Participants”) regarding compliance with federal and State law and how to mitigate the risks of waste, fraud, and abuse. As defined in EO 166, “COVID-19 Recovery Funds” are funds awarded to state and local governments, and non-government sources to support New Jersey’s residents, businesses, non-profit organizations, government agencies, and other entities responding to or recovering from the COVID-19 pandemic.

Pursuant to EO 166, the Taskforce is responsible for issuing guidelines regarding the appointment and responsibilities of COVID-19 Oversight Integrity Monitors (“Integrity Monitors”). Recovery Program Participants may retain and appoint Integrity Monitors to oversee the disbursement of COVID-19 Recovery Funds and the administration of a COVID-19 Recovery Program. They are intended to serve as an important part of the state’s accountability infrastructure while working with Recovery Program Participants in developing measures to prevent, detect, and remediate inefficiency and malfeasance in the expenditure of COVID-19 Recovery Funds. Integrity Monitors may also be used, either proactively or in response to findings by an Integrity Monitor, as subject matter experts or consultants to assist Recovery Program Participants with program administration, grants management, reporting, and compliance, as approved by the Governor’s Disaster Recovery Office (GDRO).

EO 166 requires Recovery Program Participants to identify a central point of contact (an “Accountabil-

ity Officer”) for tracking COVID-19 funds within each agency or authority. The Accountability Officer is responsible for working with and serving as a direct point of contact for the GDRO and the Taskforce. Accountability Officers should also ensure appropriate reviews are performed to assess risks and evaluate whether an Integrity Monitor can assist in reducing or eliminating risk to ensure the public that state and federal funds were used efficiently, fairly, and prudently.

Recovery Program Participants and Integrity Monitors should be focused on the common goal of maximizing the value of COVID-19 Recovery Funding by ensuring that every dollar is spent efficiently and properly. Integrity Monitors can add value to a program by assisting in implementing the fiscal controls necessary to maintain proper documentation, flagging potential issues in real time, maximizing reimbursements, sharing information with and responding to inquiries from the GDRO and Office of State Comptroller (OSC), and reporting to those offices, the Treasurer, the Attorney General, and legislative leadership.

Recovery Program Participants, Accountability Officers, and Integrity Monitors should work together to fulfill the goals of EO 166 and these guidelines. The retention of Integrity Monitors will support monitoring and oversight that will ensure that Recovery Program Participants administer COVID-19 recovery funds in compliance with program, financial, and administrative requirements set forth in the federal-state grant agreement, the State Recovery Program Participant sub-grant agreement, and applicable federal and state laws, regulations, and guidelines. Additionally, these guidelines will assist the State in fulfilling its monitoring responsibilities as set forth in 2 CFR 200 Subpart D. This may involve routine desk reviews and, when appropriate, on-site reviews by an Integrity Monitor. Recovery Program Participants that do not retain an Integrity Monitor will comply with these requirements, in coordination with the GDRO, as addressed in the Compliance Plan adopted by the Taskforce.

ESTABLISHING THE POOL OF INTEGRITY MONITORS

As of the issuance of this version of the Integrity Oversight Monitor Guidelines, a pool of monitors has already been established. The following provisions in this section should be used in the event it is necessary to establish additional pools of Integrity Monitors.¹

In the event it is necessary to establish another pool of Integrity Monitors, the New Jersey Department of the Treasury, Division of Administration (Treasury) will be responsible for designating a department employee to act as the State Contract Manager for purposes of administering the overarching state contract for Integrity Monitoring Services. The State Contract Manager will establish one pool of qualified integrity monitors for engagement by eligible Recovery Program Participants. Treasury will issue a bid solicitation for technical and price quotations from interested qualified firms that can provide the following services:

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

The specific services Integrity Monitors provide vary and will depend on the nature of the programs administered by the Recovery Program Participant and the amount of COVID-19 Recovery Funding received. The pool of Integrity Monitors should include professionals available to perform services in one or more of the following categories:

Category 1: Program and Process Management Auditing	Category 2: Financial Auditing and Grant Management	Category 3: Integrity Monitoring / Anti-Fraud
Development of processes, controls and technologies to support the execution of programs funded with COVID-19 Recovery Funds.	Plan, implement, administer, coordinate, monitor and evaluate the specific activities of all assigned financial and administrative functions. Develop and modify policies/procedures/systems in accordance with organizational needs and objectives, as well as applicable government regulations.	Forensic accounting and other specialty accounting services.

1. Agencies and authorities that are not permitted to follow all state procurement requirements due to U.S. Department of Transportation procurement policies may procure an Integrity Monitor separately in coordination with GDRO.

Review and improvement of procedures addressing financial management.	Provide technical knowledge and expertise to review and make recommendations to streamline grant management and fiscal management processes to ensure accountability of funds and compliance with program regulations.	Continuing risk assessments and loss prevention strategies.
Workload analysis; skills gap analysis, organizational effectiveness and workforce recruiting strategies.	Monitoring all grant management, accounting, budget management, and other business office functions regularly.	Performance and program monitoring and promotion of best practices.
Consulting services to support account reconciliations.	Provide and/or identify training for staff in the area of detection and prevention of waste, fraud, and abuse.	Prevention, detection and investigation of fraud and misconduct.
Quality assurance reviews and assessments associated with the payments process to ensure compliance with federal and state regulations.	Ensuring compliance with all applicable federal and state accounting and financial reporting requirements.	Implement and manage appropriate compliance systems and controls, as required by federal and state guidelines, regulations and law.
Risk analysis and identification of options for risk management for the federal and state grant payment process.	Provide tools to be used by the Recovery Program Participant for the assessment of the performance of the financial transaction process.	Provide data management systems/programs for the purpose of collecting, conducting and reporting required compliance and anti-fraud analytics.
Consulting services to reduce the reconciliation backlog for the Request for Reimbursements process.		Ability to provide integrity monitoring services for professional specialties such as engineering and structural integrity services, etc. either directly or through a sub-contractor relationship.
Consulting services providing Subject Matter Expert (SME) knowledge of required standards for related monitoring and financial standards for federal funding.		

CONDITIONS FOR INTEGRITY MONITORS

A Recovery Program Participant should evaluate whether it should retain an Integrity Monitor using the following standards.

Category 1 & 2 Integrity Monitors:

Category 1 and 2 Integrity Monitors are available to assist Recovery Program Participants, if, in consultation with GDRO, it has been determined that an agency or authority needs assistance in the establishment, administration, or monitoring of a program or when a Category 3 Integrity Monitor has issued findings that require the agency or authority to take corrective actions. In making the determination whether to obtain a Category 1 or 2 Integrity Monitor, a Recovery Program Participant's Accountability Officer, in consultation with GDRO, should evaluate whether an Integrity Monitor from Category 1 or 2 is necessary based on operational needs or to reduce or eliminate risk in view of the agency's or authority's existing resources, staffing, expertise or capacity. Agencies and authorities should evaluate whether the retention of a Category 1 or 2 Integrity Monitor would assist in addressing findings made by Category 3 Integrity Monitors. The availability of federal funds should be considered in evaluating whether to retain an Integrity Monitor from Category 1 or 2. In an appropriate circumstance, a Recovery Program Participant may request or may be directed by the GDRO to retain a Category 1 or 2 Integrity Monitor using non-federal funds.

Category 3 Integrity Monitors:

For Recovery Program Participants that have received or will administer a total of \$20 million or more in COVID-19 Recovery Funds: A Recovery Program Participant that has received this amount of funding should retain at least one Integrity

Monitor from Category 3: Integrity Monitoring/Anti-Fraud, subject to federal funding being available. The retention of Category 1 and 2 Integrity Monitors does not eliminate the obligation to retain a Category 3 Integrity Monitor. In some circumstances, multiple Category 3 Integrity Monitors may be necessary if one monitor is not adequate to oversee multiple programs being implemented by Recovery Program Participant as determined in consultation with the GDRO. In an appropriate circumstance, a Recovery Program Participant may request or may be directed by the GDRO to retain an Integrity Monitor using non-federal funds.

For Recovery Program Participants that have received or will administer a total of up to \$20 million in COVID-19 Recovery Funds: A Recovery Program Participant that has received this amount of funding should evaluate in consultation with GDRO whether a Category 3 Integrity Monitor is needed based on the risks presented. The Recovery Program Participant's Accountability Officer should conduct a risk assessment taking into account both the likelihood and severity of risk in the participant's program(s) and consult with the GDRO regarding whether an Integrity Monitor from Category 3 is necessary to reduce or eliminate risk in view of the agency's or authority's existing resources, staffing, expertise or capacity. The availability of federal funds should be considered in evaluating whether to retain an Integrity Monitor. In an appropriate circumstance, a Recovery Program Participant may request or may be directed by the GDRO to retain an Integrity Monitor from Category 3 using non-federal funds.

RISK ASSESSMENT

As noted above, in certain circumstances, Recovery Program Participants seeking to retain an Integrity Monitor will be advised to conduct a risk assessment to determine the need for such services. A Recovery Program Participant's Accountability Officer, in consultation with the GDRO, should assess the risk to public funds, the availability of federal funds to pay for the Integrity Monitor, the entity's current operations, and whether internal controls alone are adequate to mitigate or eliminate risk.

An Accountability Officer, or an Integrity Monitor retained by a Recovery Program Participant, should conduct an initial review of the Recovery Program Participant's programs, procedures and processes, and assess the organizational risk and the entity's risk tolerance. The risk assessment should include a review of the agency's ability to comply with federal statutory and regulatory requirements as well as applicable state laws and regulations, including with regard to reporting, monitoring, and oversight, and a review of the agency's susceptibility to waste, fraud, and abuse.

An Accountability Officer conducting a risk assessment should complete and memorialize the assessment using the [matrix template you can download from OSC's website](#). The risk assessment should be shared with the GDRO and OSC. Some of the specific factors an Accountability Officer should consider when assessing risk include:

- Organizational leadership, capacity, expertise, and experience managing and accounting for federal grant funds in general, and disaster recovery funds in particular;
- Input from the individuals/units that will be disbursing funds or administering the program;

- Review of existing internal controls and any identified weaknesses;
- Prior audits and audit findings from state or federal oversight entities;
- Lessons learned from prior disasters;
- Sub-recipient internal control weaknesses, if applicable;
- Adequacy of financial, acquisition, and grants management policies and procedures, including technological capacity and potentially outdated financial management systems;
- Ability to complete timely, accurate and complete reporting;
- Experience with state and federal procurement processes, value of anticipated procurements, and reliance on contractors to meet program goals and objectives;
- Potential conflicts of interests and ethics compliance;
- Amount of funds being disbursed to a particular category of sub-recipient and the complexity of its project(s); and
- Whether federal or state guidelines provide guidance regarding the uses of funds (*i.e.*, discretionary vs. restrictive).

The Accountability Officer should determine the organization's risk tolerance as to all recovery programs jointly and as to individual programs, recognizing that Integrity Monitors may be appropriate for some programs and not others within an agency or authority. If the risk exceeds an acceptable level of risk tolerance, the Accountability Officer should engage an Integrity Monitor.

An important element in the risk assessments is documentation of the process and results. This is critical to ensuring the extent of monitoring and oversight. The overall level of risk should dictate the frequency and depth of monitoring practices, including how to mitigate identified risks by, for example, providing training and technical assistance or increasing the frequency of on-site reviews. In some cases, monitoring efforts may lead an Accountability Officer or the GDRO to impose additional special conditions on the Recovery Program Participant. Depending on the kind of work the sub-recipient performs, it may be appropriate to reevaluate frequently, including quarterly, to account for changes in the organization or the nature of its activities. See 2 CFR Section 200.207 in the uniform guidance for examples; [GAO Report: A Framework for Managing Fraud Risk in Federal Programs \(2015\)](#).

PROCEDURES FOR REQUESTING AND PROCURING AN INTEGRITY MONITOR

To retain an Integrity Monitor, a Recovery Program Participant should proceed as follows:

- A Recovery Program Participant shall designate an agency employee to act as the contract manager for an Integrity Monitor engagement (Agency Contract Manager), which may be the Accountability Officer. The Agency Contract Manager should notify the State Contract Manager, on a form prescribed by Treasury, along with any required supporting documentation, of its request for an Integrity Monitor. The Agency Contract Manager should indicate which Integrity Monitoring services are required.
- The Agency Contract Manager will develop an Engagement Query.
- The Engagement Query will include a detailed scope of work; it should include specific performance milestones, timelines, and standards and deliverables.
- The Agency Contract Manager, in consultation with the Office of the Attorney General, Division of Law, will structure a liquidated damages provision for the failure to meet any required milestones, timelines, or standards or deliverables, as appropriate.
- The Agency Contract Manager will submit its Engagement Query to the State Contract Manager. Upon approval by the State Contract Manager, but prior to the solicitation of any services, the Engagement Query shall be sent to OSC for approval pursuant to EO 166. After receiving approval from OSC, the State Contract Manager will send the Engagement Query to all eligible Integrity Monitors within the pool in order to provide a level playing field.
- Interested, eligible Integrity Monitors will respond to the Engagement Query within the timeframe designated by the State Contract Manager, with a detailed proposal that includes a detailed budget, timelines, and plan to perform the scope of work and other requirements of the Engagement Query. Integrity Monitors shall also identify any potential conflicts of interest.
- The State Contract Manager will forward to the Agency Contract Manager all proposals received in response to the Engagement Query. The Agency Contract Manager will review the proposals and select the Integrity Monitor whose proposal represents the best value, price and other factors considered. The Agency Contract Manager will memorialize in writing the justification for selecting an Integrity Monitor(s).
- Prior to finalizing any engagement under this contract, the Agency Contract Manager, in consultation with the Accountability Officer, will independently determine whether the intended Integrity Monitor has any potential conflicts with the engagement.
- The State Contract Manager, on behalf of the Recovery Program Participant, will then issue a Letter of Engagement with a “Not to Exceed” clause to the engaged Integrity Monitor and work with the Agency Contract Manager to begin the issuance of Task Orders.

INTEGRITY MONITOR REQUIREMENTS

A. Independence

The process by which Integrity Monitors are retained and the manner in which they perform their tasks in accordance with these guidelines are intended to provide independence as they monitor and report on the disbursement of COVID-19 Recovery Funds and the administration of a COVID-19 Recovery Program by a Recovery Program Participant. Although the Integrity Monitor and the Recovery Program Participant should share common goals, the Integrity Monitor should function as an independent party and should conduct its review as an outside auditor/reviewer would.

An Integrity Monitor for a particular Recovery Program Participant should have no individual or company affiliation with the agency or authority that would prevent it from performing its oversight as an independent third party. Integrity Monitors and Recovery Program Participants must be mindful of applicable conflicts of interest laws, including but not limited to, N.J.S.A. 52:13D-12 to -28, Executive Order 189 (Kean, 1988) and requirements set forth in the Uniform Grant Guidance, among others. To promote independence, an Integrity Monitor hired from Categories 1 or 2 may not also be engaged as a Category 3 Integrity Monitor to review the same programs for the same Recovery Program Participant. Likewise, a Category 3 Integrity may not be hired as a Category 1 or 2 Monitor to remediate any issues it identified as a Category 3 Integrity Monitor.

B. Communication

Integrity Monitors should maintain open and frequent communication with the Recovery Program Participant that has retained its services. The purpose of communicating in this manner is to make the Recovery Program Participant aware of issues that can be addressed during the administration of a program and prior to future disbursement of funds by the Parti-

part. Therefore, Integrity Monitors should not wait until reports are issued to notify an Accountability Officer of deficiencies. This will enable the Recovery Program Participant to take action to correct any deficiencies before additional funds are expended. Substantial deficiencies should also be reported in real time to the GDRO, the State Comptroller, and the State Treasurer.

Prior to the posting of an Integrity Monitor report that contains findings of waste, fraud, or abuse, the Recovery Program Participant should be permitted to respond to the findings and have that response included in the publicly posted report. This will allow the Recovery Program Participant to highlight any course corrections as a result of the finding or to contest any finding that it feels is inappropriate. A Recovery Program Participant's response is due within 15 business days after receipt of an Integrity Monitor report.

Integrity Monitors must respond promptly to any inquiries posed by the GDRO, State Comptroller, State Treasurer, and Agency Contract Manager pursuant to EO 166.

