



February 7, 2025

Mr. Bradley Sussman
Managing Director
K2 Integrity
730 Third Avenue
New York, NY 10017

VIA EMAIL ONLY: bsussman@k2integrity.com

**RE: NOTICE OF AWARD: RFP #2022-RFP-144-07 Integrity Oversight Monitor
Atlantic City Food Security Grants Pilot Program**

Dear Mr. Sussman:

Thank you for your response to the Task Order Request for the above referenced program. I am pleased to inform you that K2 Integrity has been awarded this TOR with a total budget not-to-exceed \$38,310 for the duration of the monitorship, including the compliance work and related tasks.

We will schedule a kickoff meeting as soon as possible. I look forward to working with K2 Integrity.

Sincerely,

Elizabeth George-Cheniara

[REDACTED]
Director, Legal Compliance
Accountability Officer

cc: [REDACTED], Chief Counsel
[REDACTED], Team Lead, Legal Compliance
2022-RFP-144-07

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY TASK ORDER REQUEST

[Reference RFP #2022-RFP-144-07]

VENDOR NAME	K2 Integrity
PROJECT TITLE	Atlantic City Food Security Grants Pilot Program
DATE	1/17/2025
PROJECT SUMMARY	Integrity Monitoring Services
DATE NEEDED	ASAP

NJEDA CONTACT (Name, Title, Address, E-mail & Telephone Number)	<u>For Atlantic City Food Security Grants Pilot Program questions:</u>
	[REDACTED]
	Director – Food Security
	[REDACTED]
	<u>For IOM RFP/TOR questions:</u>
	[REDACTED]
	Director – Legal Compliance, and Accountability Officer
	[REDACTED]

Cost Submission: Please provide a cost estimate for the above referenced project, in accordance with the Fee Schedule submitted for **RFP #2022-RFP-144 – Integrity Oversight Monitor**. By providing a cost estimate, the Vendor is certifying that there is no Conflict of Interest with the subject request. By the date listed in the cover letter issuing this TOR, the Vendor shall e-mail the New Jersey Economic Development Authority (NJEDA) a TOR Vendor Response Form provided by the NJEDA. **Each estimate must include a Not-to-Exceed amount and statement.**

WRITTEN NOTICE TO PROCEED MUST BE PROVIDED BY THE AUTHORITY BEFORE WORK ON THIS PROJECT MAY BEGIN.

PROJECT DESCRIPTION

For all COVID-19 Recovery Programs valued at \$20 million or more, the Engagement/Task Order Requests (TOR) will be provided to the Primary and Secondary contractors. Their responses will be evaluated and awarded accordingly and should include pricing. For all other programs under \$20 million, the TOR will be first provided to the Primary Contractor. If there is a conflict with the Primary Contractor, the task order will be provided to the Secondary Contractor. This TOR is for Atlantic City Food Security Grants Pilot Program, which is a competitive program funded with \$5.25 million by the American Rescue Plan (ARP) Coronavirus State and Local Fiscal Recovery Funds (SLFRF).

Pursuant to RFP section 3.3.1, the awardee of this Task Order is requested to perform integrity monitoring services for the above-referenced Atlantic City Food Security Grants Program, in accordance with the requirements of the RFP, addenda, Executive Order 166 (Murphy, 2020), the COVID-19 Compliance Plan (Feb. 2022) and the Integrity Monitor Guidelines (June 2021). The awardee must provide quarterly and other reports in accordance with RFP section 3.3.2 utilizing the template attached to the RFP (and available online at <https://nj.gov/comptroller/doc/Integrity%20Monitor%20Report%20Template%20-%20Category%203.docx>). The awardee will work with the NJEDA’s Accountability Officer and other NJEDA staff to monitor the above- referenced Atlantic City Food Security Grants Program.

Background

In January 2021, Governor Phil Murphy signed the Food Desert Relief Act (FDRA), which allocated to NJEDA a total of \$240 million in tax credits over six years and directed NJEDA to collaborate with the New Jersey Departments of Community Affairs and Agriculture to designate up to 50 Food Desert Communities (FDCs) across the state. These communities are home to more than 1.5 million residents and are in every county in New Jersey. The underlying data analysis allowed the FDCs to be ranked by a Composite Food Desert Factor Score, indicating the acuity or severity of their food desert status. The Atlantic City/Ventnor FDC ranks second highest of all 50 FDCs in New Jersey, indicating an extremely significant need. More than 41,000 people reside within the boundaries of the Atlantic City/Ventnor FDC, which covers the entirety of Atlantic City and a *portion* of neighboring Ventnor. To start piloting initiatives to address FDCs, and due to the immediate availability of SLFRF funds for Atlantic City, this pilot Program focused on Atlantic City.

