

Letter of Engagement

February 2, 2021

Successful Bidder: K2 Intelligence

On behalf of the Department of State, this is notice of the intent to award this IM engagement.

The bid will be awarded to K2 Intelligence whose proposal is most advantageous to the State, price and other factors considered.

The total amount of this contract must not exceed the amount of \$55,480.00.

The successful bidder is instructed not to proceed until a purchase order is issued.

Thank you for your participation in this bid.

Sincerely,

Mona Cartwright
IM State Contract Manager

ENGAGEMENT QUERY

Waiver AO-030 – Integrity Monitor Engagement Query-Corona Relief Fund

Department of State – Division of Elections

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. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act, H.R. 748, (“CARES Act”) was enacted to provide economic stimulus in response to the global pandemic caused by COVID-19, (COVID-19 Recovery Funds).

The CARES Act was enacted to assist State, Local and Tribal governments navigate the impact of the COVID-19 outbreak. Under the CARES Act, the Coronavirus Relief Fund (CRF) provides funding for necessary expenditures related to the public health emergency incurred between March 1, 2020 and December 30, 2020.

On July 17, 2020, Governor Murphy signed Executive Order 166 (“EO 166”), which established the COVID-19 Compliance and Oversight Task Force (the “Taskforce”) and the Governor’s Disaster Recovery Office (GDRO). Pursuant to EO 166, the Taskforce has issued guidelines (“IOM Guidelines”) regarding the appointment and responsibilities of COVID-19 Integrity Oversight Monitors (“Integrity Monitors”). Integrity Monitors 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.

The New Jersey Department of the Treasury (Treasury) has established a pool of qualified Integrity Monitors for oversight of Coronavirus Relief Fund Allocations pursuant to the Request for Quotation for Integrity Oversight Monitoring: Program and Performance Monitoring, Financial Monitoring and Grant Management and Anti-Fraud Monitoring for Coronavirus Relief Funds pursuant to Section 5001 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act COVID-19 Recovery Funds and Programs (IOM RFQ) that Using Agencies may now procure in the discharge of their responsibilities under EO 166, as described in the Taskforce’s Integrity Oversight Monitor Guidelines.

This Engagement Query is issued by the Department of the Treasury on behalf of the New Jersey Department of State (NJDOS). The purpose of this engagement query is to **provide monitoring services for the \$25 million CRF funds received for the General Election.**

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

A. Background

The NJ Division of Elections (Division) within the Department of State has implemented a grant program (see attached General Election 2020 Grant Program Application Guidelines) for county election offices to address the challenges caused by the COVID19 pandemic and has been central to New Jersey's response to the pandemic's impact on elections. The Division's relief efforts have focused specifically on helping the county election offices prepare for the General Election.

The Division's COVID-19 General Election 2020 Grant Program is a reimbursement program for the counties who have expended funds on conducting elections during the pandemic See Attachment 3 for list of County grant allocations under the General Election 2020 Grant Program.

II. SCOPE OF WORK (SOW) REQUIREMENTS

A. Project Description

The IOM engaged by the NJDOS will work with the NJDOS's Fiscal Officer and other staff to conduct a risk assessment of the COVID-19 Recovery Programs described in Part A above ("Risk Assessment"). The Risk Assessment shall include a review of NJDOS's ability to comply with the CARES Act, or other federal statutory and regulatory requirements as well as applicable state law and regulations of the COVID-19 Recovery Programs described in Part A. The Risk Assessment shall comply with the requirements of the IOM Guidelines. At minimum, the Integrity Monitor shall assess the risk inquiry areas set forth on the Risk Matrix at Attachment 1

The IOM will conduct reviews of grantee expenditures under the General Election 2020 Grant Program based on the risk assessment to validate compliance with the grant award and federal regulation, including but not limited to the following tasks:

- Compliance with state and federal procurement law;
- Evaluation of program performance;
- Review of disbursements;
- Evaluation of internal controls;
- Staff interviews;
- Review of documents retention policies and procedures; and
- Other tasks listed in the RFQ and IOM Guidelines or as deemed appropriate by NJDOS.

B. Specific Performance Milestones/Timelines/Standards/Deliverables

1. Kick Off Meeting

The successful vendor will participate in a kick off meeting within 7 days of receipt of award with NJDOS.

2. Risk Assessment

The IOM engaged by the NJDOS shall deliver a draft Risk Assessment within thirty (30) days of receiving a Letter of Engagement but no later than March 15, 2021 (whichever is earlier). The NJDOS will provide written feedback within one week. The IOM will finalize and transmit the final Risk Assessment within one week of receiving the NJDOS's feedback but no later than March 31, 2021. (whichever is earlier).

2. Reporting Requirements

a. Quarterly Reports

As required by EO-166 and the IOM Guidelines, the IOM engaged by the NJDOS shall submit a draft quarterly report to the NJDOS on or before March 31, 2021, detailing the specific services rendered to date and any findings of waste, fraud or abuse. The NJDOS will have the opportunity to respond to the findings within one week following receipt of the IOM's draft report. On or before fifteen days after the quarter end, the IOM engaged by the NJDOS will deliver its final quarterly report and any response from the NJDOS to the State Treasurer, who will share the reports with the Governor's Disaster Recovery Office (GDRO), the Senate President, and the Speaker of the General Assembly, the Attorney General, and the State Comptroller. The IOM's quarterly reports will be posted on the GDRO transparency website pursuant to EO-166. Integrity Monitor Quarterly Reports shall be completed using the CRF Integrity Monitor Report Template at Attachment 2.

In the event this Engagement is extended beyond the expiration date set forth below, the IOM shall submit draft quarterly reports to NJDOS on the last day of the quarter detailing the specific services rendered during that quarter and any findings of waste fraud and above. The NJDOS will have the opportunity to respond to the findings within one week following receipt of the IOM's draft report. Fifteen business days after each quarter-end, the IOM shall deliver its final quarterly reports, inclusive of any comments from the NJDOS, to the State Treasurer, who shall share the reports with the GDRO, the Senate President, and 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.

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

The IOM shall immediately report issues of waste, fraud, abuse and misuse of COVID-19 recovery funds to the GDRO, Office of the State Comptroller (OSC), the State Treasurer,

the Contract Manager, and the NJDOS's Accountability Officer. The IOM shall report issues of potential criminal conduct to the Office of the Attorney General.

c. Additional Reports

In accordance with E.O. 166, OSC may request that the IOM issue reports or prepare memoranda that will assist the OSC in evaluating whether there is waste, fraud, or abuse in COVID-19 Recovery Programs covered by this Engagement. OSC may also request that the IOM share any corrective action plan(s) prepared by NJDOS to evaluate whether those corrective plan(s) have been successfully implemented.