C. General Tasks of Integrity Monitors

The tasks of an Integrity Monitor may vary based on the agency/program the Monitor is overseeing and the category of Integrity Monitor engaged. Generally, the role of a Category 1 Integrity Monitor is focused on program and process management auditing. These Integrity Monitors may assist a Recovery Program Participant in developing processes or controls to support the execution of programs, conduct risk analyses, or provide consulting or subject matter expertise to Recovery Program Participants. In general, a Category 2 Integrity Monitor's role is to provide financial auditing or grants management functions for a Recovery Program Participant. A Category 3 Integrity Monitor's primary roles are to monitor for fraud or misuse of funding, and ensure that Recovery Program Participants are performing according to the sub-award agreement and applicable federal and State regulations and guidelines. Tasks to be performed by Integrity

Monitors may include the following:

- Perform initial and ongoing risk assessments;
- Evaluate project performance;
- Evaluate internal controls associated with the Recovery Program Participant's financial management, cash management, acquisition management, property management, and records management capabilities;
- Validate compliance with sub-grant award and general term and special conditions;
- Review written documents, such as quarterly financial and performance reports, recent audit results, documented communications with the State, prior monitoring reports, pertinent performance data, and other documents or reports, as appropriate;
- Conduct interviews of Recovery Program Participant staff, as well as the constituents they serve, to determine whether program objectives are being met in an efficient, effective, and economical manner;
- Sample eligibility determinations and denials of applications for funding;
- Review specific files to become familiar with the progression of the disbursement of funds in a particular program, i.e., are actual expenditures consistent with planned expenditure and is the full scope of services listed in the project work plan being accomplished at the same rate of actual and planned expenditures;
- Ensure that the agency is retaining appropriate documentation, based on federal and state regulations and guidance, to support fund disbursement;
- Follow up with questions regarding specific funding decisions, and review decisions related to emergency situations;
- Facilitate the exchange of ideas and promote operational efficiency;
- Identify present and future needs; and
- Promote cooperation and communication among Integrity Monitors engaged by other Recovery Program Participants (e.g., to guard against duplication of benefits).

Integrity Monitors should generally perform desk reviews to evaluate the need for on-site visits or monitoring. Depending on the results of the desk review, coupled with the conclusions reached during any risk assessments that may have been conducted of the sub-recipient's capabilities, the Monitor should evaluate whether an on-site monitoring visit is appropriate. If the Monitor is satisfied that essential project goals, objectives, timelines, budgets, and other related program and financial criteria are being met, then the Monitor should document the steps taken to reach this conclusion and dispense with an on-site monitoring visit. However, the Integrity Monitor may choose to perform on-site monitoring visits as a result of any of the following:

- Non-compliance with reporting requirements;
- Problems identified in quarterly progress or financial reports;
- History of unsatisfactory performance;
- Unresponsiveness to requests for information;
- High-risk designation;
- Follow-up on prior audits or monitoring find-

ings; and

- Allegations of misuse of funds or receipt of complaints.

D. Reporting Requirements

1. Reports

Pursuant to EO 166, Integrity Monitors shall submit draft quarterly reports to the Recovery Program Participant on the last day of the quarter detailing the specific services rendered during that quarter and any findings of waste, fraud, or abuse **in accordance with the report templates [found on OSC's website](#)**.

Prior to the posting of a quarterly report that contains findings of waste, fraud, or abuse, the Recovery Program Participant should be permitted to respond to the findings and have that response included in the publicly posted report. This will allow the Recovery Program Participant to highlight any course corrections as a result of the finding or to contest any finding that it contends is inappropriate. A Recovery Program Participant's response is due within 15 business days after receipt of a quarterly report.

Fifteen business days after quarter-end, Integrity Monitors will deliver their final quarterly reports, inclusive of any comments from the Recovery Program Participant, to the State Treasurer, who shall share the reports with the GDRO, the Senate President, the Speaker of the General Assembly, the Attorney General, and the State Comptroller. The Integrity Monitor quarterly reports will be posted on the GDRO transparency website pursuant to the Executive Order.

The specific areas covered by a quarterly report will vary based on the type of Integrity Monitor engaged, the program being reviewed, the manner

and use of the funds, procurement of goods and services, type of disbursements to be issued, and specific COVID-19 Recovery Fund requirements. The topics covered by the quarterly report should include the information included in [templates which you can download from OSC's website](#).

2. Additional Reports

EO 166 directs OSC to oversee the work of Integrity Monitors and to submit inquiries to them to which Integrity Monitors must reply promptly. OSC may request Integrity Monitors to issue reports or prepare memoranda that will assist OSC in evaluating whether there is waste, fraud, or abuse in recovery programs administered by Recovery Plan Participants.

The State Comptroller may also request that Integrity Monitors or Recovery Program Participants share corrective action plans prepared by Recovery Plan Participants to address reported deficiencies and to evaluate whether those corrective plans have been successfully implemented.

GDRO and the State Treasurer may also request reports from Integrity Monitors to which Integrity Monitors must reply promptly.

3. Reports of Waste, Fraud, Abuse or Potential Criminal Conduct

Integrity Monitors must immediately report substantial issues of waste, fraud, abuse, and misuse of COVID-19 Recovery Funds simultaneously to the GDRO, OSC, State Treasurer, and the Agency Contract Manager and Accountability Officer of a Recovery Program Participant.

Integrity Monitors must immediately report potential criminal conduct to the Office of the Attorney General.

INTEGRITY MONITOR MANAGEMENT AND OVERSIGHT

Agency Contract Managers have a duty to ensure that Integrity Monitors perform the necessary work, and do so while remaining on task, and on budget. Agency Contract Managers shall adhere to the requirements of Treasury Circular 14-08-DPP in their management and administration of the contract. The Agency Contract Manager will be responsible for monitoring contract deliverables and performing the contract management tasks identified in the circular, which include but are not limited to:

- Developing a budget and a plan to manage the contract. In developing a budget, the Agency Contract Manager should consider any caps on the amount of federal funding that can be used for oversight and administrative expenses and ensure that the total costs for Integrity Monitoring services are reasonable in relation to the total amount of program funds being administered by the Recovery Program Participant;
- Daily management of the contract, including monitoring and administering the contract for the Recovery Program Participant;
- Communicating with the Integrity Monitor and responding to requests for meetings, information or documents on a timely basis;
- Resolving issues with the Integrity Monitor in accordance with contract terms;
- Ensuring that all tasks, services, products, quality of deliverables and timeliness of services and deliverables are satisfied within contract requirements;

- Reviewing Integrity Monitor billing and ensuring that Integrity Monitors are paid only for services rendered;
- Attempting to recover any and all over-billings from the Integrity Monitor; and
- Coordinating with the State Contract Manager regarding any scope changes, compensation changes, the imposition of liquidated damages, or use of formal dispute processes.

In addition to these oversight and administration functions, the Agency Contract Manager must ensure open communication with the Accountability Officer, the Recovery Program Participant leadership, the GDRO, and OSC. The Agency Contract Manager should respond to inquiries and requests for documents from the GDRO and OSC as requested.



State of New Jersey, COVID-19 Compliance and Oversight Taskforce

Notice of Executive Order 166 Requirement for Posting of Winning Proposal and Contract Documents

Pursuant to Executive Order No. 166, signed by Governor Murphy on July 17, 2020, the Office of the State Comptroller ("OSC") is required to make all approved State contracts for the allocation and expenditure of COVID-19 Recovery Funds available to the public by posting such contracts on an appropriate State website. Such contracts will be posted on the New Jersey transparency website developed by the Governor's Disaster Recovery Office (GDRO Transparency Website). The Letter of Engagement resulting from this Engagement Query is subject to the requirements of Executive Order No. 166. Accordingly, the OSC will post a copy of the Letter of Engagement, including the Engagement Query, the winning proposer's proposal and other related contract documents for the above contract on the GDRO Transparency website.

In submitting its proposal, a proposer may designate specific information as not subject to disclosure. However, such proposer must have a good faith legal or factual basis to assert that such designated portions of its proposal: (i) are proprietary and confidential financial or commercial information or trade secrets; or (ii) must not be disclosed to protect the personal privacy of an identified individual. The location in the proposal of any such designation should be clearly stated in a cover letter, and a redacted copy of the proposal should be provided. A Proposer's failure to designate such information as confidential in submitting a proposal shall result in waiver of such claim.

The State reserves the right to make the determination regarding what is proprietary or confidential and will advise the winning proposer accordingly. The State will not honor any attempt by a winning proposer to designate its entire proposal as proprietary or confidential and will not honor a claim of copyright protection for an entire proposal. In the event of any challenge to the winning proposer's assertion of confidentiality with which the State does not concur, proposer shall be solely responsible for defending its designation.

Integrity Monitor Report
Category 3

Integrity Monitor Firm Name: [Type Here]
Quarter Ending: [MM/DD/YYYY]
Expected Engagement End Date: [MM/DD/YYYY]

A. General Info

1. Recovery Program Participant:

[Type Here]

2. Federal Funding Source (e.g. CARES, HUD, FEMA, ARPA):

[Type Here]

3. State Funding Source (if applicable):

[Type Here]

4. Deadline for Use of State or Federal Funding by Recovery Program Participant:

[Type Here]

5. Accountability Officer:

[Type Here]

6. Program(s) under Review/Subject to Engagement:

[Type Here]

7. Brief Description, Purpose, and Rationale of Integrity Monitor Project/Program:

[Type Here]

8. Amount Allocated to Program(s) under Review:

[Type Here]

9. Amount Expended by Recovery Program Participant to Date on Program(s) under Review:

[Type Here]

10. Amount Provided to Other State or Local Entities:

**Integrity Monitor Report
Category 3**

[Type Here]

11. Completion Status of Program (e.g. planning phase, application review, post-payment):

[Type Here]

12. Completion Status of Integrity Monitor Engagement:

[Type Here]

B. Monitoring Activities

13. If FEMA funded, brief description of the status of the project worksheet and its support:

- a) IM Response

[Type Here]

- b) Recovery Program Participant Comments

[Type Here]

14. Description of the services provided to the Recovery Program Participant during the quarter (i.e. activities conducted, such as meetings, document review, staff training, etc.):

- a) IM Response

[Type Here]

- b) Recovery Program Participant Comments

[Type Here]

15. Description to confirm appropriate data/information has been provided by the Recovery Program Participant and description of activities taken to review the project/program:

- a) IM Response

[Type Here]

**Integrity Monitor Report
Category 3**

b) Recovery Program Participant Comments

[Type Here]

16. Description of quarterly auditing activities conducted to ensure procurement compliance with terms and conditions of contracts and agreements:

a) IM Response

[Type Here]

b) Recovery Program Participant Comments

[Type Here]

17. If payment documentation in connection with the contract/program has been reviewed, provide description.

a) IM Response

[Type Here]

b) Recovery Program Participant Comments

[Type Here]

18. Description of quarterly activity to prevent and detect waste, fraud, and/or abuse:

a) IM Response

[Type Here]

b) Recovery Program Participant Comments

[Type Here]

19. Details of any integrity issues/findings, including findings of waste, fraud, and/or abuse:

a) IM Response

[Type Here]

**Integrity Monitor Report
Category 3**

b) Recovery Program Participant Comments

[Type Here]

20. Details of any other items of note that have occurred in the past quarter:

a) IM Response

[Type Here]

b) Recovery Program Participant Comments

[Type Here]

21. Details of any actions taken to remediate waste, fraud, and/or abuse noted in past quarters:

a) IM Response

[Type Here]

b) Recovery Program Participant Comments

[Type Here]

C. Miscellaneous

22. List of hours (by employee) and expenses incurred to perform quarterly integrity monitoring review:

a) IM Response

[Type Here]

b) Recovery Program Participant Comments

[Type Here]

23. Add any item, issue, or comment not covered in previous sections but deemed pertinent to monitoring program:

a) IM Response

[Type Here]

**Integrity Monitor Report
Category 3**

b) Recovery Program Participant Comments

[Type Here]

Name of Integrity Monitor:	[Type Here]
Name of Report Preparer:	[Type Here]
Signature:	[Sign Here]
Date:	[MM/DD/YYYY]

State of New Jersey COVID-19 Marine Fisheries Assistance Proposal

CARES Act, 2020

Applicant Name: State of New Jersey, Department of Environmental Protection (NJDEP), Marine Fisheries Administration (MFA)

Project Title: New Jersey Marine Fisheries COVID-19 Assistance Program

Project Type: Fisheries assistance aimed at providing direct aid to New Jersey's fisheries participants affected by the novel coronavirus (COVID-19)

Award Requested: \$11,247,242

NEED:

New Jersey's fishery and aquaculture resources contribute over \$1.5 billion annually to the State's economy. The fishing industries in New Jersey have been particularly impacted by the economic downturn caused by measures taken to reduce the spread of COVID-19. For-hire fishing boats have been unable to make trips, as all non-essential businesses were shuttered, and stay-at-home orders kept anglers away. Commercial fisheries, aquaculture, processors, and dealers have all seen drastic dips in revenue as restaurants shutter – as nearly 70% of the money American consumers spend on seafood is spent at restaurants. Although Americans are now purchasing seafood at record numbers to cook at home through quarantine, it is not enough to make up for the loss of restaurant sales.

Though New Jersey has begun reopening phases, the fishery industries of New Jersey are likely to continue to see economic impacts as restaurants and for-hire charters will need to operate at a smaller capacity to accommodate for social distancing, in addition to continued suppressed demand as many New Jerseyans continue to avoid crowds in confined spaces.

The commercial fisheries, processors, and dealers will likely continue to have to operate with smaller staffs to keep workers safe from the transmission of the virus, while also still feeling the effects COVID-19 has had on the restaurant industry.

On May 7, 2020, the Secretary of Commerce announced the allocation of \$300 million in fisheries assistance funding provided by Sec. 12005 of the Coronavirus Aid, Relief, and Economic Security Act, also called the CARES Act, to states, Tribes, and territories with coastal and marine fishery participants who have been negatively affected by COVID-19. The grant monies applied for will be for impacted coastal and marine fishery participants.

The following approach for the allocation of CARES Act funding will be used, either in-part or in-full, for all future COVID-19 related fisheries relief payments for the marine fisheries industry.

APPROACH:

The objectives of this grant are as follow:

1. Direct Payments - Provide direct financial assistance to New Jersey commercial and charter fishery participants impacted by COVID-19 and which have documented greater than 35% loss in fishery-related revenue as compared to their previous 5-year average over the same time period.
2. Communication Plan - Develop a comprehensive and effective communication plan to ensure eligible applicants are notified and understand the grant application process.

State of New Jersey COVID-19 Marine Fisheries Assistance Proposal

Consolidated Appropriations Act, 2021, P.L. 116-260

Applicant Name: State of New Jersey, Department of Environmental Protection (NJDEP)

Project Title: New Jersey Marine Fisheries COVID-19 Assistance Program

Project Type: Fisheries assistance aimed at providing direct and indirect aid to New Jersey's fisheries participants affected by the novel coronavirus (COVID-19)

Award: 9,439,080

NEED:

New Jersey's fishery and aquaculture resources contribute nearly \$2 billion annually to the State's economy. CARES Act funding provided over \$11M in relief to the industry for losses that occurred between March and June of 2020. The fishing industries in New Jersey have continued to suffer by the economic downturn caused by measures taken to reduce the spread of COVID-19. For-hire fishing boats were required to operate at limited capacities and were hampered by severe travel restrictions. Commercial fisheries, aquaculture, processors, and dealers have all seen drastic dips in revenue as restaurants were either operating at limited capacity or forced to close due to economic hardships. Nearly 70% of the money American consumers spend on seafood is spent at restaurants. Although Americans are now purchasing seafood at record numbers to cook at home through quarantine, it is not enough to make up for the loss of restaurant sales.

Though New Jersey is reopening, the fishery industries of New Jersey are likely to continue to see economic impacts as restaurants and for-hire charters will continue to operate at a reduced capacity to accommodate for social distancing, in addition to continued suppressed demand as many New Jerseyans choose to continue to avoid crowds in confined spaces.

The commercial fisheries, processors, and dealers may continue to operate with smaller staffs to avoid transmission of the virus, while also still feeling the effects COVID-19 has had on the restaurant industry.

The following approach for the second allocation of CARES Act funding will be used, either in-part or in-full, for all future COVID-19 related fisheries relief payments for the marine fisheries industry.