On October 12, 2023, the NJEDA's Board approved the creation of the Atlantic City Food Security Grants Pilot Program, a \$5,250,000 program that make grants for projects that strengthen food access and food security in Atlantic City. Program grants were provided to government entities, not-for-profit entities, and for-profit entities that have been in existence for at least two years at the time of application and currently serve, in any manner, residents of the Atlantic City/Ventnor FDC. The grant funds were awarded only to entities that indicated they will use the grant funds to improve the quality of life in Atlantic City by increasing food access and/or food security in Atlantic City. Acquisition of land or buildings is not an eligible cost. All other costs incurred after the date of grant agreement execution are eligible, subject to the Authority's approval of the project budget and supporting documentation.

Funding

Funding for the Program comes from a \$5,250,000 program funded from the Economic Recovery Fund (ERF). The funding is comprised of \$4,000,000 in American Rescue Plan Coronavirus State Fiscal Recovery Funds (SLFRF) appropriated for "Atlantic City Initiatives" in the FY2024 Appropriations Act (P.L. 2023, c. 74). Additionally, \$1,250,000 was reallocated from the Food Retail Innovation in Delivery Grant Program from an FY22 appropriation of State funds for Food and Agriculture Innovation.

Eligibility Criteria

Grants were awarded only to entities that met the following criteria:

- Applicant was a for-profit, nonprofit or government entity that has been in existence for at least two years at the time of application;
- Applicant served, in any manner, residents of the Atlantic City/Ventnor FDC at the time of application;
- Applicant demonstrated existing programming or services related to food access and/or food security, including but not limited to: food distribution, nutrition education, local agriculture, and/or food retail (such programming may be different than the food security or food access activities proposed for the grant); and
- Applicant was in good standing with the NJ Department of Labor and Workforce Development and the Department of Environmental Protection.
- Applicant was not subject to suspension or debarment in accordance with 2 CFR § 200.214 and its implementing regulations, including Executive Orders 12549 and 12689, 2 CFR part 180.

Eligible Uses

Grant funds were awarded only to entities that indicated that they would use the grant funds to improve food access and/or food security in Atlantic City. The proposed use(s) must be accomplished within two years of execution of the grant agreement, subject to two 6-month extensions by EDA staff if the grantee has been diligently pursuing the use and the delay was unforeseeable and not in the grantee's control, to the extent allowed under federal spending deadlines. Acquisition of land or buildings is not an eligible cost. All other costs incurred after the date of grant agreement execution are eligible, subject to the Authority's approval of the project budget and supporting documentation. For example, costs can include construction, equipment, installation, salaries and fringe, and rent.

As required by law, construction, including use of trades in construction related to installation of equipment, is subject to state affirmative action requirements for contractors, and such work with a cost of \$2,000 or more is subject to New Jersey prevailing wage requirements. Additionally, grantees must have utilized contractors registered as a New Jersey Public Works Contractor with the Department of Labor and Workforce Development for work subject to prevailing wage. Awards are subject to federal Duplication of Benefits requirements and, if construction is included, to cost reasonableness analysis.

Award Size

Applicants were able to request a grant amount from a minimum of \$50,000 to a maximum of \$500,000. Grant funds may cover up to 100 percent of the proposed project costs. If grant funds from EDA were not requested to cover 100 percent of the proposed project costs, additional funding sources must have been described in the budget and budget narrative submitted for approval. Selected applicants entered into a grant agreement with NJEDA, and funds will be disbursed according to the following schedule:

- 50 percent of the grant were disbursed upon execution of a grant agreement between NJEDA and the selected applicant;
- 25 percent of the grant will be disbursed upon the applicant’s submission of the mid Program report, the exact timing to be determined based on the grantee’s implementation plan and reflected in the grant agreement; and
- 25 percent of the grant amount will be disbursed upon the Authority’s review and approval of the applicant’s submission of a final report on completion of the proposed project, expected to be no later than two (2) years following the date of the grant agreement execution or September 30, 2026, whichever is earlier.

Post-Closing Compliance

Grantees are required to report to NJEDA at least quarterly, including mid-program and final reports, starting at grant execution and extending through the end of the grant term. These reports must provide updates on grantees’ progress against their proposed project timeline, data and outcomes on the project’s impact (e.g. number of people served), and project costs, both cumulative and since the last report. Among other standard defaults, NJEDA shall recapture any grant funds used for an ineligible purpose or and may recapture any grant funds for a purpose outside of any approved scope of work.

This Engagement/TOR shall run from the effective date until the Atlantic City Food Security Grants Pilot Program has disbursed all funding and completed any post-award compliance work.