III. Proposal Content:

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

- 1) A detailed proposal with a person/hour and staff classification mix to meet the scope of work describing how the Integrity Monitor intends to accomplish each component of the scope of work.
- 2) A detailed budget to perform the scope of work reflecting the Price Schedule submitted by the Integrity Monitor in response to the IOM RFQ.
- 3) A schedule identifying the deliverables to be submitted under 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. Duration of the Engagement:

The Engagement will commence upon the issuance of a Letter of Engagement and expire on April 15, 2021. At the option of the Recovery Program Participant, this Letter of Engagement may be extended if the use of Coronavirus Relief Funds is extended under the CARES Act. Any extension to this Letter of Engagement, however, may not to exceed the Contract Term, and any extensions thereto, as set forth in Section 5.2 of the IOM RFQ,

V. LIQUIDATED DAMAGES

Failure to deliver a quarterly report by April 15, 2021. \$250/day

After April 16, 2021, failure to deliver subsequent final quarterly reports within 15 days after the quarter end. \$250/day

VI. Questions regarding this Engagement Query (OPTIONAL):

Any questions related to the Scope of Work must be submitted electronically by 3:00pm on January 13, 2021. They must be submitted via email to [insert email of Agency Contract Manager [REDACTED]] with a copy to the State Contract Manager [REDACTED]

VII. Submission of Proposals:

Detailed proposals in response to this Engagement Query shall be submitted electronically by 3:00pm on January 20, 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: [REDACTED]

VIII. 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.

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

The State Contract Manager will then issue a Letter of Engagement with a “not to exceed” clause to the selected proposer.

ATTACHMENTS

- Attachment 1: Quarterly Report Template
- Attachment 2: General Election 2020 Grant Program Application Guidelines
- Attachment 3: Grant Allocations – 2020 General Election Grant Program

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 Firm Name: _____

Engagement: _____

Quarter Ending: _____

No.	Recipient Data Elements	Response	Comments
A. General Info			
1.	Recovery Program Participant		
2.	Federal Funding Agency (e.g. Section 5001 of CARES Act)		
3.	State Funding (if applicable)		
4.	Award Type		
5.	Award Amount		
6.	Accountability Officer		
7.	Brief Description Purpose and Rationale of Integrity Monitor Project/Program		
8.	Contract/Program Location (if applicable)		
9.	Amount Expended by Recovery Program Participant to Date		
10.	Amount Provided to other State or Local Entities		
11.	Completion Status of Contract or Program		
12.	Expected Contract End Date/Time Period		
B. Monitoring Activities			
13.	If FEMA funded Brief description of the status of the project worksheet and its support.		
No.	Recipient Data Elements	Response	Comments
14.	Quarterly Activities/Project Description (include with specificity activities conducted such as meetings document review staff training etc)		
15.	Brief description to confirm appropriate data/information has been provided by recipient and what activities have been taken to review in relation to the project/contract/program.		
16.	Description of quarterly auditing activities that have been conducted to ensure procurement compliance with terms and conditions of the contracts and agreements.		
17.	Has payment documentation in connection with the contract/program been reviewed? Please describe		
18.	Description of quarterly activity to prevent and detect waste fraud and abuse.		
19.	Provide details of any integrity issues/findings		
20.	Provide details on any other items of note that have occurred in the past quarter		
21.	Provide details of any actions taken to remediate waste fraud and abuse noted in past quarters		
No.	Recipient Data Elements	Response	Comments
C. Miscellaneous			
22.	Attach a list of hours (by employee) and expenses incurred to perform your quarterly integrity monitoring review		
23.	Add any item issue or comment not covered in previous sections but deemed pertinent to monitoring program.		

Name of Integrity Monitor:

Name of Report Preparer:

Signature:

Date:

General Election 2020 Grant Program Application Guidelines

The purpose of this grant is for the State of New Jersey to use grant funds for activities consistent with the laws described in Section 906 of the Help American Vote Act (HAVA) and will not use the funds in a manner that is inconsistent with the requirements of Title III of HAVA. These funds will be distributed to the counties based on their grant application and availability of funds. Counties must follow the federal regulations 2 CFR 200.318 to 200.326 and 2 CFR 200 Appendix A to procure supplies or services for which they seek reimbursement. Applications for reimbursement can be submitted on a rolling bases as the funds are expended. The guidelines and stipulations set forth below must be followed. All funding and expenditures will be subject to state and federal audits.

Use of Grant Funds

Grant funds can be used for one or more of the following activities:

Additional Staff Hours and Overtime – The cost of any overtime hours reasonably incurred by the county election office staff for the November 3, 2020, General Election, that are a result of the COVID-19 pandemic. The cost of regular work hours will not be reimbursed by the State.

Temporary Staff Hours and Overtime The cost of any additional temporary staff reasonably incurred by the county election office for the November 3, 2020, General Election, that are a result of the COVID-19 pandemic.

Additional Printing - This refers to printing costs that are in addition to those costs incurred for a regular General Election due to new requirements in Executive Order No. 177 and 179.

Additional Postage – This refers to postage costs that are in addition to those costs incurred for a regular General Election due to new requirements in Executive Order No. 177 and 179.

Ballot Drop Boxes and Installation – The purchase and installation of Ballot Drop Boxes including the purchase and installation of security cameras.

Polling Place Set Up –Health and safety signage, privacy booths for provisional ballot voters, additional ballot boxes, and transport boxes/bag for provisional ballots. Any additional requests must be submitted in writing and pre- approved.

Polling Place Cleaning - Make polling places as sanitized as practical including the path of travel, entrances, exits, and voting areas of each polling facility. This includes both pre-election and post-election.

PPE Supplies to assist in poll place sanitation and disinfection-

Gloves Masks

Face Shields Hand Sanitizer Disinfectant Wipes Sneeze Screens

Additional Office Space – Subject to the review and approval by the Division of Elections, the cost of renting additional office space to process and count vote by mail and provisional ballots.

Additional Equipment – This refers to the need for additional equipment due to new requirements in Executive Order No. 177 and 179. This includes, but not limited to, the rental/purchase of additional voting equipment, scanners, and automatic letter openers. Each county will be allotted the following amount based on voter registration totals. This is amount is the total for all election offices combined in the county. The three tiers below are for Additional Equipment only.

Additional Equipment Tier 1:

Counties with over 400,000 registered voters are eligible to be reimbursed up to \$90,000.

Additional Equipment Tier 2:

Counties between 150,000 – 400,000 registered voters are eligible to be reimbursed up to \$70,000.

Additional Equipment Tier 3:

Counties with less than 150,000 registered voters are eligible to be reimbursed up to \$50,000.

General Election 2020 Grant Program Application Guidelines

Submission of County Grant Application

The grant application must be completed and returned to the Division of Elections with appropriate signatures. Applications for reimbursement can be submitted on a rolling bases as the funds are expended.

The following sheets must be completed and returned for reimbursement:

- a. General Election 2020 Grant Application for Reimbursement
- b. Office Staff Overtime worksheet
- c. Temporary Staff Hours worksheet
- d. Vendor Expenses worksheet
- e. Office Space Rental
- f. Supplies and Equipment worksheet

Total Request & Certification

1. Add the totals of the requested amount for each municipality and provide the total amount of your county's grant award request. Attach quotes and estimates from vendors.
2. Obtain signatures of the County Election Official and the County Financial Officer.
3. Forward the completed application to the Division of Elections.
4. Under no circumstances are these funds to be supplanted from the County Election budget by the county governing body or budget office.