APPROACH:

The objectives of this grant are as follow:

1. Direct Payments - Provide direct financial assistance to New Jersey commercial and for-hire fishery participants impacted by COVID-19 and which have documented greater than 35% loss in fishery-related revenue as compared to their 2015-2019 average over the same time period.
2. Communication Plan - Develop a comprehensive and effective communication plan to ensure eligible applicants are notified and understand the grant application process.
3. Review & Appeals Process - Conduct a thorough review of all applications, including developing an effective appeals process, to certify all criteria have been met and ensure all eligible applicants obtain financial assistance in a timely fashion.
4. Fisheries Marketing Plan - Develop and implement a marketing plan for New Jersey's fishing industries. The marketing strategy will focus on the Philadelphia and New York City metro areas and promote the consumption of fresh NJ Seafood and recreational fishing activities to encourage tourism.

5. Training and Education Plan – Develop and implement a training and education plan for New Jersey’s fishing industries. NJDEP will partner with a New Jersey-based educational facility to create educational programs in various areas, including best practices, rules & regulations, marketing, and/or other areas determined to be beneficial to the industries.

1. Direct Payments

The total amount of funding available for direct payments to eligible fishery participants is \$8,032,163. This is the total amount of federal funding awarded to New Jersey minus \$98,220 in administrative costs, \$1,250,000 in fisheries marketing costs, and \$58,697 is training and education costs. More information on the fisheries marketing plan can be found in section 4.

The \$8,032,163 will be issued as direct payments by NJDEP based on total fishery-related revenue loss between July 1, 2020 through December 31, 2020. Applicants will need to show a greater than 35% loss in revenue over the previously mentioned 6-month period, based on their 5-year average revenue from 2015-2019 for the same time period. For applicants that have operated for less than 5 years, revenue history from the period July 1 through December 31 for at least 1 year prior to 2020 is required in order to qualify for assistance. All applicants must provide revenue history for all years for which their operations existed.

In addition, applicants will be required to provide an estimate of their total revenue for the totality of the 2020 calendar year from January 1 through December 31, 2020, including the business’ traditional revenue and any additional COVID-19 related assistance that the applicant received. Direct payments made to any fishery participant through this program must not make any applicant more than whole for the year 2020. This will be evaluated on an annual basis. The only exception is the Paycheck Protection Program (PPP) **if** the loan is **not** forgiven. PPP funding will not count towards an applicant being made more than whole if the applicant’s PPP loan is not forgiven. If the PPP loan is forgiven, the money will count against the applicant’s calculation of whether or not they have been made more than whole.

Applicants are responsible for determining if they have been made more than whole at the end of 2020. If they have been made more than whole by the end of 2020, they will be expected to return the excess money they have received through this program to the Atlantic States Marine Fisheries Commission (ASMFC).

The application period will begin July 1, 2021 or as soon as New Jersey has a NOAA-approved spend plan, whichever is sooner, and will end 30 days from the start date. An applicant due date will be published and no applications received after this date will be reviewed or considered.

The totality of \$8,032,163 may not be distributed in direct payments immediately, as any applicant who is denied and appeals the decision will have their estimated direct payment held as an appeals holdback. If the appeal is approved, this money will then be issued to the applicant. If the appeal is denied, this money will be moved into the marketing program budget. More information on the appeals holdback can be found in section 3.

For the second round of funding, the money will be distributed proportionally, based on revenue loss, amongst all applicants within all sectors of New Jersey’s fisheries industry. Bait & tackle shops will be eligible to receive funding if they meet the New Jersey small business definition of less than 100 full-time employees and if at least 75% of their revenue comes from the sale of saltwater bait and tackle supplies. NJDEP will not be including marine gear and vessel suppliers for payment. Gear and vessel suppliers were not required to shut down and were able to continue operating. In addition, sales may

have been down for suppliers in 2020, but these purchases were likely only delayed and not lost. Gear and vessel supplies tend to be larger planned purchases, versus the smaller as-needed purchases that are experienced at a bait and tackle shop.

The State of New Jersey does not have any Federally recognized tribes, nor does the State of New Jersey have any agreements with State-recognized tribes regarding subsistence fishing (nor does the state manage any non-tribal subsistence fisheries). Therefore, the State of New Jersey will not be allocating money for any tribal and subsistence fishing that may have been impacted by COVID-19.

The application process will be made available online to ensure that the application is not hindered by any current or future stay-at-home orders. NJDEP worked with a contract vendor to build out an online application via NJDEP's SAGE system. This same system will be used for the second round of funding.

LOSS ELIGIBILITY

All applicants will be required to provide their fishery-related revenue from July 1, 2020 through December 31, 2020 for each sector in which they are applying. In addition, they will also need to provide their fishery-related revenue history from July 1 through December 30 for the previous five years (2015-2019). Applicants will be eligible for support if their 2020 revenue shows a greater than 35% loss over the previous five-year average.

An applicant will be required to report revenue data for all years in which the entity existed, even if the business was not active. Inactive years will still be used to calculate revenue loss, so long as the entity existed. All years in which the business was not active and had no revenue, but the entity existed, the total revenue that must be used is \$0. An applicant only does not have to include prior year revenue in their calculation if their business did not yet exist.

For example, if an entity was created in 2010 but was not active in the years 2016 and 2017, they will have to report their revenue for those years as \$0. Their application may look something like this (below number examples based on revenue only from July 1 through December 31 for all years mentioned):

2015: \$100,000
2016: \$0
2017: \$0
2018: \$150,000
2019: \$110,000
2020: \$75,000

The calculation in this example will look like this: $(100,000+0+0+150,000+110,000)/5 = \$72,000$ average revenue. In this example the entity would not qualify for a payment because their revenue from July 1 through December 31, 2020 totaling 75,000 was not a 35% loss compared to their average 5-year revenue history for the same time period totaling \$72,000.

If an entity was created after 2015, the only years that need to be used in the eligibility calculation are the years in which the entity existed.

SECTOR DEFINITIONS

Each applicant must meet the following sector definitions in order to qualify as an eligible entity for assistance:

- *Commercial Fishery*: any individual or business that fishes with the intention to, or results in, the barter, trade, transfer, or sale of fish. Aquaculture will also be included in the commercial fishery sector.
 - *Aquaculture*: any individual or business involved in a form of agriculture involving the propagation, rearing, and subsequent harvesting of aquatic organisms in controlled or selected environments, and the subsequent processing, packaging, and marketing, and shall include, but is not limited to, activities to intervene in the rearing process to increase production such as stocking, feeding, transplanting, and providing for protection from predators. Aquaculture is a water dependent activity. Aquaculture shall not include the construction of facilities and appurtenant structures that might otherwise be regulated pursuant to any State or Federal law or regulation. Under section 12005 of H.R. 748, any privately owned aquaculture businesses growing products in state or federal marine waters of the United States and the hatcheries that supply them are eligible for Section 12005 funding. This includes all molluscan shellfish and marine algae. Non-salmonid marine finfish grown in marine waters not covered by USDA are eligible for Section 12005 funding.
- *Recreational Fishery*:
 - *For-Hire Fishery*: any individual or business that operates a recreational fishing vessel with an Atlantic HMS Charter/Headboat permit during which paying passenger(s) are aboard; or, for uninspected vessels, trips during which there are more than three persons aboard, including operator and crew; or, for vessels that have been issued a Certificate of Inspection by the U.S. Coast Guard to carry passengers for hire, trips during which there are more persons aboard than the number of crew specified on the vessel's Certificate of Inspection
 - *Bait & Tackle Shops*: is a business whose revenue comes from the sale of saltwater bait, tackle, and other saltwater fishing supplies including rods, reels, nets, and other equipment specifically used for recreational fishing purposes. At least 75% of the total revenue generated from this business must come from these sales sources. Additionally, only bait and tackle shops that meet the New Jersey's small business definition will be considered an eligible applicant. The definition of a small business in the State of New Jersey is any business that does not have more than 100 full-time employees. Applicants will attest to meeting this small business definition in their signed affidavit.
- *Processor*: is any company or individual in the business of preparing or packaging shellfish, fish or fish products (including product of the processor's own harvesting) for wholesale in domestic or foreign markets
- *Dealer*: is any person or business who receives, for a commercial purpose (other than solely for transport on land), from the owner or operator of a vessel issued a valid permit, any species of fish, the harvest of which is managed by NJDEP, unless otherwise exempted.

LICENSING AND PERMIT ELIGIBILITY

All applicants must have had all required licenses and permits needed to operate during the time period in which they are applying. The following is a list of required permits or licenses required by sector in order to qualify for assistance. Licenses and permits will be verified through NJDEP's online application based on their Bureau of Marine Fisheries ID number, Conservation ID number, and/or permit ID numbers provided within the application:

Commercial Fishery Sector:

- Must be a resident of New Jersey
- Must have had a valid 2020 New Jersey commercial harvesting license if operating out of state waters
- Must have had a valid New Jersey commercial harvesting license for at least one year between 2015 and 2019 if operating out of state waters
- Must have a valid 2020 Federal Fishing license if operating out of federal waters

Aquaculture (within Commercial Sector):

- Must be resident of the State of New Jersey
- Must have purchased valid 2020 New Jersey commercial shellfish license
- Must have purchased valid commercial shellfish licenses for all years in operation between 2015 and 2019
- Must have held a valid 2020 New Jersey aquaculture permit from Bureau of Marine Water Monitoring
- Must have held a valid aquaculture permit for all years in operation between 2017 and 2019

Recreational Fishery Sector:

For-Hire

- Must be a resident of the State of New Jersey
- Must have 2020 New Jersey saltwater registration for vessel
- Must have had a New Jersey saltwater registration for the vessel for at least one year between 2015 and 2019
- Must be owner of the business

Bait Shops:

- Business must be physically located in the State of New Jersey
- Must be registered as a business with the State of New Jersey
- Must meet the State of NJ's Small Business definition of having under 100 full-time employees
- 75% of revenue must come from saltwater bait & tackle supply sales specifically

Dealers and Processors Sector:

- Business must be physically located in the State of New Jersey
- Must hold 2020 New Jersey Department of Health license to operate a wholesale food business
- Must have held a New Jersey Department of Health license to operate a wholesale food business for at least one year between 2015 and 2019.
- If dealing federally managed species, must hold a valid 2020 Federal Dealers Permit
- If purchasing species requiring a NJ dealers permit, must hold a valid 2020 NJDFW permit(s) for them. The following species require a NJ dealers permit:
 - Summer flounder
 - Scup
 - Black sea bass
 - Menhaden
- If handling oysters, clams or mussels, business must hold a valid 2020 New Jersey Department of Health Certificate to handle oysters, clams, or mussels.

All applicants will be cross referenced against appropriate license/registration databases maintained by NJ State agencies during the period 2015 to 2020 to confirm participation history and eligibility.

SELF-CERTIFICATION PROCESS

Applicants will electronically sign an affidavit stating that all the information on their application is correct and that they are subject to additional review and audit. All applicants must have documented proof available for review by NJDEP of all information provided on their application for assistance, and if requested, they must provide it to NJDEP. If an applicant refuses to provide documented proof or is found to have knowingly acted in bad-faith and provided falsified or inaccurate information, they will be denied assistance. If the application has already received the assistance, they will be required to pay back in full all funding that was received and may be subject to additional penalties.

PAYMENT CALCULATION

All applicants will be required to provide their revenue from July 1, 2020 through December 31, 2020. In addition, they will provide their revenue information for the same time period from the previous 5 years, 2015-2019. This information will be collected using the online application and affidavit NJDEP will make available. In order to qualify for assistance, applicants who have been in existence for less than 5 years must have revenue history for at least 1 year prior to 2020. Applicants must give revenue information for all years in which they existed.

Applications will be reviewed and verified as they are received. Once the application period has closed and all applications have been reviewed, payments to all eligible participants will be calculated based on available funding relative to total reported losses for the sector. No applications will be accepted or reviewed after the application deadline. Each eligible applicant will receive a payment (P_i) equal to the ratio of available funding to reported losses from all applicants multiplied by their individual reported loss:

$$P_i = \frac{Funds_s}{\sum Loss_{s,i}} * Loss_i$$

where i – individual, and s = sector. For example, if total reported losses is \$20M and New Jersey has been allocated \$1M in CARES funding, then each eligible applicant will receive a direct payment equal to 1/20 or 5% of their reported loss.

2. Communication Plan

NJDEP has created a stand-alone webpage (https://www.njfishandwildlife.com/cares_info.htm) for all CARES Act related information to ensure the effective dissemination of information to the public. The website contains basic CARES Act information, application information, a link to the application, a Frequently Asked Questions section, and links to other CARES Act related information and COVID-19 assistance programs. In addition, a CARES Act specific email address (njfisheriesaid@dep.nj.gov) has been made available to the public. The email is monitored daily in order to effectively convey accurate and timely information to those impacted on the CARES Act.

NJDEP is working closely with New Jersey's Shellfisheries and Marine Fisheries advisory councils to obtain feedback and insight directly from industry professionals. The councils will work in coordination

with MFA to provide the commercial and recreational industries with the information that they need to apply for assistance through NJDEP. Small group meetings were also held with representatives from each sector to provide input on the spending plan. Once the spend plan is approved, NJDEP will make applications available online via New Jersey's SAGE site (<https://www.nj.gov/oag/hts/grants/SAGE.html>) and eligible entities will have to submit an application by the specified deadline.

Additionally, the MFA is keeping in close contact with State, Local, and Federal legislators and providing them with application and FAQ information to provide to constituents who may reach out directly to them.

3. Review and Appeals Process

As mentioned previously, NJDEP has an online application created with the assistance of an independent contractor. The online application uses the same software that NJDEP currently uses for applications for grants offered by the department, known as SAGE. Applicants will create an online portal within NJ SAGE and access the online application. This application process was also used for previous CARES applications.

The online application allows for a streamlined application process that ensures that all applicants and NJDEP staff remain safe during the COVID-19 pandemic, particularly in case of any future stay-at-home orders that may be issued.

The online application will also allow NJDEP to conduct automatic verifications of some of the application requirements. Automatic checks will be put into the application process for the following:

1. Confirm that all applicants hold all required permits, registrations, and licenses that are applicable to their application
2. Confirm the State of residence and/or business address of all applicants
3. Confirm that all applicants are the owners of the businesses for which they are applying.

In addition, all applicants will be checked against State and Federal lists of debarments to ensure that the applicant is eligible to receive federal and state money. The applications will be automatically checked against the Federal Database based on their DUNS number, as well as with the state and Federal treasury for any back taxes or child support that may be owed.

Applicants will be automatically notified at the time of submission if they have met all eligibility requirements. If applicants are determined to not meet the eligibility requirements via the online application, they will be made aware that their application has gone to a manual review at the time of submission. They will also be notified that NJDEP will manually review their application within 10 business days and that if their application is denied, they will be notified to return to their NJ SAGE online portal to access the appeal form.

NJDEP staff will first do an initial manual review of the application. Once their online application is reviewed, an appeal form will be generated within the online application portal if an applicant is determined to not meet eligibility requirements. At that time, applicants will be notified to access their online profile through NJ SAGE via email. The appeal form will state the reason for denial of the application and the form will provide a box through which the applicant is able to provide a response to the denial. In addition, there will be an upload documents box so that applicants are able to provide any documentation that will support their appeal. Applicants will have 14 days from receiving notification via email to access their online profile and submit an appeal. If an appeal is issued within the 14 days, the

estimated direct payment that the applicant would receive if their appeal is approved will be moved into appeals holdback. This money will be held until the appeal process is complete.

If necessary, NJDEP staff may request documentation via the appeal form from the applicant to prove that the rejection was made in error. If the applicant can prove through valid documentation that the rejection was made in error, their application will be re-processed. Valid documentation may include proof of residence, copies of permits and licenses, business ownership, or tax records.

Applicants whose appeals are determined to be unfounded will receive a letter from NJDEP stating the reason that their appeal has been denied. Applicants will then be provided information on how to file a claim for the appellants court if they believe that their application does meet the eligibility criteria.

The appeal process will take approximately 4 weeks from the applicant's submission of their appeal form in the SAGE online portal. The latest that an appeal will take is 24 business days from the application deadline, with 14 days for an applicant to respond to their appeal notification and 10 days for the appeal review.