Awardees approved at the September 11, 2024 NJEDA Board Meeting

Awardees	Award Amount	Product Number
A Meaningful Purpose	\$500,000	PROD- 003156030
Atlantic County Economic Alliance Inc.	\$499,950	PROD-00315671
AtlantiCare Foundation	\$500,000	PROD-00315656
Bangladesh Association of South Jersey – A NJ Nonprofit Cooperation	\$319,000	PROD-00315600
Beron Jewish Older Adult Services	\$289,281	PROD-00315675
Boys and Girls Club of Atlantic County	\$499,691	PROD-00315654
Community Food Bank of New Jersey	\$497,176	PROD-00315663
Ideal Education A NJ Nonprofit corporation	\$500,000	PROD-00315673
Jewish Family Services of Atlantic County	\$500,000	PROD-00315668
Mighty Writers	\$500,000	PROD-00315601
Save Philly Atlantic City LLC	\$500,000	PROD-00315669

Deliverables:

- **Quarterly Reports**

Integrity Monitors (IMs) shall submit draft quarterly reports to the NJEDA **five (5) business days** before 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. The draft quarterly report is submitted to the NJEDA with a copy to the Integrity Monitoring mailbox:

TreasuryIM@treas.nj.gov.

Prior to the posting of a quarterly report that contains findings of waste, fraud, or abuse, the NJEDA shall be permitted to respond to the findings and have that response included in the publicly posted report. This will allow the NJEDA to highlight any course corrections from the finding, or to contest any finding that it contends is inappropriate. An NJEDA response is due within fifteen (15) business days after receipt of a draft quarterly report. Fifteen (15) business days after the quarter-end, the IM will deliver its final quarterly report, inclusive of any comments from the NJEDA, to

TreasuryIM@treas.nj.gov for distribution to the NJ State Treasurer, the New Jersey Governor's Disaster Recovery Office (GDRO), the NJ Senate President, the Speaker of the NJ General Assembly, the NJ Attorney General and the NJ OSC.

The IM quarterly reports will be posted on the GDRO transparency website pursuant to the Executive Order 166. The topics covered by the quarterly report should include the information included in the templates downloadable from NJ Office of the State Comptroller (OSC) website ([New Jersey Governor's Disaster Recovery Office \(GDRO\) – COVID-19 Oversight \(nj.gov\)](#)).

- **Additional Reports**

IMs must promptly prepare responses for OSC inquiries. OSC, GDRO and the State Treasurer may request that IMs prepare additional reports or prepare additional memoranda that will assist OSC in evaluating whether there is waste, fraud, or abuse in COVID-19 recovery programs administered by Recovery Plan Participants. OSC may also request that IMs 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.

IMs are required to follow the Method of Operation for the Task Order Competition Process previously provided, with the following modification on time to submit:

- i. Immediately, **but by no later than three (3) business days** of the IM's receipt of the TOR, the IM must advise NJEDA of any conflicts of interest.
- ii. Within **14 calendar days** of the IM's receipt of the TOR, the IM must return a signed **Conflict of Interest Certification Statement (RFP Exhibit B2)** to [REDACTED], *whether or not a conflict exists*.

The IM must ensure that all pricing reflects itemized costs for all activities required for the **AC Food Security Program**, including the "not-to-exceed" (NTE) pricing for: (a) all services within the year, *and* (b) for any additional necessary services that would exceed one (1) year. **The TOR response MUST include the NTE for the total cost of services for all applications and other IOM review criteria, as applicable, for the full duration of the project.** Pricing for **all IOM services** under this TOR associated with the **AC Food Security Program must be listed in the TOR response** (i.e., "additional [applications/services] beyond the number quoted will be priced at the rate of [dollar amount] per [time/unit] through the end of the program, with an increase in the cost NTE CPI

per annum.”). The pricing will be evaluated based upon **the entirety** of the duration of the engagement and the proposal is to provide for this period. **ANY LIMITATIONS OR CAVEATS (SUCH AS LIMITING PRICING QUOTES OR SERVICES TO A SELF-SPECIFIED PERIOD OF TIME, i.e. ONE YEAR) SUBMITTED WITH THE PRICING SHALL BE REJECTED AND RENDER THE SUBMISSION NONRESPONSIVE.**

ADDITIONAL PARTIES TO RELY ON THE RESPONSE

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
TASK ORDER REQUEST
CONFLICT OF INTEREST CERTIFICATION STATEMENT
[Reference RFP #2022-RFP-144 (TOR-07)]

I hereby certify that I am an authorized representative of the Vendor and can provide this Conflict of Interest Certification Statement on the Vendor's behalf.