General Election November 2020

Grantee Name	FEIN #	Federal Award Identification Number (FAIN)	Amount	Paid
Atlantic County	216000049	GECRF00011	\$724,108.58	12/14/2020
		GECRF00011	\$8,163.80	12/14/2020
Atlantic County Total			\$732,272.38	
Bergen County	226002426	GECRF00012	\$332,697.14	12/14/2020
		GECRF00012	\$2,914,544.67	12/14/2020
		GECRF00012	\$1,406,247.50	12/14/2020
Bergen County Total			\$4,653,489.31	
Burlington County (NO Submission)				
Burlington County Total			\$0.00	
Camden County	216000504	GECRF00013	\$108,810.27	12/7/2020
		GECRF00013	\$10,866.18	12/7/2020
		GECRF00013	\$39,686.91	12/14/2020
		GECRF00013	\$463,805.14	12/14/2020
		GECRF00013	\$880,133.99	12/14/2020
Camden County Total			\$1,503,302.49	
Cape May County	216000106	GECRF00014	\$421,942.71	12/14/2020
Cape May County Total			\$421,942.71	
Cumberland County	216000508	GECRF00009	\$161,029.00	11/30/2020
		GECRF00009	\$526,209.70	12/14/2020
		GECRF00009	\$10,102.96	
Cumberland County Total			\$697,341.66	
Essex County	226002433	GECRF00015	\$631,045.20	12/14/2020
			\$1,439,842.02	12/14/2020
			\$1,402,324.81	
Essex County Total			\$3,473,212.03	
Gloucester County	216000660	GECRF00003	\$175,610.23	11/6/2020
Gloucester County	216000660	GECRF00004	\$185,000.00	11/6/2020
Gloucester County	216000660	GECRF00018	\$310,931.87	12/14/2020
Gloucester County Total			\$671,542.10	
Hudson County	226002443	GECRF00016	\$741,587.33	12/14/2020
		GECRF00016	\$778,268.45	12/14/2020
		GECRF00016	\$31,836.01	12/14/2020
		GECRF00016	\$499,677.82	12/14/2020
Hudson County Total			\$2,051,369.61	
Hunterdon County	226002450	GECFR00017	\$210,496.61	9/22/2020
		GECFR00017	\$63,699.77	10/26/2020
		GECRF00005	\$104,308.18	11/2/2020
		GECRF00006	\$65,772.93	11/17/2020
		GECFR00017	\$25,151.04	12/14/2020
		GECFR00017	\$59,585.21	11/25/2020
Hunterdon County Total			\$529,013.74	

Mercer County	216000856	GECRF00007	\$74,245.47	11/2/2020
		GECRF00008	\$59,929.32	11/19/2020
		GECRF00019	\$681,132.15	12/14/2020
			\$606,622.56	12/15/2020
Mercer County Total			\$1,421,929.50	
Middlesex County (No Submission)				
Middlesex County Total			\$0.00	
Monmouth County	216000881	GECRF00020	\$812,475.15	12/8/2020
		GECRF00020	\$107,537.98	12/14/2020
Monmouth County Total			\$920,013.13	
Morris County	226002462	GECRF00021	\$1,355,109.25	12/14/2020
			\$1,355,109.25	
Morris County Total			\$1,355,109.25	
Ocean County	216000954	GECRF00022	\$2,376,664.63	12/14/2020
			\$2,376,664.63	
Ocean County Total			\$2,376,664.63	
Passaic County (Will not be submiting for reimbursement as per eamil dated 12/11/20)				
Passaic County Total			\$0.00	
Salem County	216001147	GECRF00010	\$52,791.18	10/20/2020
		GECRF00010	\$199,441.47	12/14/2020
		GECRF00010	\$207,715.77	12/14/2020
Salem County Total			\$459,948.42	
Somerset County	226002472	GECRF00001	\$172,376.30	11/10/2020
		GECRF00002	\$468,465.31	11/24/2020
		GECRF00002	\$178,553.70	12/14/2020
		GECRF00002	\$89,547.33	12/14/2020
Somerset County Total			\$908,942.64	
Sussex County	226002477	GECRF00023	\$197,164.03	12/14/2020
		GECRF00023	\$116,964.39	12/14/2020
		GECRF00023	\$3,400.00	12/14/2020
Sussex County Total			\$317,528.42	
Union County	226002481	GECRF00024	\$283,929.82	12/14/2020
		GECRF00024	\$1,167,861.27	12/14/2020
Union County Total			\$1,451,791.09	
Warren County	226002488	GECRF00025	\$235,908.38	12/14/2020
			\$235,908.38	
Warren County Total			\$235,908.38	
Total Expended			\$24,181,321.49	



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FINANCIAL
INTEGRITY
NETWORK

New Jersey Department of State's Engagement Query for Integrity Oversight Monitor

Prepared For:

The New Jersey Department of State

Attention:

State Contract Manager

Mona Cartwright, Fiscal Manager, Department of the Treasury

[REDACTED]

Cc:

Jacqueline Kemery

[REDACTED]

January 20, 2021

Mona Cartwright, State Contract Manager, Fiscal Manager
Department of the Treasury
State of New Jersey
PO Box 211
Trenton, NJ 08625

January 20, 2021

Request for Quotation ("RFQ"): New Jersey Department of State Engagement Query for Integrity Oversight Monitor

Dear Ms. Cartwright,

We are pleased to submit our response to the Engagement Query for an Integrity Oversight Monitor.

K2 Intelligence, LLC ("K2") is an industry-leading integrity monitoring, investigative, compliance, and cyber defense services firm founded in 2009 by Jeremy M. Kroll and Jules B. Kroll, the originator of the modern corporate investigations industry. In late 2019, K2 merged with the **Financial Integrity Network**, a premier strategic advisory firm dedicated to helping clients achieve their financial integrity goals. By merging resources and expertise, **K2-FIN** seeks to revolutionize how organizations and jurisdictions manage risk, gather intelligence, protect themselves from illicit activity, and enhance business opportunities.

K2-FIN is uniquely positioned to assist the state of New Jersey with the Integrity Oversight Monitoring, given the depth and breadth of our experience in working with public sector oversight bodies in New Jersey and elsewhere to identify and root out actual or suspected fraud, waste, and abuse on public sector projects. We would be happy to discuss any elements of this response with you at your convenience.

Please contact Paul Ryan at 212-845-7517 or pryan@k2intelligence.com if you have any questions regarding this proposal.

Yours sincerely,



Snezana Gebauer
Executive Managing Director

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1. About K2 Intelligence Financial Integrity Network

K2 Intelligence, LLC is an industry-leading integrity monitoring, investigative, compliance, and cyber defense services firm founded in 2009 by Jeremy M. Kroll and Jules B. Kroll, the originator of the modern corporate investigations industry. The Financial Integrity Network is a premier strategic advisory firm dedicated to helping clients achieve their financial integrity goals. By merging resources and

expertise, K2-FIN seeks to revolutionize how organizations and jurisdictions manage risk, gather intelligence, protect themselves from illicit activity, and enhance business opportunities. Together, our combined firm sits at the intersection of the public and private sectors as a trusted source of expertise and sound judgment.