Applicants may appeal NJDEP's decision for any reason. Examples of appeals include, but are not limited to:

1. Application was incorrectly rejected for not meeting the greater than 35% fisheries-related revenue loss
2. Bait shop applicant believes they were inaccurately rejected for not meeting the small business definition or the 75% of sales from saltwater bait & tackle sales
3. Applicant was inaccurately rejected for not being a resident of the State of New Jersey
4. Applicant was incorrectly rejected for not meeting licensing, registration, and permitting requirements.
5. Applicant was incorrectly rejected due to receiving additional government CARES Act assistance that inaccurately affected their fisheries-related revenue loss eligibility.
6. Applicant believes they should have qualified for tribal or subsistence assistance
7. Applicant was incorrectly rejected for not being the owner of the business
8. Applicant was rejected due to a clerical error inputting their application information

Due to appeals, all applicants will be notified of their direct payment award within 24 business days after the close of the application. This gives applicants 14 days to respond to an appeal notice and 10 days for appeal reviews to be completed by NJDEP. Appeals will be reviewed on a rolling basis in order to try to shorten this time period and attempt to get direct payments distributed before 24 days is reached.

If an appeal is denied and the money is held in the appeals holdback, this money will be used to further fund the Fisheries Marketing Plan outlined in section 4.

4. Fisheries Marketing Plan

In order to maximize the impact of the COVID-19 Fisheries Assistance funding, the State of NJ will allocate \$1,250,000 to a fisheries marketing plan. The marketing strategy will focus on all of New Jersey,

with a specific focus on New York City and Philadelphia and their surrounding suburbs. Money will be used to fund the following activities:

- A. Branding & Design – NJDEP will hire a vendor to create the branding design and strategy. This vendor will work with NJDEP to create a design that will be used across all aspects of the program. The design will be easily recognizable. In addition, the vendor will work on a strategy program to determine how best to use advertising to get information out to the public
- B. Web development – NJDEP will hire a vendor to create a website dedicated to New Jersey seafood and recreational fishing industries
 - a. NJDEP will use best practices already established by New Jersey’s Department of Agriculture’s NJ Fresh marketing program, which currently has a similar website and map found at <https://findjerseyfresh.com/explore/>.
 - b. In addition, NJDEP has already created a story map that host information on where to find NJ Fresh Seafood. Money will be used to expand this site and improve the user interface. Information on where to fish and information on for-hire vessels will be added <https://njdep.maps.arcgis.com/apps/Shortlist/index.html?appid=e803ae5172bc451fa410dbe005eb03ee>
- C. Billboard Advertising – two billboards using the designs created by the branding vendor will be leased for 12 months. One in North Jersey either on NJ Turnpike or Route 3 and one in South Jersey along Route 42 or the Atlantic City Expressway.
- D. Video/Ad Services – NJDEP will hire a vendor to produce 30-second videos to be used across multiple advertising platforms
- E. Radio Commercials – NJDEP will pay for weekly radio ads within NJ and in the Philadelphia and New York City.
- F. Local TV Commercials – NJDEP will pay for weekly TV commercial ads on local stations throughout NJ, Philadelphia, and NYC.
- G. Social Media Advertising – NJDEP will use sponsored ads across multiple social media platforms including Instagram, Facebook, YouTube, and Reddit

All vendors will be chosen based on State of New Jersey procurement policies. For all purchases under \$17,500, a minimum of three bids will be received and the lowest bid will be chosen. All selected vendors must be able to provide a completed DPA packet and register with New Jersey’s vendor system NJStart. For contracted work over

For all contracted work that will cost over \$17,500, a Request for Proposals (RFP) and scope of work will be created by NJDEP outlining the work that is needed. The RFP will be posted online with information on how to submit a bid for a minimum of 30 days. A link to the RFP will also be mailed to all known vendors of the type of work being contracted. Once the open bid period ends, the vendor with the lowest bid will be selected. All selected vendors must be able to provide a completed DPA packet and register with New Jersey’s vendor system NJStart. For contracted work over

The purpose of the marketing will be to increase awareness for New Jersey’s diverse fisheries industry and encourage NJ residents and tourists to purchase local seafood and participate in marine recreational fishing.

The goal of this program is to open new markets for businesses that have seen their markets decrease due to COVID-19. In stakeholder and working group meetings, NJDEP was informed by stakeholders that they believe the biggest impact of COVID-19 has been the loss of markets across all sectors.

For dealers, processors, and commercial businesses the marketing program will promote where to purchase local NJ seafood, the variety of local seafood, the health benefits of eating local seafood, and how to prepare local seafood if cooking at home.

For the recreational fishing industry, by promoting New Jersey's for-hire and charter fishing fleets we may be able to encourage new residents and tourists to try out marine fishing. There may be regular recreational anglers who are staying home due to COVID-19 fears. By marketing to new anglers, for-hire and charter businesses may be able to make up some of their revenue loss.

If money is leftover from direct payments due to approved applicant losses being less than what is available, this money will be moved into the marketing budget. The money will be used to fund additional radio or TV commercials, social media advertising, or purchasing additional supplies with NJ Fresh Seafood branded supplies.

If money is leftover from the appeals holdback and the direct payment of this money will result in additional payments of less than \$50 per approved application, the leftover money will be moved into the marketing budget. The money will be used to fund additional radio or TV commercials, social media advertising, or purchasing additional supplies with NJ Fresh Seafood branded supplies.

If money is left over from direct payments or appeals holdback, NJDEP will submit to NOAA an addendum to reallocate the money to the fisheries marketing plan, for review and approval.

The marketing program will be managed and overseen by the Outreach Coordinator for the Marine Fisheries Administration. Additional staff include 2 staff members from the NJDFW from the Bureau of Information and Education, as well as 1 staff member from the NJ Department of Agriculture who works in the NJ Fresh program who will provide additional technical assistance. A budget breakdown can be found in the budget section below

5. Training and Education

In addition to creating a marketing and outreach program, NJDEP is going to develop a training and education program with CARES assistance funding. Fisheries management and aquaculture development grows increasingly complex as we seek to use more complicated population models, incorporate more data and move towards ecosystem-based approaches. The impact of COVID-19 on recreational and commercial fisheries, as well as aquaculture food production was significant. The silver lining from the pandemic may be the various industry responses across the sectors and ultimately their overall resilience. While very diverse across these various sectors, they share several systems and distribution mechanisms that all work together to deliver fish and seafood products to consumers or recreational opportunities to interested stakeholders. The resiliency demonstrated in response to the direct and indirect challenges presented by the pandemic should be assessed. One other consequence of the pandemic was how regulatory agencies interacted with the public. Public meetings (like the Marine Fisheries and Shellfish Council meetings) were all held virtually for the first time. Outreach had to be done online and through social media, so those outlets saw more effort and more response. It became apparent as we reached new audiences and had more public participation from constituents that a better public understanding of how we manage and regulate resources was needed.

In an effort to learn how the industry responded to challenges presented by the pandemic, NJDEP would like to team with an educational institution to first assess and understand how the pandemic affected our fishing industries, our working waterfronts and our stakeholders. This would be accomplished by surveying communities and industry members on how they responded to the pandemic throughout 2020 (e.g., initial market impacts, responses to mitigate those impacts, lessons learned and future

vulnerabilities). We also propose to host in-person training for individuals in industry who are licensed or permitted. It is proposed to develop and offer a multi-day training program to educate stakeholders of New Jersey's commercial and recreational marine fishing industries to better prepare individuals for getting involved with fisheries science and management and to share how certain sectors responded to the pandemic and to discuss how to better prepare for significant challenges moving forward. The program would build on existing educational programs offered in the United States (NOAA Sea Grant, 2020) and in New Jersey, such as Rutgers Cooperative Extension's Introductory Fisheries Science for Stakeholders (IFISSH) course (Zemeckis, 2020), to offer a more in-depth program tailored to local stakeholders and issues impacting New Jersey's marine fisheries as well as potentially adding extension training for aquaculture permitting, etc. The multi-day training would occur in 2022 with a target participation of 50 industry members. The program would involve collaboration among state, federal, academic, and non-profit institutions to develop and promote the program, and to deliver guest lectures. Anticipated topics will include fisheries biology, oceanography, climate change, stock assessment, aquaculture opportunities and fisheries management training and education program with CARES assistance funding.

The educational institution chosen for this project will be determined through an open-competitive bid process. A Request for Proposals (RFP) and scope of work will be created by NJDEP outlining the work that is needed. The RFP will be posted online with information on how to submit a bid for a minimum of 30 days. A link to the RFP will also be emailed to New Jersey University/College institutions. Once the open bid period ends, the vendor with the lowest bid will be selected. The selected institution must be able to provide a completed DPA packet and register with New Jersey's vendor system NJStart. For contracted work over

MILESTONE SCHEDULE:

	2021							2022				
TASK	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May
Spend Plan Development	X											
Grant Submission & Approval	X	X										
Outreach & promotion	X	X										
Application Period		X	X									
App Review		X	X									
Award Disbursement by NJDEP			X	X								

Appeals			X	X								
Training & Education			X	X	X	X	X	X	X	X	X	X
Marketing			X	X	X	X	X	X	X	X	X	X
Final review & Report to ASMFC											X	X

BUDGET:

Total Award	\$	9,439,080.00
A. Administrative Costs		
Salary	\$	47,920
Fringe	\$	25,517
Indirect	\$	16,303
Materials & Supplies	\$	3,480
Professional Services	\$	5,000
Total	\$	98,220
B. Direct Payments		
	\$	8,032,163
Total	\$	8,032,163
C. Marketing		
Salary	\$	58,171
Fringe	\$	30,976
Indirect	\$	19,791
Materials/Supplies	\$	111,262
Professional Services	\$	1,029,800
Total	\$	1,250,000
D. Training		
Salary	\$	4,644
Fringe	\$	2,473
Indirect	\$	1,580
Professional Services	\$	50,000

Total	\$	58,697
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Below is a detailed breakdown of the administrative costs that will be associated with this grant. In the first round of funding, NJDEP contracting out the development of our online application. The total cost for the second round of funding will be approximately \$17,000 to cover the costs of updates and hosting of the application in NJ DEP SAGE. Postage and envelope costs are based on the cost of sending an estimated 2,000 applicants three separate mailings. The mailings include sending each eligible applicant one direct payment by mail, end of year tax documentation for the grand award, and a possible second direct payment check in the case of leftover funding after appeals.

Administrative Costs

A.	Salaries	Salary	% time	Total
	Bureau Chief	\$129,427	2%	\$2,589
	Bureau Chief	\$120,789	2%	\$2,416
	Administrator	\$113,925	5%	\$5,696
	Fiscal Resources Manager	\$125,580	2%	\$2,512
	Assistant Biologist	\$54,567	10%	\$5,457
	Assistant Biologist	\$56,855	10%	\$5,686
	Assistant Biologist	\$54,567	10%	\$5,457
	Environmental Specialist	\$65,163	10%	\$6,516
	Assistant Biologist	\$56,855	10%	\$5,686
	Program Specialist	\$47,811	10%	\$4,781
	Agency Services Rep	\$56,216	2%	\$1,124
	subtotal			\$47,920
	Fringe Benefits FTE (53.25%)			\$25,517
	Total FTE			\$73,437
B	Indirect Costs			Total
	22.2% Negotiated Indirect Rate			\$16,303
C.	Materials and Supplies	Cost	Amt	Total
	Postage	\$0.50	6000	\$3,000
	Envelopes	\$0.08	6000	\$480
D.	Professional Services			Total
	Online Web Application			\$5,000

TOTAL ADMINISTRATIVE COSTS	\$98,220
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Marketing Costs

A.	Salaries	Slary	%Time	Amount
	Full-Time Employees (FTE)			
	Dept of Ag staff	\$65,000	10%	\$6,500
	Outreach Staff	\$55,000	20%	\$11,000
	Program Specialist	\$47,881	20%	\$9,576
	Outreach Coordinator	\$70,465	20%	\$14,093
	GIS Specialist	\$64,788	15%	\$9,718
	Bureau Chief	\$129,427	2%	\$2,589
	Bureau Chief	\$120,789	2%	\$2,416
	Administrator	\$113,925	2%	\$2,279
	subtotal			\$58,171
	Fringe Benefits FTE (53.25%)			\$30,976
	Total FTE			\$89,147
B	Indirect Costs			
	22.2% Negotiated Indirect Rate			\$19,791
C.	Materials and Supplies			
	Outreach supplies (magnets, stickers, flyers etc)			\$111,262
D.	Professional Services	Cost	Amt	Total
	Web development services			\$135,000
	Summer Public Transit Advertising			\$35,000
	Billboard Advertising	\$9,200	12	\$110,400
	Branding Design & Strategy			\$85,000
	Video services	\$2,500	12	\$30,000

TV Commercial Weekly	\$9,200	52	\$478,400
Radio Commercial (NYC, Philly)			
Weekly	\$2,000	52	\$104,000
Social Media Advertising	\$1,000	52	\$52,000
subtotal			\$1,029,800

TOTAL MARKETING COSTS	\$1,250,000
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Outreach and Training Costs

A. Salaries

Full-Time Employees (FTE)	Salary	% time	Amount
Program Specialist	\$47,811	2%	\$956
Outreach Coordinator	\$70,465	2%	\$1,409
Administrator	\$113,925	2%	\$2,279
subtotal			\$4,644
Fringe Benefits FTE (53.25%)			\$2,473
Total FTE			\$7,117

B Indirect Costs

22.2% Negotiated Indirect Rate	\$1,580
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D. Professional Services

Cost

amt

University Training Program	\$50,000
subtotal	\$50,000

TOTAL TRAINING COSTS	\$58,697
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The following is a breakdown of the roles of the MFA employees listed above

<ul style="list-style-type: none"> • Jeff Brust, Bureau Chief – responsible for the creation of MFA’s spend plan and oversight/management of program.
<ul style="list-style-type: none"> • Russ Babb, Bureau Chief – responsible for the creation of MFA’s spend plan and oversight/management of program.
<ul style="list-style-type: none"> • Joseph Cimino, Administrator- responsible for the creation of MFA’s spend plan, online application, and oversight/management of program. Main point of contact regarding spend plan and program. • Stephen Matis, Fiscal Resources Manager – management of the online application process and oversight of the CARES Act Funding
<ul style="list-style-type: none"> • Matthew Heyl, Assistant Biologist – application reviewer
<ul style="list-style-type: none"> • Lloyd Lomelino, Assistant Biologist – application reviewer
<ul style="list-style-type: none"> • Scott Stueber, Assistant Biologist – application reviewer • Megan Kelly, Environmental Specialist – application reviewer
<ul style="list-style-type: none"> • Chad Power, Assistant Biologist – application reviewer
<ul style="list-style-type: none"> • Kelly O'Neill, Program Specialist – assistance in the creation of MFA’s spend plan, creation of online application, and distribution of applications for manual review from online application
<ul style="list-style-type: none"> • Trish Mahoney, Agency Services Rep – front office point of contact between fisheries participants and the MFA

The State of NJ fringe rate of 53.25% is broken down as follows:

Pension Cost	21.70%
Health Benefits	22.50%
Workers Compensation	1.00%
Unemployment Insurance	0.10%
Temporary Disability	0.20%
Unused Sick Leave	0.10%
FICA	6.20%
Medicare	1.45%
Total	53.25%

3. Review & Appeals Process - Conduct a thorough review of all applications, including developing an effective appeals process, to certify all criteria have been met and ensure all eligible applicants obtain financial assistance in a timely fashion.

1. Direct Payments

The total amount of funding available for direct payments to eligible fishery participants is **\$11,111,741**. This is the total amount of federal funding awarded to New Jersey minus **\$135,501** in administrative costs.

The **\$11,111,741** will be issued as direct payments by NJDEP based on total fishery-related revenue loss between March 1, 2020 through June 30, 2020. Applicants will need to show a greater than 35% loss in revenue over the previously mentioned 4-month period, based on their 5-year average revenue from 2015-2019 for the same time period. For applicants that have operated for less than 5 years, revenue history from the period March 1 through June 30 for at least 1 year prior to 2020 is required in order to qualify for assistance. All applicants must provide revenue history for all years for which their operations existed.

In addition, applicants will be required to provide an estimate of their total expected revenue for the totality of the 2020 calendar year from January 1 through December 31, 2020. Direct payments made to any fishery participant through this program must not make any applicant more than whole for the year 2020. This will be evaluated on an annual basis and must include their business' traditional revenue and any additional COVID-19 relief payments that the applicant received. The only exception is the Paycheck Protection Program (PPP) **if** the loan is **not** forgiven. PPP funding will not count towards an applicant being made more than whole if the applicant's PPP loan is not forgiven. If the PPP loan is forgiven, the money will count against the applicant's calculation of whether or not they have been made more than whole.