K2-FIN advises governments, companies, boards, and individuals in business areas including integrity monitoring, investigations and disputes, regulatory compliance, cyber defense, construction and real estate, strategic risk and security, and private client services. We also assist financial institutions, sectoral clients, and governments with strategic advisory, policy, controls, and training to protect against the full range of illicit financing threats.

K2-FIN is known for its strategic application of technology. Whether it is sophisticated digital forensic tools, deep web search capabilities, or sophisticated analytic platforms for interrogating massive data sets, we have consistently produced remarkable – and remarkably efficient – results for clients by knowing how and when to employ cutting-edge technology.

With offices in New York, London, Washington, DC, Madrid, Geneva, Los Angeles, and Chicago, our teams include former prosecutors, lawyers, senior government advisors, regulators, compliance officers, law enforcement and intelligence professionals, forensic accountants, investigative journalists, technology professionals, and academics, each bringing a unique set of investigative and advisory skills and perspectives to the client situation.

K2-FIN is simply unmatched by any other firm in the number of years providing compliance and integrity monitoring services, the number and depth of in-house resources necessary to provide those services, and the number agencies who can vouch for the value of our integrity monitoring services. For more than twenty years, we have specialized in the design, implementation and management of proactive compliance and integrity monitoring protocols – it is, in fact, a core competency of our firm.



FOR MORE THAN TWENTY YEARS, WE HAVE
SPECIALIZED IN THE DESIGN, IMPLEMENTATION
AND MANAGEMENT OF PROACTIVE
COMPLIANCE AND INTEGRITY MONITORING
PROTOCOLS – IT IS, IN FACT, A CORE
COMPETENCY OF OUR FIRM.

2. Relevant Experience

In addition to K2-FIN's relevant engagements described below, our team members have experience overseeing disaster and stimulus funding in their prior roles. As an example, members of our team have overseen the disbursement and use of the American Recovery and Reinvestment Act of 2009 ("ARRA").

Paul Ryan, K2-FIN's proposed Principal, has significant experience with the ARRA program. While at the New York State Inspector General ("NYS IG"), Paul had oversight responsibility for \$31 billion in ARRA funds allocated to New York State, ensuring that the funds were utilized with transparency and accountability as well as preventing fraud, waste, abuse, and mismanagement.

Ray Dookhie, as outlined here, has significant experience in the audit of grant funds, will be available as a subject matter resource to the project team. In a prior role, he assisted the Commonwealth of Massachusetts with the development of its anti-fraud programs and controls in connection with distribution of federal grant funds from the ARRA. Ray designed an anti-fraud framework and related guidance that various agencies must implement to prevent, detect, and respond to fraud. In addition, he developed an awareness training for program stakeholders and agencies. Specific program elements included, fraud risk assessment, code of conduct, whistleblower mechanisms, financial controls and documentation, auditing and monitoring protocols including the use data analytics and technology.

Martin Aronchick, K2-FIN's proposed Program Manager, has worked on various disaster recovery and integrity monitoring projects throughout his time at K2-FIN. In his role, he has served as the project manager for integrity monitoring teams for WTC site reconstruction projects, including substantial Hurricane Sandy recovery work. In addition, Martin served as the project manager on the Moynihan Train Hall project. Martin is the Project Manager for the CARES Act IOM engagement for the New Jersey Department of Agriculture, for the CARES Act IOM engagement for the New Jersey Office of the Secretary of Higher Education, and for two pending IOM engagements for the New Jersey Transit Corporation ("NJ Transit"), described below.

Below are just some of the relevant matters that demonstrate K2-FIN's experience performing integrity monitoring engagements.

- The State of New Jersey has just recently selected K2-FIN to be the IOM to review the expenditure of CARES Act funds distributed under COVID-19 Recovery Programs by the New Jersey Economic Development Authority, the New Jersey Department of Agriculture, the New Jersey State Police, and the New Jersey Office of the Secretary of Higher Education. These four prior engagements have provided us with valuable experience for performing NJ CARES Act IOM engagements, which will increase our efficiency if we are awarded this engagement. It has provided us with an understanding of the applicable risk factors for purposes of testing sample selections. Based on this knowledge and experience, we have created sample selection criteria and testing templates – all of which can be used in this engagement.
- The State of New York established the Governor's Office of Storm Recovery ("GOSR") following Hurricane Irene, Tropical Storm Lee, and Hurricane Sandy to centralize recovery and rebuilding efforts in the impacted areas throughout New York State. GOSR paired approximately \$4.4 billion in flexible funding made available by the U.S. Department of Housing & Urban Development with additional federal funds awarded to other State agencies to enable homeowners, small business, and entire communities recover.

- Since September 2013, K2-FIN has served as a Program Oversight and Compliance Monitor reporting to the Director of Investigations and Senior Counsel. In addition to our continuing onsite and desk audit monitoring activities, we have performed special investigative assignments and performed due diligence relating to select sub-recipients. We designed GOSR's vendor screening protocols, performed site security assessments on GOSR's physical assets made recommendations to strengthen federal regulatory compliance reporting, performed risk assessments of policies and procedures relating to assistance application processing, and performed reviews to ensure compliance with established policies and procedures.
- K2-FIN led the first large-scale deployment of project oversight, integrity monitors in a disaster recovery setting. Working with the Port Authority of New York and New Jersey at Ground Zero, our integrity monitors were engaged by the City of New York and were involved at every phase of the World Trade Center recovery effort from contract award to on- site activity. The message the City of New York conveyed through its use of our integrity monitors was clear – integrity counted. Cleanup was on time and under budget. In fact, some estimates credited the integrity monitors with more than \$60 million dollars in anti-fraud savings. In 2006, a U.S. House of Representatives subcommittee heralded the World Trade Center Integrity Monitorship Program as “an overwhelming success,” adding that the program was so effective because it was preventative in nature, with monitors calling for immediate corrections and remediation in real time versus after-the-fact auditing discoveries.
- The State of New Jersey, through a competitive process, prequalified a number of firms to provide auditing and integrity monitoring, among other services, on a large number of Superstorm Sandy recovery and rebuilding projects. The firms are selected on a per-engagement basis through individualized responses to proposals. The program began in August 2013. K2-FIN was selected to provide integrity monitoring services for two engagements – the City of Elizabeth's Veterans Memorial Waterfront Park and the City of Perth Amboy's Marina and Walkways.
- The City of Elizabeth Veteran's Memorial Waterfront Park project involved the rebuilding of the entire waterfront, including the memorial park, the municipal marina and the recreation and boardwalk piers. The estimated construction value for this project is \$16.2 million. The City of Perth Amboy project involved the rebuilding of seven areas, including the Promenade at the Old Ferry Terminal, a beachfront promenade, and a fishing pier. The estimated construction value for this project is \$8 million. Both projects involved performing risk assessments and recommending loss prevention strategies to prevent duplication of benefits, inefficiency, fraud, waste, abuse, malfeasance and mismanagement of funds determining if appropriate compliance systems and controls related to internal controls, procurement – including the New Jersey Local Public Contract Law, contracting, compliance, cost eligibility, contract management, invoicing, payment, are in place to comply with applicable State and federal guidelines and regulations – including compliance with FEMA funding guidelines and regulations – and to test and monitor control environments. Our team made several contributions directly leading to the establishment of revised and enhanced institutional controls specifically related to procuring future services, as well as identifying several thousand dollars in suspected product substitutions.
- We are currently serving as IOM, reviewing the \$40 Million contract of HNTB and the \$11 Million contract of BEM Environmental, to assist NJT in program management on Sandy recovery and

resilience projects. In close consultation with NJT, we prepared risk assessments on these engagements, and are presently reviewing expenditures in what are primarily a “look-back” forensic audit assignments. Previously, we performed IOM services for NJT on the \$13.3 million Gladstone Poles & Foundations Replacement Project. The Gladstone Poles & Foundations project involved the installation of new concrete foundations and steel poles for the catenary lines on the Gladstone Branch of NJT's Morris & Essex Line damaged as a result of Superstorm Sandy. K2 monitored the work of the contractor and conducted field spot checks on work performed in the field to ensure that NJT policies and procedures were followed.

- We served as the Integrity Monitor on several projects at the WTC site during the rebuilding of the site following the 9/11 terrorist attacks, including the \$4.5 billion Hub and \$1 billion Memorial projects. These multi-billion-dollar PANYNJ projects involved the construction of a major mass transit hub and related infrastructure, the iconic 9/11 museum, retail space, and the site's central chiller plant. We employed our intelligence-based approach to design and implement an integrity monitoring program for these projects. This approach drives our risk assessments, corruption prevention programs, and review and assessment of the adequacy of controls on all phases of the projects, to ensure that all transactions are conducted and documented in such a way as to be both transparent and auditable. Our findings and recommendations resulted in improvements to project processes and integrity controls in the areas of prevailing wage compliance, M/WBE program compliance, procurement, subcontractor vetting, construction processes, project finances, requisition reviews, environmental and safety compliance, physical site security, and information security. We played a special role in monitoring the cleanup following Superstorm Sandy, which resulted in severe flooding throughout the site. Immediately after Superstorm Sandy we were tasked by PAOIG to design and implement integrity controls that would prevent time and materials abuse. The controls that we designed became the site-wide standard for preventing fraud during the post-Sandy clean-up and recovery stage at WTC projects.
- Similar to the Moynihan Train Hall project, K2-FIN was also selected by New York's Empire State Development Corporation as the integrity monitor for the Javits Center Expansion project, a five-year assignment to protect New York State's investment of more than \$1.5 billion. Similar in work scope, K2-FIN assists in providing necessary payment and compliance oversight as well as construction monitoring. This engagement has included screening of vendors and other providers of services to the project.
- In 2012, the MTA selected K2-FIN to serve as an Independent Compliance Monitor for construction of the \$10+ billion East Side Access project. Since then, we have worked in close cooperation with the MTA and the contractors to foster a collective commitment to compliance, to deter and detect fraud, waste, and abuse, and to protect the reputation of the MTA.
- In 2016, the MTA tasked K2-FIN with conducting a voluntary assessment of the New York City Transit Authority's ("NYCT," an authority within the MTA) internal controls relating to the grant drawdown process for Hurricane Sandy Program Projects funded by Federal Transit Authority ("FTA") grant monies. The purpose of K2-FIN's assessment was to detect and address potential weaknesses in payment processing and strengthen its internal controls over the grant drawdown process on applicable NYCT capital projects.

- We are currently serving as the integrity monitor on NJDEP's \$380 million Hudson River and Meadowlands Projects under the Rebuild by Design Program. Both projects encompassed performing risk assessments and recommending loss prevention strategies to prevent duplication of benefits, inefficiency, fraud, waste, abuse, malfeasance and mismanagement of funds determining if appropriate compliance systems and controls related to internal controls, procurement, contracting, compliance, cost eligibility, contract management, invoicing, payment, are in place to comply with applicable State and Federal guidelines and regulations and to test and monitor control environments.
- K2-FIN was selected by New York's Empire State Development Corporation as the integrity monitor for the Moynihan Train Hall project, a five-year assignment to protect New York State's investment of more than \$1.5 billion. As the integrity monitor for this iconic New York City project, K2-FIN assists in providing necessary payment and compliance oversight as well as construction monitoring. This engagement has included screening of vendors and other providers of services to the project.
- The City of New York utilized K2-FIN integrity monitors in the City's Rapid Repair Program – a program designed to help residential property owners affected by Superstorm Sandy make emergency repairs while sheltering in their own homes. Our work included not only monitoring the actual repair work but working closely with the City of New York to ensure that the project was being managed appropriately, that assistance qualifications were properly met, and to enhance controls and oversight.
- We were selected by the U.S. Federal Reserve Board ("FRB") and international regulators to serve as the independent consultant responsible for performing an annual review of OFAC compliance policies, procedures, and remedial actions at one of the largest multinational financial institutions in the world, pursuant to the terms of a global consent order entered into by the institution stemming from violations of U.S. sanctions laws. Over the course of the engagement, we will continue to monitor, test, and assess the development of the institution's OFAC compliance program, validate the implementation of our recommendations, and report our findings to the institution as well as the relevant regulatory agencies.
- The New York State Department of Financial Services ("NYDFS") retained our Financial Crimes Risk and Compliance team to act as the independent monitor for a global financial institution pursuant to the consent order entered into between the institution and NYDFS. Per the consent order, we have been tasked with conducting a comprehensive review of the institution's programs, policies, and procedures now in place that pertain to or affect activities conducted by or through the financial institution for compliance with applicable requirements, laws, and regulations. The order also requires us to conduct a historical transaction review for a time period of three years.

3. Background and Our Understanding of Your Needs

K2-FIN understands that the New Jersey Department of State (“DOS”) has issued an Engagement Query for Integrity Monitoring services pursuant to the terms of Governor Murphy’s July 17, 2020 Executive Order No. 166 (“EO-166”). We also understand that the Integrity Oversight Monitor selected as a result of this Engagement Query will be issued a Letter of Engagement to provide the Scope of Work in accordance with the terms and conditions described herein.

We also understand the following. The purpose of this engagement query is to provide monitoring services for the \$25 million of CRF funds received for the General Election of 2020. The NJ Division of Elections (the “Division”) within the DOS has implemented a grant program for county election offices to address the challenges caused by the COVID-19 pandemic and has been central to New Jersey’s response to the pandemic’s impact on the General Election of 2020. The Division’s relief efforts have focused specifically on helping the county election offices prepare for the General Election. The Division’s COVID-19 General Election 2020 Grant Program (“the Program”) is a reimbursement program for the counties who have expended funds during the pandemic on the General Election of 2020.

We understand that the IOM engaged by DOS will work with DOS’s Fiscal Officer and other staff to conduct a Risk Assessment of the Program described above. The Risk Assessment shall include a review of DOS’s ability to comply with the CARES Act, or other federal statutory and regulatory requirements as well as applicable state law and regulations of the COVID-19 Recovery Programs. The Risk Assessment shall comply with the requirements of the IOM Guidelines. At minimum, the Integrity Monitor shall assess the risk inquiry areas set forth on the Risk Matrix sent with the Engagement Query.