Applicants are responsible for determining if they have been made more than whole at the end of 2020. If they have been, they are expected to return this money they have received through this program to ASMFC.

The application period will begin October 5, 2020 or as soon as New Jersey has a NOAA-approved spend plan, whichever is sooner, and will end 30 days from the start date. An applicant due date will be published and no applications received after this date will be reviewed or considered.

Money will be allocated based on three fisheries sectors – Commercial & Aquaculture, Recreational, and Processors & Dealers. The recreational fishery will include bait & tackle shops that meet the New Jersey small business definition. MFA will not be including marine gear and vessel suppliers for payment. Gear and vessel suppliers were not required to shut down and were able to continue operating. In addition, sales may have been down for suppliers between March 1 and June 30, 2020, but these purchases were likely only delayed and not lost. Gear and vessel supplies tend to be larger planned purchases, versus the smaller as-needed purchases that are experienced at a bait and tackle shop.

The allocation of funding by sector is based on NOAA's calculations for allocating money to the State of New Jersey. The only change was increasing the percentage of funding that went to the recreational fishing industry to 10%. This was at the request of the fishing industry participants who believed that the marine recreational fishing industry, especially the for-hire sector, was hit particularly hard by the restrictions put in place due to COVID-19. The breakdown of direct payment allocation per sector is as follows:

Sector Type	Percentage
Commercial & Aquaculture	55% (\$6.1M)
Recreational Fishery	10% (\$1.1M)
Processors & Dealers	35% (\$3.8M)

There may be cases in which one business is active in multiple sectors. Applicants will be able to select multiple sectors within their application. Applicants must provide their fisheries-related revenue information for each sector individually and applicants will receive a payment from each of the sectors. Applicants who operate in multiple sectors cannot combine all of their fisheries-related revenue and apply only under one of the sectors. They must split up their revenue into the correct sectors.

The State of New Jersey does not have any Federally recognized tribes, nor does the State of New Jersey have any agreements with State-recognized tribes regarding subsistence fishing. Therefore, the State of New Jersey will not be allocating money for any tribal and subsistence fishing that may have been impacted by COVID-19.

The application process will be made available online to ensure that the application is not hindered by any current or future stay-at-home orders. NJDEP will work with a contractor to in the development of the online process given NJDEP has already administered grants in a similar fashion.

LOSS ELIGIBILITY

All applicants will be required to provide their fishery-related revenue from March 1, 2020 through June 30, 2020 for each sector in which they are applying. In addition, they will also need to provide their fishery-related revenue history from March 1 through June 30 for the previous five years (2015-2019). Applicants will be eligible for support if their 2020 revenue shows a greater than 35% loss over the previous five-year average.

An applicant will be required to report revenue data for all years in which the entity existed, even if the business was not active. Inactive years will still be used to calculate revenue loss, so long as the entity existed. All years in which the business was not active and had no revenue, but the entity existed, the total revenue that must be used is \$0. An applicant only does not have to include prior year revenue in their calculation if their business did not yet exist.

For example, if an entity was created in 2010 but was not active in the years 2016 and 2017, they will have to report their revenue for those years as \$0. Their application may look something like this:

2015: \$100,000
 2016: \$0
 2017: \$0
 2018: \$150,000
 2019: \$110,000
 2020: \$75,000

The calculation in this example will look like this: $(100,000+0+0+150,000+110,000)/5 = \$72,000$ average revenue. In this example the entity would not qualify for a payment because their revenue from March 1 through June 30, 2020 totaling 75,000 was not a 35% loss compared to their average 5-year revenue history for the same time period totaling \$72,000.

If an entity was created after 2015, the only years that need to be used in the eligibility calculation are the years in which the entity existed.

SECTOR DEFINITIONS

Each applicant must meet the following sector definitions in order to qualify as an eligible entity for assistance:

- *Commercial Fishery*: any individual or business that fishes with the intention to, or results in, the barter, trade, transfer, or sale of fish. Aquaculture will also be included in the commercial fishery sector.
 - *Aquaculture*: any individual or business involved in a form of agriculture involving the propagation, rearing, and subsequent harvesting of aquatic organisms in controlled or selected environments, and the subsequent processing, packaging, and marketing, and shall include, but is not limited to, activities to intervene in the rearing process to increase production such as stocking, feeding, transplanting, and providing for protection from predators. Aquaculture is a water dependent activity. Aquaculture shall not include the construction of facilities and appurtenant structures that might otherwise be regulated pursuant to any State or Federal law or regulation. Under section 12005 of H.R. 748, any privately owned aquaculture businesses growing products in state or federal marine waters of the United States and the hatcheries that supply them are eligible for Section 12005 funding. This includes all molluscan shellfish and marine algae. Non-salmonid marine finfish grown in marine waters not covered by USDA are eligible for Section 12005 funding.
- *Recreational Fishery*:
 - *For-Hire Fishery*: any individual or business that operates a recreational fishing vessel with an Atlantic HMS Charter/Headboat permit during which paying passenger(s) are aboard; or, for uninspected vessels, trips during which there are more than three persons aboard, including operator and crew; or, for vessels that have been issued a Certificate of Inspection by the U.S. Coast Guard to carry passengers for hire, trips during which there are more persons aboard than the number of crew specified on the vessel's Certificate of Inspection
 - *Bait & Tackle Shop*: is a business whose revenue comes from the sale of saltwater bait, tackle, and other saltwater fishing supplies including rods, reels, nets, and other equipment specifically used for recreational fishing purposes. At least 75% of the total revenue generated from this business must come from these sales sources. Additionally, only bait and tackle shops that meet the New Jersey's small business definition will be considered an eligible applicant. The definition of a small business in the State of New Jersey is any business that does not have more than 100 full-time employees. Applicants will attest to meeting this small business definition in their signed affidavit.
- *Processor*: is any company or individual in the business of preparing or packaging shellfish, fish or fish products (including product of the processor's own harvesting) for wholesale in domestic or foreign markets
- *Dealer*: is any person or business who receives, for a commercial purpose (other than solely for transport on land), from the owner or operator of a vessel issued a valid permit, any species of fish, the harvest of which is managed by MFA, unless otherwise exempted.

LICENSING AND PERMIT ELIGIBILITY

All applicants must have had all required licenses and permits needed to operate during the time period in which they are applying. The following is a list of required permits or licenses required by sector in

order to qualify for assistance. Licenses and permits will be verified through MFA's online application based on their Bureau of Marine Fisheries ID number, Conservation ID number, and/or permit ID numbers provided within the application:

Commercial Fishery Sector:

- Must be a resident of New Jersey
- Must have a current valid 2020 New Jersey commercial harvesting license if operating out of state waters
- Must have had a valid New Jersey commercial harvesting license for at least one year between 2015 and 2019 if operating out of state waters
- Must have a valid 2020 Federal Fishing license if operating out of federal waters

Aquaculture (within Commercial Sector):

- Must be resident of the State of New Jersey
- Must have a current valid 2020 New Jersey commercial shellfishing license
- Must have had a valid commercial harvesting license for at least one year between 2015 and 2019
- Must have a valid 2020 New Jersey aquaculture permit from Bureau of Marine Water Monitoring
- Must have had a valid aquaculture permit for at least one other year between 2017 and 2019

Recreational Fishery Sector:

For-Hire

- Must be a resident of the State of New Jersey
- Must have 2020 New Jersey saltwater registration for vessel
- Must have had a New Jersey saltwater registration for the vessel for at least one year between 2015 and 2019
- Must be owner of the business

Bait Shops:

- Business must be physically located in the State of New Jersey
- Must be registered as a business with the State of New Jersey
- Must meet the State of NJ's Small Business definition of having under 100 full-time employees
- 75% of revenue must come from saltwater bait & tackle supply sales specifically

Dealers and Processors Sector:

- Business must be physically located in the State of New Jersey
- Must hold 2020 New Jersey Department of Health license to operate a wholesale food business
- Must have held a New Jersey Department of Health license to operate a wholesale food business for at least one year between 2015 and 2019.
- If dealing federally managed species, must hold a valid 2020 Federal Dealers Permit
- If purchasing species requiring a NJ dealers permit, must hold a valid 2020 NJDFW permit(s) for them. The following species require a NJ dealers permit:
 - Summer flounder

- Scup
- Black sea bass
- Menhaden
- If handling oysters, clams or mussels, business must hold a valid 2020 New Jersey Department of Health Certificate to handle oysters, clams, or mussels.

All applicants will be cross referenced against appropriate license/registration databases maintained by NJ State agencies during the period 2015 to 2020 to confirm participation history and eligibility.

SELF-CERTIFICATION PROCESS

Applicants will electronically sign an affidavit stating that all the information on their application is correct and that they are subject to additional review and audit. All applicants must have documented proof available for review by MFA of all information provided on their application for assistance, and if requested, they must provide it to MFA. If an applicant refuses to provide documented proof or is found to have knowingly acted in bad-faith and provided falsified or inaccurate information, they will be denied assistance. If the applicant has already received the assistance, they will be required to pay back in full all funding that was received and may be subject to additional penalties.

PAYMENT CALCULATION

All applicants will be required to provide their revenue from March 1, 2020 through June 30, 2020. In addition, they will provide their revenue information for the same time period from the previous 5 years, 2015-2019. This information will be collected using the online application and affidavit NJDEP will make available. In order to qualify for assistance, applicants who have been around for less than 5 years must have revenue history for at least 1 year prior to 2020. Applicants must give revenue information for all years in which they existed.

Each applicant may apply for funding under each of the sectors for which they are a participant. They will have to separately provide each of the sectors' fisheries-related revenue history. Each sector will be individually calculated and an applicant will receive payment for each sector in which they have seen a greater than 35% loss.

Applications will be reviewed and verified as they are received. Once the application period has closed and all applications have been reviewed, payments to all eligible participants in each sector will be calculated based on available funding in the sector relative to total reported losses for the sector. No applications will be accepted or reviewed after the application deadline. Each eligible applicant will receive a payment (P_i) equal to the ratio of available sector funding to reported losses for the entire sector multiplied by their individual reported loss:

$$P_i = \frac{Funds_s}{\sum Loss_{s,i}} * Loss_i$$

For example, if total reported losses for a sector is \$20M and that sector has been allocated \$1M in CARES funding, then each eligible applicant in that sector will receive a direct payment equal to 1/20 or 5% of their reported loss.

2. Communication Plan

MFA has created a stand-alone webpage (https://www.njfishandwildlife.com/cares_info.htm) for all CARES Act related information to ensure the effective dissemination of information to the public. The website contains basic CARES Act information, application information, a link to the application, a Frequently Asked Questions section, and links to other CARES Act related information and COVID-19 assistance programs. In addition, a CARES Act specific email address (njfisheriesaid@dep.nj.gov) has been made available to the public. The email is monitored daily in order to effectively convey accurate and timely information to those impacted on the CARES Act.

MFA is working closely with New Jersey's Shellfisheries and Marine Fisheries advisory councils to obtain feedback and insight directly from industry professionals. The councils will work in coordination with MFA to provide the commercial and recreational industries with the information that they need to apply for assistance through MFA. Small group meetings were also held with representatives from each sector to provide input on the spending plan. Once the spend plan is approved, MFA will make applications available online via New Jersey's SAGE site (<https://www.nj.gov/oag/hts/grants/SAGE.html>) and eligible entities will have to submit an application by the specified deadline.

Additionally, the MFA is keeping in close contact with State, Local, and Federal legislators and providing them with application and FAQ information to provide to constituents who may reach out directly to them.

3. Review and Appeals Process

As mentioned previously, NJDEP will be developing an online application with the assistance of an independent contractor. The online application will use the same software that NJDEP currently uses for applications for grants offered by the department, known as SAGE. Applicants will create an online portal within NJ SAGE and access the online application.

The online application will allow for a streamlined application process that ensures that all applicants and MFA staff remain safe during the COVID-19 pandemic, particularly in case of any future stay-at-home orders that may be issued.

The online application will also allow MFA to conduct automatic verifications of some of the application requirements. Automatic checks will be put into the application process for the following:

1. Confirm that all applicants hold all required permits, registrations, and licenses that are applicable to their application
2. Confirm the State of residence and/or business address of all applicants
3. Confirm that all applicants are the owners of the businesses for which they are applying.

In addition, all applicants will be checked against State and Federal lists of debarments to ensure that the applicant is eligible to receive federal and state money. The applications will be automatically checked against the Federal Database based on their DUNS number, as well as with the state and Federal treasury for any back taxes or child support that may be owed.

MFA will not hold back any money for appeals and all appeals will be completed before direct payments are calculated and distributed. Applicants will be automatically notified at the time of submission if they have met all eligibility requirements. If applicants are determined to not meet the eligibility requirements via the online application, they will be made aware that their application has gone to a manual review at the time of submission. They will also be notified that MFA will manually review their application within 5 business days and that if their application is denied, they will be notified to return to their NJ SAGE online portal to access the appeal form.

MFA staff will first do an initial manual review of the application. Once their online application is reviewed, an appeal form will be generated within the online application portal if an applicant is determined to not meet eligibility requirements. At that time, applicants will be notified to access their online profile through NJ SAGE via email. The appeal form will state the reason for denial of the application and the form will provide a box through which the applicant is able to provide a response to the denial. In addition, there will be an upload documents box so that applicants are able to provide any documentation that will support their appeal. Applicants will have 5 days from receiving notification via email to access their online profile and submit an appeal.

If necessary, MFA staff may request documentation via the appeal form from the applicant to prove that the rejection was made in error. If the applicant can prove through valid documentation that the rejection was made in error, their application will be re-processed. Valid documentation may include proof of residence, copies of permits and licenses, business ownership, or tax records.

Applicants whose appeals are determined to be unfounded will receive a letter from MFA stating the reason that their appeal has been denied. Applicants will then be provided information on how to file a claim for the appellant court if they believe that their application does meet the eligibility criteria.

The appeal process will take approximately 4 weeks from the applicant's submission of their appeal form in the SAGE online portal. The latest that an appeal will take is 24 business days from the application deadline, with 14 days for an applicant to respond to their appeal notification and 10 days for the appeal review.

Applicants may appeal MFA's decision for any reason. Examples of appeals include, but are not limited to:

1. Application was incorrectly rejected for not meeting the greater than 35% fisheries-related revenue loss
2. Applicant believes they were inaccurately placed in a tier and should have received a different payment amount
3. Bait shop applicant believes they were inaccurately rejected for not meeting the small business definition or the 75% of sales from saltwater bait & tackle sales
4. Applicant was inaccurately rejected for not being a resident of the State of New Jersey
5. Applicant was incorrectly rejected for not meeting licensing, registration, and permitting requirements.
6. Applicant was incorrectly rejected due to receiving additional government CARES Act assistance that inaccurately affected their fisheries-related revenue loss eligibility.
7. Applicant believes they should have qualified for tribal or subsistence assistance
8. Applicant was incorrectly rejected for not being the owner of the business
9. Applicant was rejected due to a clerical error inputting their application information

Due to appeals, all applicants will be notified of their direct payment award within 24 business days after the close of the application. This gives applicants 14 days to respond to an appeal notice and 10 days for appeal reviews to be completed by MFA. Appeals will be reviewed on a rolling basis in order to try to shorten this time period and attempt to get direct payments distributed before 21 days is reached.