We also understand that the IOM will conduct reviews of grantee expenditures under the General Election 2020 Grant Program based on the risk assessment, to validate compliance with the grant award and federal regulation, including but not limited to the following tasks:

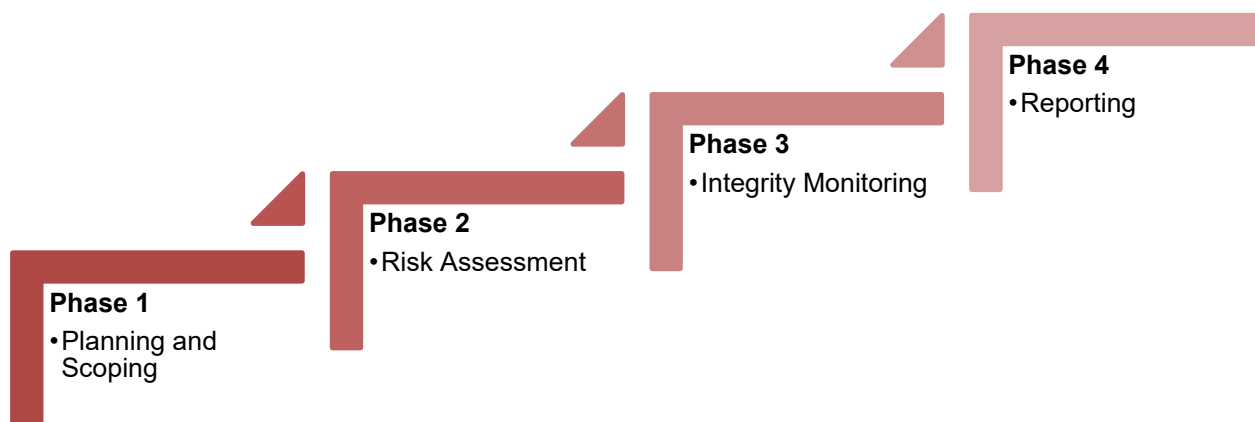
- Compliance with state and federal procurement law;
- Evaluation of program performance;
- Review of disbursements;
- Evaluation of internal controls;
- Staff interviews;
- Review of documents retention policies and procedures; and
- Other tasks listed in the RFQ and IOM Guidelines or as deemed appropriate by DOS.

We also understand from DOS’s answers to questions about the Engagement Query, that:

- In distributing the \$25M, DOS issued approximately 51 reimbursement checks; each reimbursement has its own backup documentation.
- DOS is requesting a statistically valid sample to be pulled of the approximately \$25M in expenditures, not a 100% validation of all expenditures.
- DOS maintains the grant application and the reimbursement support within the Department and will make it available to the IOMs; all information and documentation will be provided by DOS; the IOM will not be required to get it from the individual counties.

4. Proposed Approach

Upon notification of an award and execution of a written engagement letter, K2-FIN professionals will work closely with DOS to plan and conduct the following four phases of work to assist DOS in achieving its objectives:



4.1.1. Phase 1: Planning and Scoping

OBJECTIVE

During this phase of work, K2-FIN will work with DOS to plan and scope the project to ensure that key stakeholders are aligned with the project objectives, related deliverables, and timelines.

4.1.1.1. Key Work Steps

This will include the following work steps:

- Project kickoff meeting
 - During this initial phase of work, K2-FIN will coordinate a project kickoff meeting with key DOS personnel.
 - The purpose of the kickoff meeting is to ensure that all stakeholders are aligned on the project objectives, scope, approach, timelines, and deliverables.
- Preparation of an Information Request
 - K2-FIN will prepare a Preliminary Information Request including relevant policies, procedures, and internal controls implemented by DOS and subrecipients. This may include, but will not necessarily be limited to the following:
 - Documentation evidencing processes, controls and technologies implemented to support the execution of Section 5001 of the CARES Act
 - Results of any internal or external audits, assessments, or reviews, of grant management processes, internal controls, including any internal control deficiencies and management's response regarding the same

- Grant application, processing, management, and reporting policies and procedures
- Accounting policies and procedures including, but not limited, procurement, payments, expense reimbursement process, financial reporting, and accounts reconciliation process
- Organization chart
- Code of conduct, compliance program, and other governance related documentation
- Finalize workplan
 - At the conclusion of this phase of work, K2-FIN will prepare a final audit plan for review and finalization
 - The audit plan will be a tailored version of this approach document and include project-specific objectives and key work steps

4.1.2. Phase 2: Risk Assessment

OBJECTIVE

During this phase of work, K2-FIN will perform a risk assessment inclusive of an evaluation of DOS inherent program risks as well as the established controls to mitigate such risks.

4.1.2.1. Key Work Steps

K2-FIN professionals will work closely with DOS personnel to coordinate and perform the following tasks to achieve the project objectives:

- Review any prior risk assessments performed by DOS and develop a baseline of the potential inherent operational and fraud risks associated with the COVID-19 General Election 2020 Grant Program as well as the sub-recipient level risks, including the risks of asset misappropriation, financial reporting fraud, and violation of Federal or State laws, regulations, or established grant management protocols.
- Conduct interviews of key DOS personnel to obtain an understanding of key grants management processes and controls at the program level as well as the subrecipient level. This may include the following personnel:
 - COVID-19 Recovery Programs Accountability Officer
 - COVID-19 Recovery Programs Managers
 - Accounting and Finance Staff
 - Information Technology Specialists
 - Program Operations Personnel
- Reviewed relevant grant program documentation including, but not limited to, grant agreements, applications, MOUs, policies and procedures, and board memorandums outlining program eligibility.
- Based on the interviews conducted and documentation reviewed, develop a detailed risk and control matrix identifying the key processes, risks, and controls to mitigate such risks.

- Perform an assessment of the inherent fraud risks, control risk, and residual risk for each of the risk focus areas (e.g., agency oversight, grant program operations, grant management, and grant reporting)
- We will also benchmark the program controls against regulatory frameworks and leading practices that grant recipients have generally found to be effective in preventing, detecting, and mitigating such risks.
- Preparation of the draft risk matrix identifying the program level and recipient level risks and work with DOS's Accountability Officer and other DOS staff to prepare the final risk assessment.
- Identify opportunities for control enhancements and operational efficiencies.
- Based on the results of the risk assessment and analysis, K2-FIN will assess the scope and extent of the monitoring activities.

4.1.3. Phase 3: Integrity Monitoring

OBJECTIVE

During this phase of work, K2-FIN will perform monitoring and testing of control operational effectiveness inclusive of transaction testing.

4.1.3.1. Key Work Steps

K2-FIN understands the importance of DOS's deadlines, and as such, will be nimble in its approach to conducting its tasks timely and efficiently. We will deploy a risk-based sampling approach to allow for the appropriate risk coverage across the moderate to high-risk areas identified as part of the risk assessment.

We will conduct monitoring activities via desk reviews of records that DOS provides to us electronically and via interviews conducted remotely. As stated above, we understand from the Engagement Query that the IOM will conduct reviews of grantee expenditures under the General Election 2020 Grant Program based on the risk assessment, to validate compliance with the grant award and federal regulation. Specifically, K2-FIN professionals will work closely with designated DOS and subgrantee personnel to coordinate and perform the following tasks to achieve the project objectives:

- Based on the results of the risk assessment, we will identify moderate to high-risk areas subject to testing. Based on our experience with similar programs, this may include, but is not necessarily limited to, the following:
 - Grant management and oversight
 - Sub-grant award agreement processing, payment, monitoring, including compliance with grant terms, agreement, and special terms and conditions
 - Procurement
 - Unauthorized use of funds
 - Duplication of benefits
 - Financial reporting, reimbursement requests, and reconciliation
 - Document retention
 - IT Security
 - Fraud, waste, or abuse

- Review the most recent grant report and related transaction details and perform completeness check against source data evidencing grant disbursements.
- From the transaction details supporting Program expenditures in each county, K2 will select a risk-based sample of transactions for testing.
- We will conduct transaction testing through inquiry, observation, and review of documentation supporting grant awards, expenditures, procurement, and financial reporting and assessed whether there were any potential exceptions.
 - This will include forensic analysis of books and records to ensure that procedures and controls were executed based on program requirements
 - Ensure appropriate federally and state-required documentation to support reimbursement requests submitted to DOS under CRF are being retained, inclusive of invoices, purchase orders, and other documentation.
 - Assess the adequacy of the documentation provided
 - Ensure compliance with not only laws and regulations, but programmatic and contractual requirements, agreements, and affidavits.
 - To the extent possible, ensure that reimbursement requests are not duplicative of requests made from other emergency funding sources.
- Identification of potential exceptions based on the transaction testing
 - This will include potential exceptions to established controls as well as potential indicators of fraud, waste, or abuse.
- Conduct follow-up inquiry to obtain an understanding of the root cause of the exception.
- Promptly respond to any inquiries from the Office of the State Comptroller regarding the tasks being performed as a part of this engagement.
- Given the limited timeframe, it anticipated that K2-FIN will perform desk reviews to evaluate compliance with the essential project goals, objectives, timelines, budgets, and other related program and financial criteria.
- Provide recommendations regarding control remediation and to promote operational efficiency for future emergency funding.

4.1.4. Phase 4: Reporting

OBJECTIVE

During this phase of work, K2-FIN will prepare required project deliverables.

4.1.4.1. Key Work Steps

K2-FIN professionals will work closely with designated DOS personnel to prepare required draft and final deliverables. This will include the following specific tasks:

- Provide status update reports as needed
- Prepare interim draft deliverables
- Discuss draft deliverables with DOS stakeholders including any recommendations to streamline grant management and fiscal management processes to ensure accountability of funds and compliance with program regulations
- Finalize deliverables

5. Anticipated Deliverables and Timeline

The following chart represents the anticipated deliverables and timeline, based on a January 25, 2021 starting date for the engagement:

Phases of Work	Anticipated Deliverables	Anticipated Delivery Date
Phase 1: Planning and scoping	<ul style="list-style-type: none"> Information request Detailed audit plan 	<ul style="list-style-type: none"> January 26, 2021
Phase 2: Risk Assessment	<ul style="list-style-type: none"> Draft Summary Risk Matrix Final Risk Matrix 	<ul style="list-style-type: none"> Draft Summary Risk Matrix – March 15, 2021 Final Risk Matrix – March 31, 2021
Phase 3: Integrity Monitoring	<ul style="list-style-type: none"> Assessment of sample that was monitored Exceptions identified and management response Recommendations for control enhancements 	<ul style="list-style-type: none"> Ongoing
Phase 4: Reporting	<ul style="list-style-type: none"> Draft IM Report Final IM Report 	<ul style="list-style-type: none"> Draft Quarterly IM Report – March 31, 2021 Final Quarterly IM Report – April 15, 2021

The project schedule and completion dates are contingent upon the commencement of the engagement on or before January 25, 2021, substantial production / access to all required information by January 29, 2021, timely production of follow-up information request, and cooperation from DOS personnel subject to interview. K2 will promptly report any such delays in writing in-order to project stakeholders in an effort to remediate the concerns. Given the condensed project schedule, any delays in the production of required information, will have a significant impact in our ability to meet to the above deadlines.

6. Our Team

At K2-FIN, we believe it's not just the machinery but the driver of the machinery that's important. That's what sets us apart. We have identified the key team members below to lead the project. We will also draw from our pool resources to support the team leads. The chart below describes the team structure of the key team members. The following table provides a brief description of the key team member experience. Additional details can be found in the attached CVs.

Principal

Paul Ryan
Senior Managing Director

Program Manager

Martin Aronchick
Managing Director

Project Manager

Yashvi Roy
Senior Director

Principal		
Name	Title	Key Experience
Paul Ryan	Senior Managing Director	<ul style="list-style-type: none"> Over 19 years' experience and specializes as an Integrity Monitor in developing programs, compliance reviews, investigations, fraud detection, and monitorships Former Deputy Inspector General where he had oversight over and strengthened government programs, including oversight of ARRA funds, and assisting with the development of operational efficiencies Assists clients with management strategies and policy development.

Program Manager		
Name	Title	Key Experience
Martin Aronchick	Managing Director	<ul style="list-style-type: none"> More than 30 years' experience in overseeing and conducting investigations of fraud and other crimes, and more than 25 years' experience in designing and implementing integrity monitorships, both in public service and in private practice Project Manager for major engagements, including WTC reconstruction, the Moynihan Project, and current NJ Transit and NJ Dept. of Environmental Protection engagements Extensive disaster recovery integrity monitoring experience on WTC engagements

Project Managers		
Name	Title	Key Experience
Yashvi Roy	Senior Director	<ul style="list-style-type: none"> Over seven years of experience in providing auditing and integrity monitoring services on large scale government funded projects Lead audit teams in performing risk assessments, constructing, and executing work plans, and working with client management to implement enhancements to controls and resolve audit issues Conduct audits designed to focus on uncovering fraud, waste, and abuse to support state government agencies

Engagement Staffing Pool	
Key Experience	
CPAs, Certified Fraud Examiners, and Analysts <ul style="list-style-type: none"> Significant experience in managing and leading financial and operational audits, process management, financial controllership, and forensic accounting and investigation Significant experience conducting financial and operational audits, process management, financial controllership, and forensic accounting and investigation Regularly conducts integrity monitoring compliance engagements and works with project teams and client management to make recommendations for enhancements of controls Worked on compliance advisory engagements to assist with internal controls implementation financial and operational measurement and process improvement, contract management, Federal grant compliance and applications 	

7. Detailed Budget

Based on our understanding of DOS's needs and proposed scope of work described above, K2-FIN anticipates that the project budget will be \$55,480. Please refer to the table below for additional details.