MILESTONE SCHEDULE:

TASK	2020						2021				
	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March
Spend Plan Development	X	X	X								
Grant Submission & Approval				X	X						
Outreach & promotion	X	X	X	X	X						
Application Period						X	X				
App Review						X	X				
Award Disbursement by NJDEP						X	X				
Appeals						X	X				
Final review & Report to ASMFC								X	X	X	X

BUDGET:

A. Administrative Costs		
	Salary	\$50,504
	Fringe	\$23,308
	Indirect	\$16,386
	Materials & Supplies	\$3,480
	Professional Services	\$41,823
	Total	\$135,501
B. Direct Payments		
	Commercial Sector	\$6,111,458
	Recreational Sector	\$1,111,174
	Processors & Dealers	\$3,889,109
	Total	\$11,111,741

Below is a detailed breakdown of the administrative costs that will be associated with this grant. MFA will be contracting out the development of our online application. The total cost will be approximately \$41,823 and the work will include the development of a new website, the creation of an online application, and costs of the hosting of the application data. Postage and envelope costs are based on the cost of sending an estimated 2,000 applicants three separate mailings. The mailings include sending

<ul style="list-style-type: none"> • Jeff Brust, Bureau Chief – responsible for the creation of MFA’s spend plan and oversight/management of program.
<ul style="list-style-type: none"> • Russ Babb, Bureau Chief – responsible for the creation of MFA’s spend plan and oversight/management of program.
<ul style="list-style-type: none"> • Joseph Cimino, Administrator- responsible for the creation of MFA’s spend plan, online application, and oversight/management of program. Main point of contact regarding spend plan and program. • Stephen Matis, Fiscal Resources Manager – management of the online application process and oversight of the CARES Act Funding
<ul style="list-style-type: none"> • Matthew Heyl, Assistant Biologist – application reviewer
<ul style="list-style-type: none"> • Lloyd Lomelino, Assistant Biologist – application reviewer
<ul style="list-style-type: none"> • Scott Stueber, Assistant Biologist – application reviewer
<ul style="list-style-type: none"> • Chad Power, Assistant Biologist – application reviewer
<ul style="list-style-type: none"> • Kelly O'Neill, Program Specialist – assistance in the creation of MFA’s spend plan, creation of online application, and distribution of applications for manual review from online application
<ul style="list-style-type: none"> • Trish Mahoney, Agency Services Rep – main point of contact between fisheries participants and the MFA

Attachment 5 is an internal document that is not a public record pursuant to N.J.S.A. 47:1a-1.1 as it constitutes intra-agency advisory, consultative, or deliberative material.

Vander Weele Group^{LLC}

**Response to: Contract G4018 – Integrity
Oversight Monitoring: Program and Performance
Monitoring, Financial Monitoring and Grant
Management and Anti-Fraud Monitoring for
COVID-19 Recovery Funds and Programs
Department of Environmental Protection
Category 3**

November 15, 2021



Presented by:

Vander Weele Group^{LLC}

Joseph A. DeLuca Advisory and Consulting Services LLC

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November 15, 2021

Mona Cartwright, State Contract Manager and Fiscal Manager
New Jersey Department of the Treasury
[REDACTED]

Stephen C. Matis, Agency Contract Manager and Comptroller
New Jersey Department of Environmental Protection
[REDACTED]

RE: Response to Contract G4018, Department of the Treasury, On Behalf of the New Jersey Department of Environmental Protection

Dear Ms. Cartwright and Mr. Matis:

Joseph A. DeLuca Advisory and Consulting Services LLC ("DLA") and the Vander Weele Group^{LLC}, are pleased to present this proposal to monitor the approximately \$20.5 million in financial assistance being distributed to coastal and marine fisheries that have been negatively affected by COVID-19 across the State of New Jersey. These funds are authorized and provided by Section 12005 of the CARES Act and by the *Consolidated Appropriations Act* of 2021.

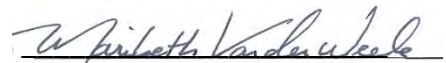
The Vander Weele Group^{LLC} – DLA Team has experience and expertise in providing the services called for in the Engagement Query. Key members of the DLA Team come with extensive experience working with New Jersey government agencies and New Jersey law enforcement. They include Joseph DeLuca, Kevin Mullins, and a key member who is experienced in providing environmental and regulatory expertise. We have a long commitment to providing services to the government and understand what it takes to design and implement programs aimed at preventing and detecting fraud, waste, and abuse. DLA is particularly experienced in disaster recovery programs and related funding streams from a loss prevention perspective and is currently servicing both Middlesex and Gloucester Counties with COVID-19 related oversight services.

If privileged to serve New Jersey Department of Environmental Protection, the Vander Weele Group^{LLC} will serve as Prime Contractor but DLA will take the lead in managing the project and executing many of its deliverables.

The Vander Weele Group^{LLC} – DLA Team has no conflicts of interest. We trust this proposal meets your expectations. Thank you for your time and consideration.



Joseph A. DeLuca, CEO



Maribeth Vander Weele, CEO

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I. INTRODUCTION

A. Company Overview

The Vander Weele Group^{LLC}, and its “on the ground” partner Joseph A. DeLuca Advisory & Consulting Services LLC (“DLA”), is privileged to present this proposal to assist the New Jersey Department of Environmental Protection (“NJDEP”) in monitoring approximately \$20.5 million in financial assistance to coastal and marine fisheries that have been negatively affected by COVID-19 across the State of New Jersey. This assistance is authorized and provided by Section 12005 of the *Coronavirus Aid, Relief, and Economic Security* (“CARES”) Act and by the *Consolidated Appropriations Act* of 2021.

With the Vander Weele Group^{LLC}’s grants expertise and DLA’s audit and financial expertise and New Jersey presence, the Vander Weele Group^{LLC} – DLA Team believes itself to be best positioned to address the needs as requested in the Engagement Query.

The Vander Weele Group^{LLC} is a niche firm specializing in grants oversight. We are a mission-minded organization, passionate about providing meaningful oversight, and support to programs serving the public interest. Incorporated in 2003, the Vander Weele Group^{LLC} was founded by Maribeth Vander Weele, the former Inspector General of Chicago Public Schools.

DLA is a New York / New Jersey-based boutique advisory and consulting firm with experience in integrity monitoring and conducting audits and controls reviews related specifically to the use of funds designated for COVID-19 relief. As such, DLA will be taking on the majority of the tasks performed under this engagement should it be awarded to us. Founded by Joseph A. DeLuca in 2018, DLA brings the experience of highly decorated former inspectors general, investigators, forensic accountants, and research analysts to clients. Key members of the DLA team come with experience working with New Jersey government agencies and New Jersey law enforcement. For example, Steven Pasichow, an Executive Managing Director with DLA, brings invaluable experience as previous Deputy Inspector General and Director of Investigations for the Port Authority of New York and New Jersey.

The proposed Project Manager for this assignment is Kevin Mullins, who has significant experience in conducting audits and reviews of grants programs. In fact, some of that experience was providing oversight for another New Jersey agency’s use of CARES funds, work he conducted at the end of 2020 and early 2021. Kevin also has prior experience working with DEP as he oversaw the audit function of a monitorship of the Meadowlands and Hudson River Rebuild by Design projects before joining DLA. In this role, he worked closely with DEP in helping enhance policies and procedures, making recommendations to improve review processes, and regularly conducting invoice audits.

Lastly, another member of our team, Victoria Flemming, has approximately two decades of experience in providing environmental and regulatory expertise in the tri-state area. Her specialization in real estate, property condition, safety compliance, and environmental remediation for clients in both the public and private sectors brings a unique perspective and adds value to our overall engagement approach.

B. Objectives and Methodologies

NJDEP prepared two separate spending plans in response to the assistance provided by the U.S. Secretary of Commerce to the fishery industry. Section 12005 of the CARES Act provided the first round of funding (“Round 1”), on May 7, 2021, for which New Jersey was awarded \$11,247,242 for assistance payments to eligible fisheries. The *Consolidated Appropriations Act* of 2021 provided the second round of funding (“Round 2”), on March 29, 2021, of which New Jersey was awarded \$9,439,080 to support commercial fishing and associated activities previously authorized under Section 12005 of the CARES Act.

Of the \$11,247,242 allocated to Round 1 from Section 12005 of the CARES Act, \$11,111,741 was budgeted for direct assistance payments, while \$135,501 was budgeted for administrative costs.

Of the \$9,439,080 allocated to Round 2 from the *Consolidated Appropriations Act* of 2021, \$8,032,163 was budgeted for direct assistance payments, \$1,250,000 for marketing to increase awareness and promote New Jersey’s diverse fisheries industry, \$98,220 for administrative costs and \$58,697 for training and education.

NJDEP is tasked with providing disaster relief funds as allocated by the Federal government to New Jersey fisheries and those within the aquaculture industry. Our responsibilities will include, but are not limited to:

- Within 10 business days of attending a kick-off meeting with representatives from NJDEP and other key participants to discuss the tasks and deliverables required under this Engagement, DLA will provide documented meeting minutes to the NJDEP.
- Within 60 business days of the kickoff meeting, DLA will perform a retrospective analysis of Program 1 and prospective monitoring on Round 2, completing the following tasks:
 - Ensure that Round 1 and Round 2 functions performed adhere to grant/assistance program guidelines, rules, and reporting requirements.
 - Ensure that there are proper controls in place to minimize the risk of duplication of benefits, process and payment errors, waste, fraud, abuse, malfeasance, and mismanagement of funds.
 - Create a risk-based sampling methodology based on an assessment of Round 1 program risks.

- Review a sample of program and applicant data, including applicant self-certifications, to validate eligibility of program grantees and identify potential fraud using data analytics or other methods to identify anomalies, patterns and discrepancies.
- Sample applicant data to determine the existence of excess funds disbursed at the end of 2020 and calculate, if applicable, the amount of funds that need to be returned to the program.
- Provide recommendations regarding any detected weaknesses, gaps, or errors, as well as strategies to ensure prospective compliance with all laws and prevention of associated risks.
- Report any and all findings to the NJDEP Contract Manager.
- Within 30 days of the final payment, review the procurement, invoice, and payment process and contract deliverables for goods/services procured in Round 1, and to be procured in the Round 2 Program, for specific purchases, completing the following tasks:
 - Ensure that Round 1 and Round 2 functions performed adhere to all grant/assistance program guidelines, rules, and reporting requirements.
 - Verify that those procurements were conducted in accordance with all Federal, State, and local laws, regulations and ordinances.
 - Verify that each invoice and payment is consistent with all applicable Federal, state, and local laws, and that there is no duplication of benefits, process and payment errors, waste, fraud, abuse, malfeasance, or mismanagement of funds.
 - Verify that all contract deliverables are provided within acceptable timeframes for the duration of the Engagement.
 - Provide recommendations regarding any detected weaknesses, gaps, or errors, as well as strategies to ensure prospective compliance with all laws and prevention of associated risks.
 - Report any and all findings to the NJDEP Contract Manager.
- On an ongoing basis:
 - Perform continued and diligent oversight over the length of the Engagement.
 - Provide ongoing guidance and problem resolution to support compliance with all Federal, state, and local laws as necessary.
 - Report any and all findings to the NJDEP Contract Manager.

II. CONFLICTS OF INTEREST

As stated, the Vander Weele Group^{LLC} - DLA Team has no conflicts of interest regarding this request for proposal. We offer an objective, unbiased, and professional perspective.

III. DELIVERABLES AND ACTIVITIES

A. Proposed Approach

Upon notification of an award and execution of a written agreement, the Vander Weele Group^{LLC}-DLA Team, led by Steven Pasichow, will work with NJDEP to plan and perform our work in five phases. Those phases are as follows:

Phase	Task
I.	Planning
II.	Review of Application Processes
III.	Review of Procurement Processes
IV.	Ongoing Quality Assurance
V.	Reporting

B. Planning

During this phase, the Vander Weele Group^{LLC}-DLA Team will work directly with NJDEP to plan and scope the engagement to ensure that desired objectives are met. This will include the following:

- Attend a kick-off meeting with representatives of NJDEP, with the intention of confirming the timeline of deliverables and to discuss other items including, but not limited to:
 - i. Engagement expectations;
 - ii. Performance levels of Round 1 Program to date, including strengths and weaknesses identified and any controls or other mitigating factors put into place to address those weaknesses;
 - iii. Access and systems training for the Vander Weele Group^{LLC} – DLA Team staff for NJDEP SAGE (System for Administering Grants Electronically);
 - iv. The preliminary project work plan including project schedules, timelines, and activities;
 - v. Other information as necessary.
- Review the preliminary risk assessment dated October 14, 2021, to help organize our approach to our program and compliance plan based on strengths, weaknesses and applicable risks identified.

- Review applicable guidance standards that govern the proper use of Coronavirus Relief Funds (“CRF”) funds disbursed to fisheries and those within the aquaculture industry including, but not limited to, Section 12005 of the CARES Act, 2 CFR 200, and any updates or changes to the *Consolidated Appropriations Act* of 2021 governing the use of funds.
- Review the State of New Jersey COVID-19 Compliance and Oversight Taskforce Integrity Oversight Monitor Guidelines.
- Interview NJDEP staff members to:
 - i. Gain an understanding of the Standard Operating Procedures (“SOPs”) and the controls in place surrounding funds appropriated by Section 12005 of the CARES Act and the *Consolidated Appropriations Act* of 2021;
 - ii. Gain an understanding of staff members’ familiarity with NJDEP SOPs and controls, and Federal and state regulations surrounding the disbursement of CRF Funds;
 - iii. Familiarize ourselves with the online internal management and reporting systems (NJDEP SAGE) to allow auditing, testing, report generation, etc.

C. Review of Application Processes

Upon attending the kick-off meeting with NJDEP representatives, and during our process of reviewing the preliminary risk assessment, state, Federal and local guidance standards, and conducting staff interviews, the Vander Weele Group^{LLC}-DLA Team will perform a retrospective analysis on Round 1 and prospective monitoring on Round 2 direct aid payments.

To adequately complete this task, the Vander Weele Group^{LLC}-DLA Team will compile necessary information gathered in the planning phase and perform our own process review. This review will be used to create our specified program approach to sampling and performing retrospective analysis on Round 1 applicants and prospective monitoring on Round 2 Applicants.

- The process review will allow us to focus on:
 - Control deficiencies or weaknesses
 - Areas of high risk, including:
 - Duplication of benefits, process and payment errors, waste, fraud, abuse, malfeasance and/or mismanagement of funds;
 - Areas of non-compliance;
 - Any other flags that might be raised during the review process.
 - Strategies to combat the above-named risks;
 - Assisting in developing a risk-based sampling methodology to effectively navigate risk and efficiently test an adequate portion of the population.

- Round 1 Approach:
 - Scan the population of program and applicant data to determine if any outstanding flags are raised before sampling begins.
 - Identify potential fraud, using data analytics or other methods to identify anomalies, patterns and discrepancies;
 - Anomalies, patterns and discrepancies may include, but are not limited to, duplicate applicants, duplicate use of business addresses, funds in excess of the designated Sector's allocation percentage, businesses located outside of the State of New Jersey, revenues that did not meet the 35% loss threshold, and other factors that may otherwise deem an application ineligible.
 - Retrospectively analyze and audit completed applications that have been paid by the NJDEP by:
 - Auditing applications to determine that the information provided by the applicant, including self-certifications, answers to eligibility questions, revenue amounts, and certifications of assurances provided by the National Oceanic and Atmospheric Administration ("NOAA"), appear complete, accurate, and free from fraud or error.
 - Ensuring that proper controls are in place surrounding the application review process to minimize the risk of duplication of benefits, process and payment errors, waste, fraud, abuse, malfeasance, and mismanagement of funds.
 - Testing specific controls that appear deficient and weak through our initial process review.
 - Ensuring that all proper documentation, whether for Direct Aid Payments or Administrative expenses, include salary costs and non-salary administrative expenses.
 - Determining whether funds have been inappropriately distributed, and therefore should be recovered:
 - In excess of the designated Sector's allocation percentage.
 - In lieu of being duplicated, paid in error due to fraud, waste, abuse, malfeasance, or mismanagement;
 - Show other indicators of program noncompliance that would determine distributed funds to be illegitimate;
- Round 2 Approach:
 - Similar to that of Round 1 with the exception that most of our scanning of program and applicant data, as well as identifying potential fraud using

- data analytics or other methods to identify anomalies, patterns and discrepancies will be done in real time and on an ongoing basis.
- Our sampling methodology will remain relatively similar in that the sample will be based on:
 - Subjective flags raised during our review of program data;
 - Lessons learned from Round 1 reviews;
 - Randomness to ensure that an adequate representation of the population is monitored.
 - Prospectively monitor and review, on an ongoing basis, applications to halt inappropriate payments from being distributed. This includes:
 - Reviewing applications, on an ongoing basis, to determine that the information provided by the applicant, including self-certifications, answers to eligibility questions, revenue amounts, and certifications of assurances provided by NOAA, appear complete, accurate, and free from fraud or error.
 - Ensuring that proper controls are in place surrounding the application review process to minimize the risk of duplication of benefits, process and payment errors, waste, fraud, abuse, malfeasance, and mismanagement of funds.
 - The Vander Weele Group^{LLC}-DLA Team plans to test specific controls that appear deficient and weak through our initial process review.
 - Ensuring that all proper documentation, whether for Direct Aid Payments, administrative expenses, Fishery Market Plans, or Training and Education Expenses are provided and transparent.
 - Report instances of ineligible uses/applications for funds before they are disbursed to applicants.

D. Review of Procurement Processes

In addition to the review of application processes, the Vander Weele Group^{LLC} - DLA Team will be tasked with reviewing the procurement, invoice and payment process and contract deliverables for goods/services procured in Round 1 and to be procured in the Round 2 Program, as it is anticipated that contracts will be awarded to multiple vendors to complete the objectives of the Fisheries Marketing Plan and the Education and Training budget categories. The Vander Weele Group^{LLC} - DLA Team will monitor and review this section of the NJ DEP spending plan as described below.

- Round 1 Approach:
 - Review entire procurement, invoice and payment process and contract deliverables for goods/services procured by:

- Performing due diligence on awarded vendors to gauge vendor integrity;
 - Monitoring vendor documentation and bidding packages to ensure vendors included all relevant and necessary information that provide a clear record of purchased goods or services;
 - Ensuring those goods or services comply with relevant CARES and 2 CFR 200 compliance standards;
 - Determining that NJDEP performed each procurement process in accordance with all Federal, state, and local laws, regulations and ordinances;
 - Ensuring proper controls are in place during the procurement process and that all deficient controls and areas of high risk are tested, reported, and enhanced;
 - Verifying that all contract deliverables are provided, and within acceptable timeframes for the duration of the Engagement.
 - Verifying procurements were done in accordance with all Federal, state, and local laws, regulations and ordinances through the review of bid submittals;
 - Determining, if any, improper payments were disbursed to vendors and calculate the amount that should be recuperated.
 - Ensure that Round 1 functions performed adhere to all grant/assistance program guidelines, rules, and reporting requirements;
 - Based on experience and applicable Federal, state, and local laws, the Vander Weele Group^{LLC} - DLA Team will report any detected weaknesses, gaps, or errors, as well as provide strategies to ensure prospective compliance with all laws and prevention of associated risks to the NJDEP Contract Manager.
- Round 2 Approach:
 - Review entire procurement, invoice and payment process and contract deliverables for goods/services to be procured by:
 - Performing due diligence on bidders to determine vendor integrity and assist NJDEP in identifying unreliable vendors;
 - Reviewing all bid documentation to ensure that each vendor includes all relevant and necessary information that provide a clear record of submitted goods or services;
 - Ensuring those goods or services comply with relevant CARES Act compliance standards;
 - Determining that NJDEP performs each procurement process in accordance with all Federal, state, and local laws, regulations and ordinances;

- Ensuring proper controls are in place during the procurement process and that all deficient controls and areas of high risk are tested, reported, and enhanced;
- Verifying that all contract deliverables are provided and within acceptable timeframes for the duration of the Engagement.
- Verifying procurements were done in accordance with all Federal, state, and local laws, regulations and ordinances through the review of bid submittals;
- Reporting any significant finding in real time to the NJDEP Contract Manager to ensure that no funds are disbursed to unreliable vendors for ineligible uses.
- Ensure that Round 2 functions performed adhere to all grant/assistance program guidelines, rules, and reporting requirements.
- Based on experience and applicable Federal, state, and local laws, the Vander Weele Group^{LLC} - DLA Team will report any detected weaknesses, gaps, or errors, as well as, provide strategies to ensure prospective compliance with all laws and prevention of associated risks to the NJDEP Contract Manager.

E. Ongoing Quality Assurance

We believe that quality is derived not only from hiring experienced staff but from standardization of processes to ensure consistent delivery of quality deliverables. For this reason, the Vander Weele Group^{LLC} – DLA Team breaks down each element of the required activities and lays out for its Monitors the required processes with template language for governing authorities, findings, recommendations, and corrective action plans.

We employ a multi-disciplinary team with collective expertise not only in grants monitoring, but in proofreading, formatting, design, data analytics, and Excel. As time allows, we employ a peer review process to ensure colleagues agree that the evidence supports findings and to promote consistency. Our Project Manager has prior experience in working with other New Jersey government agencies, including NJSP / NJOEM and in providing reports within the given timeline and working with specific agency and New Jersey Treasury forms. All reports will be reviewed by the Program Manager and Project Manager before being submitted to NJDEP.

F. Reporting

The DLA Team will prepare monthly reports, quarterly reports, and additional reports, as requested, including the following, and will deliver them by the specified dates below:

Task	Deliverable	Due Date
<u>Task 1:</u> Kick-off Meeting	Document and provide meeting minutes	Within ten (10) business days of kick-off meeting
<u>Task 2:</u> Review of financial and administrative processes	<p>Review DEP's financial, application and administrative processes for all components of both the Round 1 and Round 2 programs by;</p> <ul style="list-style-type: none"> a) Reviewing the preliminary risk assessment dated October 14, 2021 to help organize our approach to our program and compliance plan based on strengths, weaknesses and applicable risks identified. b) Interview NJDEP staff members to: <ul style="list-style-type: none"> a. Gain an understanding of staff members' familiarity with NJDEP SOPs and controls, and Federal and state regulations surrounding the disbursement of CRF Funds; b. Familiarize ourselves with the online internal management and reporting systems (NJDEP SAGE) to allow auditing, testing, report generation, etc. c) Perform our own risk assessment to determine high-risk areas such as, but not limited to, deficient or weak controls and apparent non-compliance 	Within sixty (60) business days of kick-off meeting
<u>Task 3:</u> Review the procurement, invoice and payment process for specific purchases	Review the procurement, invoice and payment process and contract deliverables for goods/services procured in Round 1, and to be procured in the Round 2 Program, to complete the objectives of the Fisheries Marketing Plan and the Education and Training budget categories.	Within thirty (30) days of final payment.

Draft Quarterly Integrity Monitor Reports	<p>a) Provide a memorandum explaining the specific services rendered during the quarter and any findings of waste, fraud, or abuse using the Quarterly Report template.</p> <p>b) If the Quarterly report contains any finding(s) of waste, fraud or abuse, the Using Agency has an opportunity to respond within 15 days after receipt.</p>	<p>i. December 30, 2021</p> <p>ii. March 31, 2022</p> <p>iii. June 30, 2022</p> <p>iv. September 30, 2022</p>
Final Quarterly Reports*	<p>Consistent with the Engagement Query, within 15 days after the issuance of the draft quarterly report, we will include any comments from the Using Agency to the State Treasurer, who shall share the reports with the the Governor's Disaster Recovery Office ("GDRO"), the Senate President, the Speaker of the General Assembly, the Attorney General, and the State Comptroller.</p>	<p>i. January 15, 2020</p> <p>ii. April 15, 2022</p> <p>iii. July 15, 2022</p> <p>iv. November 15, 2022*</p>
Additional reports requested by the Office of the State Comptroller ("OSC")	<p>Upon request, we will provide additional reports, such as;</p> <p>a) Reports that will assist OSC in evaluating whether there is waste, fraud, or abuse in COVID-19 Recovery Programs administered by the Using Agencies;</p> <p>b) Reports that share any corrective action plan(s) prepared by the Using Agencies to evaluate whether those corrective plan(s) have been successfully implemented; or</p> <p>c) Immediate reports of waste, fraud, abuse and misuse of COVID-19 Recovery Funds directed to the GDRO, OSC, the State Treasurer, the State Contract Manager, and the Accountability Officer.</p>	As Requested

* We understand that the Engagement is set to expire on September 30, 2022, and will work with NJDEP to complete draft and final quarterly reports to meet these deadlines, as required.

It should be noted that instances of fraud, waste, and abuse, although specified within the monthly and quarterly status reports, will be communicated immediately to the GDRO, OSC, the State Treasurer, and State Contract Manager, and the Accountability Officer.

IV. PROJECT COMMUNICATIONS

A. Reporting

As stated above, we will provide reports to NJDEP in accordance with the requirements as stated in the Engagement Query. These will cover, at a minimum, progress toward each of the identified milestones, status of compliance reviews, and trends in significant findings. We will also make schedules, status reports, and draft and completed reports available to NJDEP through a password-protected website or electronic tool.

B. Status Meetings

DLA will meet with NJDEP in person for the kickoff meeting and, thereafter, participate in regular communication meetings with NJDEP every week—or on a frequency that NJDEP prefers—to discuss outstanding items, potential issues, upcoming testing and the overall progress of the engagement.

C. Other Communications

As part of this engagement, we will:

- Follow up with questions regarding specific funding decisions and application approvals as it relates to the distribution of funds;
- Facilitate the exchange of ideas with NJDEP to promote operational efficiency for future relief funding;
- Promote cooperation and communication among Integrity Monitors engaged by other Recovery Program participants (e.g., to guard against duplication of benefits);
- Simultaneously report any issues of fraud or criminal conduct immediately to the Accountability Officer, NJDEP Contract Manager, the Office of the State Comptroller, (“OSC”), the Governor’s Disaster Recovery Office (“GDRO”), and the State Treasurer.

V. BUDGET

We propose a total contract cost of \$119,427.18. Our budget reflects an emphasis on planning, execution, and oversight to support the fieldwork and realistic time frames to allow for quality work. Although we request flexibility to move hours between tasks, the below provides underlying estimates to support our pricing.

Phase	Task
I.	Task I (Planning)
II.	Task II (Review of Application Processes)
III.	Task III (Review of Procurement Processes)
IV.	Task IV (Ongoing Quality Assurance)
V.	Task V (Reporting)

Phase I: Planning		Fieldwork		Reporting	
RFQ Title	Rate	Hours	Amount	Hours	Amount
Partner / Principal / Director (1)	\$ 237.50	4.00	\$ 950.00	-	\$ -
Partner / Principal / Director (2)	\$ 237.50	3.00	\$ 712.50	-	\$ -
Program Manager	\$ 229.81	-	\$ -	-	\$ -
Program Manager	\$ 229.81	4.00	\$ 919.24	2.00	\$ 459.62
Project Manager	\$ 170.00	8.00	\$ 1,360.00	4.00	\$ 680.00
SME - Forensic Audit (1)	\$ 211.06	8.00	\$ 1,688.48	3.00	\$ 633.18
Senior Consultant (1)	\$ 192.54	15.00	\$ 2,888.10	3.00	\$ 577.62
Senior Consultant (2)	\$ 192.54	11.00	\$ 2,117.94	-	\$ -
Technical Analyst	\$ 135.00	-	\$ -	-	\$ -
Phase Totals:		53.00	\$ 10,636.26	12.00	\$ 2,350.42

Phase II: Review of Application Processes		Fieldwork		Reporting	
RFQ Title	Rate	Hours	Amount	Hours	Amount
Partner / Principal / Director (1)	\$ 237.50	-	\$ -	-	\$ -
Partner / Principal / Director (2)	\$ 237.50	4.00	\$ 950.00	-	\$ -
Program Manager	\$ 229.81	4.00	\$ 919.24	2.00	\$ 459.62
Program Manager	\$ 229.81	-	\$ -	2.00	\$ 459.62
Project Manager	\$ 170.00	30.00	\$ 5,100.00	8.00	\$ 1,360.00
SME - Forensic Audit (1)	\$ 211.06	30.00	\$ 6,331.80	8.00	\$ 1,688.48
Senior Consultant (1)	\$ 192.54	30.00	\$ 5,776.20	8.00	\$ 1,540.32
Senior Consultant (2)	\$ 192.54	30.00	\$ 5,776.20	-	\$ -
Technical Analyst	\$ 135.00	65.00	\$ 8,775.00	-	\$ -
Phase Totals:		193.00	\$ 33,628.44	28.00	\$ 5,508.04

Phase III: Review of Procurement Processes		Fieldwork		Reporting	
RFQ Title	Rate	Hours	Amount	Hours	Amount
Partner / Principal / Director (1)	\$ 237.50	-	\$ -	-	\$ -
Partner / Principal / Director (2)	\$ 237.50	4.00	\$ 950.00	-	\$ -
Program Manager	\$ 229.81	-	\$ -	2.00	\$ 459.62
Program Manager	\$ 229.81	4.00	\$ 919.24	2.00	\$ 459.62
Project Manager	\$ 170.00	32.00	\$ 5,440.00	2.00	\$ 340.00
SME - Forensic Audit (1)	\$ 211.06	20.00	\$ 4,221.20	2.00	\$ 422.12
Senior Consultant (1)	\$ 192.54	25.00	\$ 4,813.50	2.00	\$ 385.08
Senior Consultant (2)	\$ 192.54	25.00	\$ 4,813.50	2.00	\$ 385.08
Technical Analyst	\$ 135.00	50.00	\$ 6,750.00	-	\$ -
Phase Totals:		160.00	\$ 27,907.44	12.00	\$ 2,451.52

Phase IV: Ongoing Quality Assurance		Fieldwork		Reporting	
RFQ Title	Rate	Hours	Amount	Hours	Amount
Partner / Principal / Director (1)	\$ 237.50	4.00	\$ 950.00	-	\$ -
Partner / Principal / Director (2)	\$ 237.50	4.00	\$ 950.00	-	\$ -
Program Manager	\$ 229.81	-	\$ -	-	\$ -
Program Manager	\$ 229.81	8.00	\$ 1,838.48	2.00	\$ 459.62
Project Manager	\$ 170.00	36.00	\$ 6,120.00	8.00	\$ 1,360.00
SME - Forensic Audit (1)	\$ 211.06	20.00	\$ 4,221.20	8.00	\$ 1,688.48
Senior Consultant (1)	\$ 192.54	20.00	\$ 3,850.80	8.00	\$ 1,540.32
Senior Consultant (2)	\$ 192.54	20.00	\$ 3,850.80	2.00	\$ 385.08
Technical Analyst	\$ 135.00	10.00	\$ 1,350.00	-	\$ -
Phase Totals:		122.00	\$ 23,131.28	28.00	\$ 5,433.50

Phase V: Reporting		Fieldwork		Reporting	
RFQ Title	Rate	Hours	Amount	Hours	Amount
Partner / Principal / Director (1)	\$ 237.50	-	\$ -	-	\$ -
Partner / Principal / Director (2)	\$ 237.50	-	\$ -	2.00	\$ 475.00
Program Manager	\$ 229.81	-	\$ -	4.00	\$ 919.24
Program Manager	\$ 229.81	-	\$ -	2.00	\$ 459.62
Project Manager	\$ 170.00	-	\$ -	16.00	\$ 2,720.00
SME - Forensic Audit (1)	\$ 211.06	-	\$ -	8.00	\$ 1,688.48
Senior Consultant (1)	\$ 192.54	-	\$ -	8.00	\$ 1,540.32
Senior Consultant (2)	\$ 192.54	-	\$ -	3.00	\$ 577.62
Technical Analyst	\$ 135.00	-	\$ -	-	\$ -
Phase Totals:		-	\$ -	43.00	\$ 8,380.28

Proposal Totals: **651.00** **\$ 119,427.18**

VI. STAFFING

A. Overview

The Vander Weele Group^{LLC} - DLA Team has assembled a highly qualified group of individuals with relevant experience to assist NJRA in monitoring grants distributed or being distributed to subrecipients across the State of New Jersey. Each member of our team has been carefully selected to create a balanced team capability and environment that provides experienced project management and leadership, a thorough understanding of the needs of NJRA, and an understanding of major components of the scope of work for this engagement query.

The proposed staff includes:

Joseph DeLuca played a role studying crime control strategies within the New Jersey State Police's Intelligence Bureau and various operational units from a program management perspective. Most importantly, Mr. Deluca knows and understands the working environment of government agencies and as well as other state and local law enforcement agencies, prosecutors, and emergency service providers. There will be no learning curve for this team.

Steven A. Pasichow, from DLA will serve as a Program Manager. He has served as the lead in DLA's engagements with Middlesex and Gloucester Counties pertaining to CRF funds, including their Small Business Relief Grant Programs. Steve is a Certified Inspector General and Certified Fraud Examiner with more than 40 years of investigative experience across a vast range of pressing issues such as corruption, fraud, conflicts of interest, cyber-crime, whistleblower retaliation, and police, employee, contractor, and vendor misconduct. He is a veteran leader of major public institutions whose excellence in leading complex projects and delivering top-notch results has earned him widespread recognition and various awards for outstanding performance over the course of his distinguished career. Steve retired as the Deputy Inspector General and Director of Investigations at The Port Authority of New York and New Jersey ("PANYNJ") after more than fifteen years with the office. Steve also led the PANYNJ's Fraud Prevention Program for major capital construction projects such as the World Trade Center Redevelopment Program, New Goethals Bridge, Bayonne Bridge Navigational Clearance Program, LaGuardia Airport Central Terminal Building Redevelopment Program, Lincoln Tunnel Access Program, and Hurricane Sandy Recovery Projects. He previously served for more than 26 years with the New York City Department of Investigation as an Assistant Commissioner and Inspector General of numerous city agencies, including managing the Integrity Monitors monitoring the Ground Zero cleanup following the September 11th terrorist attacks.