Tasks	Principal	Program Manager	Project Manager	Consultant	Total
Rates	\$340	\$325	\$290	\$195	
Planning and information gathering	2	4	4	4	14
Inherent and Control Risk Assessments	2	16	24	16	58
Integrity Monitoring	2	16	20	30	68
Status update reporting, and preparing of final deliverables	4	24	24	10	62
Total Hours	10	60	72	60	202
Total Cost	\$3,400	\$19,500	\$20,880	\$11,700	\$55,480

The above reference budget is based on the project timeline and schedule identified above in this document. Given the condensed project schedule, any delays in the production of required information, will have a significant impact in our ability to maintain this budget.



Paul E. Ryan

Senior Managing Director
New York

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Paul E. Ryan is a senior managing director at K2 Intelligence Financial Integrity Network (K2-FIN), where he specializes in directing compliance reviews and developing programs, complex investigations, and monitorships. Clients facing a range of problems—from dealing with regulatory or contractual compliance-related issues to vendor fraud or conflicts of interests—turn to Paul to help them determine and implement a course of action. Working closely with clients, he conducts investigations, reviewing results and recommending increased controls and enhanced policies and procedures, and creates recovery plans as needed. Paul has vast experience developing and assessing compliance programs, including the determination of best practices for both public and private entities.

Paul currently leads the compliance monitoring of a major financial institution's capital construction program. In a recent investigation, he conducted a ground-breaking review of media transparency issues for the Association of National Advertisers (ANA).

Prior to joining K2-FIN, Paul served for 10 years at the New York State Office of the Inspector General (NYS OIG) and the New York County District Attorney's Office. He has extensive experience in the investigation and prosecution of complex fraud, corruption, and other crimes in the public and private sectors.

Paul served as the Assistant Deputy Inspector General and Director of the NYS OIG's Contract and Construction Fraud Unit, supervising multidisciplinary teams in complex investigations. As a member of the NYS OIG, Paul helped ensure ensured \$31 billion in ARRA funds allocated to New York were utilized with transparency and accountability as well as preventing fraud, waste, abuse and mismanagement.

At the New York County District Attorney's Office, Paul was an Assistant District Attorney in the Labor Racketeering Unit/Construction Industry Strike Force and the Trial Division.

Paul received his J.D. from the Benjamin N. Cardozo School of Law and his B.S. in political science from Queens College.



As a Senior Managing Director, Paul oversees the project managers and teams for our integrity monitoring engagements, including:

- New York Governor's Office of Storm Recovery
- State of New Jersey Department of Treasury Superstorm Sandy Integrity Monitoring Program
- NJ Transit Superstorm Sandy Recovery Engagements
- Metropolitan Transportation Authority
- Moynihan Train Hall
- Javits Center Expansion



Martin Charles Aronchick

Managing Director
New York

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Martin C. Aronchick is a managing director at K2 Intelligence Financial Integrity Network (K2-FIN), based in New York. With extensive experience overseeing and implementing monitorships, corporate internal investigations, compliance programs, and due diligence matters, Martin manages a multidisciplinary team of professionals that works with companies in industries such as construction and transportation to establish, implement, and monitor industry-appropriate controls. Working closely with clients, he performs detailed risk assessments—including the close examination of existing processes and contracts—and makes recommendations tailored to the regulatory challenges each client is facing.

Martin had a distinguished career in public service as a member of the Executive Committee of the New York State Organized Crime Task Force, where he served as the attorney in charge of civil enforcement; in similar roles with the NYC School Construction Authority Office of Inspector General; and as an Assistant Chief of the Affirmative Litigation Division in the New York City Corporation Counsel's Office. In these positions, Martin supervised and conducted investigations of a vast array of criminal schemes. He also designed and implemented civil litigation strategies and other remedies to address and resolve the problems of fraud, corruption, organized crime, and other forms of criminality in various industries.

Prior to his public service career, Martin was an associate in the general litigation department of Weil, Gotshal & Manges. Martin was a law secretary to Hon. Worrall F. Mountain, Justice of the New Jersey Supreme Court.

Martin received a J.D. from Rutgers School of Law and a B.A. in political science, with highest distinction, from Rutgers College. He is admitted to practice law in New York, New Jersey, and the District of Columbia, and before the U.S. District Courts for the Southern and Eastern Districts of New York and the District of New Jersey.



Relevant Project Experience:

- Project Manager for the K2-FIN team for the \$4.5 Billion WTC Transportation Hub project from 2006 to 2017.
- Project Manager for the K2 Intelligence monitoring team for the \$1.5 Billion Moynihan Reconstruction project from 2017 to 2019.
- Project Manager for the K2-FIN monitoring team for the \$380 Million NJ DEP Rebuild By Design Hudson River and Meadowlands projects from 2019 to present. For a further description of the project, start, and end date, and corresponding contact information, please refer to Section 3; for a detailed description of my responsibilities, please see below.
- Project Manager for the K2-FIN monitoring team for NJ Transit's Sandy Recovery consulting contracts with HNTB and BEM Environmental from 2019 to present.

As Project Manager on each of these engagements, my responsibilities have included and for current assignments, currently include:

- directing the production of the risk assessment and periodic work plans, in accordance with client priorities;
- managing the multi-disciplinary teams so their actions were coordinated and in line with the work plans;
- directing focused inquiries into integrity or fraud red flags;
- developing next steps options where there were integrity or fraud positive findings;
- communicating integrity or fraud positive findings and next steps options to the client, and managing the team's next steps in accordance with client directions;
- managing the team's deliverables and budget;
- maintaining regular communications with the client; and
- achieving client satisfaction.



Yashvi Roy

Senior Director
New York



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Yashvi Roy is a senior director with K2 Intelligence Financial Integrity Network's (K2-FIN) Investigation and Disputes practice. As a certified fraud examiner, she specializes in financial and forensic investigations, compliance reviews, and integrity monitorships to identify fraud, waste, or abuse. Yashvi has created code of business ethics and standards of conduct presentations and conducted multiple training sessions of employees.

Prior to joining K2 Intelligence in 2017, Yashvi worked in two public accounting firms from 2013 through 2016, where she led financial statement audits of various clients primarily in the real estate and construction industry. Her clients consisted of large construction and development corporations, various U.S. Department of Housing and Urban Development Section 8 subsidized residential properties, and several multimillion-dollar commercial properties. She was responsible for assessing compliance with HUD regulations and Section 8 requirements. In addition, Yashvi reviewed tenant files to assess for fraud, waste, or abuse.

Yashvi received a B.S. in accounting from Pennsylvania State University. She is a Certified Fraud Examiner. In addition to English, Yashvi fluently converses in Hindi and Gujarati.

Relevant Project Experience

Jacob K. Javits Convention Center Expansion and Transformer Building Projects

Yashvi is the Forensic Accounting team lead on the Javits Expansion Project and the Transformer Building Project. Working on the projects since 2017, Yashvi conducts continuing internal control reviews and risk assessments to formulate and execute risk-focused audit plans. With a diverse knowledge of the project costs and the construction progress, Yashvi conducts project budget reconciliations, reviews of project costs for improper billings, prevailing wage compliance, and compliance with state and federal Minority, Women, and Disadvantaged Business Enterprises (M/W/DBE) program requirements.



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Additionally, working with a multi-disciplinary team, Yashvi conducts contract compliance reviews to ensure timely delivery of all contract deliverables and client requests regularly communicating with all project personnel.