Kevin Mullins is a Project Manager and the Head of Forensic Accounting at DLA. He is an accounting professional specializing in financial and forensic investigations. He is a

Certified Fraud Examiner with nearly 20 years of multidisciplinary experience in the accounting industry, specifically in the areas of forensic accounting and auditing. He has led various project teams of all sizes, executing audit plans designed to detect not only fraud and noncompliance, but also to identify cost recoveries and areas for improvements in internal controls. With Kevin as Project Manager, there will be no learning curve when it comes to the policies and procedures and key people in place for administering CRF funds. He is familiar with the tight deadlines, forms, and reporting structure and will be an invaluable member of the team.

Victoria Flemming has more than 18 years of experience providing environmental and regulatory expertise primarily in the Philadelphia tri-state area. Specializing in real estate auditing, property condition assessments, internal auditing, safety compliance, and environmental remediation, she has provided both private and public institutions creative solutions to their environmental demands. She has worked closely on managing various environmental risks on capital projects and developments throughout the region, with notable accomplishments for public housing development, transportation modernization, and private residential developments.

Matthew Gavin is a Senior Consultant with DLA who has collaborated with clients ranging from Fortune 500 companies undertaking large-scale construction and redesign projects to state-run governmental agencies responsible for planning, designing, and developing public works projects. He has served as the senior forensic accountant in DLA's engagements with Middlesex Counties pertaining to CRF funds, including their Small Business Relief Grant Programs, CARES Act audit and compliance assistance, Emergency Rental Assistance monitoring, and assistance in program implementation. Matt excels at bringing a detailed eye to client- and industry-specific needs throughout his work leading audits, reviews, and research, and develops business and process improvement recommendations suited to both client and industry needs.

Salvatore Ubaldini is a Senior Consultant in the DLA team, and is a licensed Certified Public Accountant and Certified Fraud Examiner who brings more than 8 years of experience in public accounting, auditing, and forensic accounting, with a focus on financial and forensic investigations. Salvatore has a strong foundation in grant disbursement audits, as he has previously worked with New Jersey Department of Education and other government agencies regarding their review of COVID-19 related grant relief funds.

Maribeth Vander Weele is President of the Vander Weele Group^{LLC}, a Chicago firm that specializes in grants oversight. Maribeth is a results-oriented professional known for her ability to drive strategic and tactical change in large organizations. She has overseen large-scale grants oversight programs in 24 states. A former award-winning journalist for the *Chicago Sun-Times*, she authored *Reclaiming Our Schools, the Struggle for Chicago School Reform*, which became the roadmap for reform of the nation's third largest school system. A key member of the system's 1995 turnaround team, she spearheaded multiple

integrity initiatives, revamped the Internal Audit division, managed a team that created an innovative system-wide truancy program that returned thousands of children to school, and drove reforms such as mandatory summer school for children lagging behind their peers. In 1998, Chicago Mayor Richard Daley appointed Maribeth as Inspector General of Chicago Public Schools. Also in that year, she served as President of the Illinois Association of Inspectors General. In 2009, she served on an investigatory panel to address abuses in the University of Illinois admissions process. In 2012, she was appointed as the outsourced Inspector General of the Public Building Commission of Chicago, which manages hundreds of millions of dollars of public construction projects. Also, that year, Cook County Board President Toni Preckwinkle appointed Maribeth to the Cook County Board of Ethics. Maribeth has been profiled in the *Wall Street Journal*, *Teacher Magazine*, and in the 1998 book, *Extraordinary Women Making a Difference*.

Deb Wells is the Vander Weele Group's contracting and budget officer providing also subject matter expertise on Federal regulations. She served as the Director of Grants for schools nationally serving two major charter school organizations and has experience in grant management and grant monitoring for multi-state programs. For 36 years, she worked with the Federal government as the Senior Director of Financial Workforce Management for the Department of Defense. She has experience in fiscal management and the planning, programming, budgeting and execution of programmatic, special project and grant funds; as well as experience in Human Capital, Acquisition, Policy development and implementation, and Program Management. She led efforts in the design of the Base Realignment and Closure cost analysis model; the consolidation and oversight of the DoD FM Education and Training contracts (\$586M per fiscal year); the design, construction and implementation of the DoD FM Institute in Southbridge, MA; the consolidation of all DoD finance and accounting operations; and the establishment of the strategic human capital initiatives in FM. She was also instrumental in the drafting and receipt of new Congressional legislation in the Fiscal Year 2012 *National Defense Authorization Act*, which mandated the DoD Financial Management Certification Program to strengthen the public sector's confidence in the Department's overall fiscal management. She is fully proficient in the application of the CARES, CSSRA and ARPA programs.

Alisha Pruitt, MBA, CFE, is a senior accountant and auditor with knowledge of Generally Accepted Accounting Principles (GAAP), Generally Accepted Government Auditing Standards (GAGAS), Yellow Book, and government cost allowability regulations/statutes. Currently a Senior Auditor for the North Carolina Department of Transportation, she is planning to join the Vander Weele Group^{LLC} shortly. Currently, Alisha coordinates, evaluates, and audits procedures and practices of grant sub-recipients and vendors for compliance with Federal grant requirements, governmental accounting standards, and applicable local, state, and Federal statutes and policies. She reviews and approves indirect cost rates, direct labor rates, non-salary direct costs and proposed fees for prime and sub-contractors awarded Professional Service contracts. She reviews indirect cost

rate proposals submitted by each consultant including CPA workpaper reviews for cognizant approvals.

Our knowledge, skills, abilities, and competencies will reduce transition and performance risks for this Engagement Query initiative. Our organizational structure allocates the right resources and the right communication channels needed to ensure quality performance and responsiveness throughout the period of performance.

The DLA founding principal will oversee this contract with support from the Vander Weele Group CEO. This reinforces executive engagement with the project team, enabling quick allocation of corporate resources.

Our Project Manager, Kevin Mullins, will provide regular status reports to executive management detailing the status of deliverables, schedule, quality metrics, staffing requirements, and any issues or corrective actions. Desired intervals of such status reports can be discussed during the kick-off meeting.

The remaining project team will consist of one Program Manager from each team; two Subject Matter Experts 1 (forensic accounting); two Subject Matter Experts 2 (grants accounting and monitoring) and one or more Technical Analysts. Each member of the project team will have a clearly defined set of responsibilities. This creates an environment of clear roles and job satisfaction, which results in better performance and higher client satisfaction. When people know what they are supposed to do and understand their roles, they are more empowered to be innovative and perform exceptionally.

VII. PAST PERFORMANCE

A. Middlesex County, New Jersey COVID-19 Stimulus Funds Application Monitoring (Ongoing)

Middlesex County ("Middlesex") received CARES Act funds in the amount of \$143,966,956.60 from the United States Treasury (the "Stimulus Funds"), to be used to reimburse the County and the municipalities and agencies within the County (the "Municipalities") due to economic damage caused to them by the Coronavirus. The Stimulus Funds were also to be used for the benefit of those businesses that have been impacted by COVID-19.

Middlesex County engaged the services of DLA to assist the County in its development, implementation, management and oversight of the establishment of three economic relief programs used to distribute Stimulus Funds to County Municipalities and small businesses in need of financial assistance. These programs were developed and implemented to quickly and effectively distribute the Stimulus Funds to those in immediate need.

The first program, the Municipal Reimbursement Program for County Municipalities, reimbursed County Municipalities for COVID-19 related costs including, but not limited to, vendor expenses, salary and fringe expenses, and necessary improvement projects. DLA's services for this program included:

- Providing advice and assistance regarding the interpretation of the constantly changing and updating U.S. Treasury Department's guidance on the CARES Act and its application to various situations and applications;
- Performing audits of CARES Act Reimbursement applications submitted by County Municipalities to:
 - a) Identify any weaknesses in the application process that might create an opportunity for the approval of ineligible reimbursements or those that might contain fraudulent expenses; and
 - b) Provide additional validation and vetting for expenses and to ensure there is adequate justification and documentation to support the use of CRF.
- Recommending to the County any revisions to the application review process.
- Performing a review of individual applications, on an as-needed basis, to provide additional validation and vetting for expenses.

Additionally, DLA was requested to assist the County in establishing its own CARES Act Small Business Emergency Assistance Grant Program ("SBEA Grant Program"). As a result, the County established the Small Business Relief Grant Program ("SBRG") which provided assistance to small businesses within the County that fall within the County's imposed eligibility restrictions, including but not limited to a net income limit of \$1M, a limit of fifty active employees, and a record of negative impact caused by COVID-19, and Small Business Grant Program ("SBGP") for County businesses with 10 or fewer employees. The SBGP was funded by Community Development Block Grant ("CDBG") funds. DLA's services for these programs included;

- Developing an understanding of the requirements surrounding the SBEA Grant Program established by the New Jersey Economic Development Agency ("NJEDA") and which of the NJEDA requirements were implemented on top of any underlying Federal requirements;
- Advising the County on choosing 'best practice' requirements from the CARES Act and/or NJEDA program to most adequately and efficiently accomplish the County's goals in assisting County businesses with financial assistance
- Performing a sample review of the SBEA Grant Program applications submitted to the County to identify any weaknesses in the application review process that might create an opportunity for the approval of ineligible grants or those that might contain fraudulent information;
- Recommending to the County any revisions to the application review process; and
- Conducting due diligence on SBRG applicants and its owner(s) seeking any negative information on them that might impact the approval of the application.

- Performing reviews of individual applications, on an as-needed basis, to provide additional validation and vetting for expenses.

DLA's services, aside from those specified above, ensured that there were adequate controls instituted for the programs and that there was adequate documentation and transparency and other justification for the expenditure of the relief funds, to prevent fraud, waste, and abuse and to protect against disallowances or claw backs by the Federal and/or state governments.

Project Description: ERAP

As a result of the *Consolidated Appropriations Act* of 2021 ("CARES Act II"), enacted on January 3, 2021, to provide further assistance to those impacted by COVID-19, one component, the Emergency Rental Assistance program, made available \$25 billion to assist households that are unable to pay rent and utilities due to the COVID-19 pandemic. Middlesex County was one of the eligible counties to receive funds directly from the U.S. Treasury receiving roughly \$25M to provide assistance to eligible households through existing or newly created rental assistance programs.

The County engaged the services of DLA to assist the County in its development, implementation, management and oversight of their Emergency Rental Assistance Program to assist those in urgent need maximize the opportunity for relief. In establishing and implementing the program, DLA ensured that there were adequate controls instituted for the program, as well as adequate documentation, transparency, and other justifications for the expenditure of the relief funds to prevent fraud waste and abuse and to protect against disallowances or claw backs by the Federal and/or state governments.

Throughout the process of ERAP, DLA's services have included:

- Providing advice on the interpretation of the U. S. Treasury Department's guidance on the Rental Program and its application to various situations and applications.
- Assisting with the design of the controls, procedures, and thresholds governing the County's Rental Program, including: the design of the eligibility criteria, application form, listing of documents that should be required to be submitted with an application, the agreement and certification that renters and landlords will be required to execute as part of the application process, etc.
 - This assistance would include the development of an on-line application, review, approval, and auditable process within a public accessible portal in OpenGov.
- Performing the necessary, and adequate, due diligence reviews of applicants (including renters and landlords) to minimize opportunities for fraud, waste, and abuse.

- This includes taking the appropriate steps to ensure there are no duplication of benefits by the renters and/or landlords, by accessing other available data on what relief funds were provided to the renters and/or landlords.
- Performing audits, based both on a random sample and on an as-needed basis, to provide additional validation and vetting for expenses, to ensure adequate justification and documentation to support the use of Relief Funds, and to identify any weaknesses in the application review process that might create an opportunity for the approval of ineligible expenses or those based on fraudulent information
- Assisting in the full implementation of the Rental Program to ensure a prompt and expedited response from County Government.
- Performing any other professional services to the County as requested to assist with their implementation, management, and oversight of the Rental Program.

Project Description: ARPA

The *American Rescue Plan Act* of 2021 (“ARP”), which was signed into law on March 11, 2021, provides approximately \$1.9 trillion in spending to address the continued impact of COVID-19. The ARP is a follow up to the *Coronavirus Aid, Relief, and Economic Security Act* (the “CARES Act”), which became law in late March 2020, and that part of the *Consolidated Appropriations Act* of 2021 (the Consolidated Appropriations Act) devoted to COVID-19 relief, which was adopted in late December 2020.

The County also received \$160,258,621 in ARP State and Local Coronavirus Fiscal Recovery Funds and is in the process of devising plans and programs on how best to utilize these ARP funds. In the interests of preventing, and detecting fraud, waste, and abuse involving any of the Stimulus Funds received by the County, and that the County disbursed to the Municipalities and businesses, the County retained the services of DLA to provide guidance and to assist the County in its establishment of the program.

DLA’s goal, in addition to preventing fraud, waste, and abuse and protecting against disallowances or claw backs by the Federal and/or state governments, is to ensure the program effectively implements adequate controls and procedures, collects and stores adequate and sufficient documentation, and provides reasonable and transparent justifications for disbursed relief funds.

DLA has begun to assist County officials in the design and oversight of new and needed programs with ARP funds and to protect the County and its officials financially and reputationally consistent with all Federal, state and Local guidelines by providing the following services:

- Providing advice on the interpretation of the U.S. Treasury Department’s guidance on the American Rescue Plan (ARP) and its application to various programs, eligible uses of the ARP funds, and other situations, as they may arise.

- Performing random audits of ARP expenditures submitted to the County by sub-grantees and/or other third parties, or by the County to the U.S. Treasury, to provide additional validation and vetting for expenses and to ensure there is adequate justification and documentation to support the use of ARP funds.
- Providing the County any other assistance or services they request pertaining to the ARP.

B. Gloucester County, New Jersey CARES Act Oversight

DLA just completed its first contract, (and was recently notified that it is being awarded a new contract for oversight of American Rescue Plan Act funds) providing professional services including background investigation services to Gloucester County, New Jersey as it relates to the expenditure of CDBG (Community Development Block Grant) funding related to the Coronavirus response. DLA provided advisory services, including assisting with the design and implementation of their small business grant program and oversight services, including the design of due diligence protocols as well as performance of due diligence and audits, to ensure compliance with Federal regulations and guidance issued in the expenditure of these funds similar to the work being performed for Middlesex County as described above.

C. Cities for Financial Empowerment Fund

DLA was engaged by the Cities for Financial Empowerment (“CFE”) Fund last year to perform a thorough review and analysis of the CARES Act to determine if language exists that might support local and state governments using CARES Act money for financial empowerment initiatives including, but not limited to, one-on-one financial counseling and banking access programs for low- and moderate-income individuals impacted by COVID-19. Additionally, DLA performed a thorough review and analysis of documentation released by the Federal government that provides clarification and guidance on the permissible use of CARES Act money. As a result of this research, we provided a guide summarizing the CARES Act and related documents highlighting language that appears to support the use of CARES funding for financial empowerment initiatives, specifically offering details on the direction and tactics CFE Fund grantees can use in their efforts to secure CARES funding. Finally, we have presented the findings to CFE Fund staff and will also present to grantees, upon request, through virtual learning community events.

D. Bloomberg Philanthropies

Since the onset of the Coronavirus pandemic and subsequent stay-at-home orders, DLA has teamed with Bloomberg Philanthropies to provide advisory services to the Conference of Mayors. In early April, DLA presented at the webinar entitled “COVID-19 Local Response Initiative: City Fiscal Tracking and Federal Reimbursement.” DLA worked

alongside Rose Gill, Principal at Bloomberg, to outline critical steps to take and available resources and service offerings for governments in crisis response. The Bloomberg program has highlighted established best practices and provided to city leaders tutorials on how to apply for and receive aid, and also how to monitor expenses to ensure proper accounting. These new supports are delivered through a partnership between Bloomberg Philanthropies and the United States Conference of Mayors and is part of the Bloomberg Philanthropies COVID-19 Local Response Initiative. DeLuca Advisory Services was part of a team of companies tapped by Bloomberg Philanthropies to generate a robust set of support services and resources to help local leaders combat the Coronavirus and protect the social and economic well-being of cities.