I hereby certify and attest that to the best of my knowledge that the Vendor does not have a direct, familial, personal or monetary interest in the business entity, business site or project indicated below; nor does the Vendor or any employee, agent and/or representative of the Vendor currently have or have had any previous or existing personal or professional relationships with, interaction with, or done business with the project-specific business, site and/or with the current or previous owner(s). Further, neither Vendor nor any employee, agent and/or representative of the Vendor is now or has been employed by, or is a principal of, or is affiliated with the respective business, business sites, owner(s) or project involved with the Task Order Request (TOR) named below, in any manner.

To the best of my knowledge, neither the Vendor or any employee, agent or representative of the Vendor hold any ownership interest in the respective Task Order Request businesses or business sites which are the subject of the work to be performed, nor does Vendor under contract (other than the Authority Contract) to perform work or services, including representation for the same businesses or business sites referenced in the Task Order Request for the work to be performed.

During the performance of the work for the Task Order Request, should a conflict of interest arise, whether real or perceived, Vendor will immediately notify the New Jersey Economic Development Authority's Designated Contract Manager of the conflict and await the Authority's review and decision regarding Vendor's further participation.

I understand that, should a conflict exist, whether real or perceived, in the sole discretion of the Authority, Vendor shall immediately recuse itself from the work to be performed. In the event Vendor declines to complete and execute this Conflict of Interest Statement, Vendor understands that it will be removed from the work.

TASK ORDER REQUEST DETAILS:

2022-RFP-144 (TOR-07)
RFP #

Atlantic City Food Security Grants Pilot Program
RFP Title

- Vendor hereby certifies and attests that, to the best of my knowledge, there is no conflict of interest, as indicated above, that would affect Vendor's ability to accurately, effectively and impartially perform the work required on the specific Task Order Request.
- Vendor hereby recuses itself from participating in the performance of any work required on the specific Task Order Request for the following reasons:

Michael Bernstein
Vendor Employee Name



Vendor Employee Signature

Associate Managing Director
Title

1/24/2025
Date

Bradley Sussman
Vendor Contract Manager Name

Vendor Contract Manager Signature

Senior Managing Director
Title

1/24/2025
Date



INTEGRITY MONITORING

K2 Integrity - Bid Submission-2022-RFP-144 – Integrity Oversight Monitor:

Task Order Request – Atlantic City Food Security Grants Pilot Program

Prepared for:
New Jersey Economic Development Authority

Attention:
[REDACTED]
Director – Food Security
New Jersey Economic Development Authority
36 West State Street
P.O. Box 990
Trenton, NJ 08625-0990

January 29, 2025

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1. Management Overview and Technical Approach

1.1. Introduction

K2 Integrity, operating through K2 Intelligence, LLC (referred to herein as “K2 Integrity”) appreciates the opportunity to submit a proposal to the New Jersey Economic Development Authority (“EDA” or “the Authority”) to provide Integrity Oversight Monitor (“IOM”) services, Task Order Request (“TOR”) for the **Atlantic City Food Security Grants Pilot Program (“ACF Program”)**.

K2 Integrity is the preeminent risk, compliance, investigations, and monitoring firm — built by industry leaders, driven by interdisciplinary teams, and supported by cutting-edge technology to safeguard our clients’ operations, reputation, and economic security. K2 Integrity represents the merger of K2 Intelligence, LLC an industry-leading investigative, compliance, monitoring, and cyber defense services firm founded in 2009 by Jeremy M. Kroll and Jules B. Kroll, the originator of the modern corporate investigations industry, and the Financial Integrity Network (“FIN”), a premier strategic advisory firm founded by Juan Zarate and Chip Poncy, former senior U.S. Treasury and government officials, dedicated to helping clients achieve their financial integrity goals.

Our teams include former senior government advisors, regulators, compliance officers, technology professionals, prosecutors, lawyers, law enforcement and intelligence professionals, forensic accountants, investigative journalists, and academics, each bringing a unique set of risk management, investigative, and advisory skills and perspectives to the client’s situation.

Headquartered in New York with offices in London, Washington, DC, Madrid, Geneva, Doha, Los Angeles, and Chicago, K2 Integrity employs a total global staff of more than 300 and maintains deep, diverse global networks. We act as advisors to governments, financial institutions, companies, and high-net-worth individuals; our clients frequently include public entities and authorities along with private companies across a wide variety of business sectors.

K2 Integrity 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 and governments with strategic advisory, policy, controls, and training to protect against the full range of illicit financing threats.

K2 Integrity 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 consistently produce efficient results for clients by knowing how and when to employ innovative technology.

K2 Integrity leverages unmatched multidisciplinary experience to develop cutting-edge solutions, stimulate business opportunities, and shape global economic security in a complex world. Whether it’s protecting clients’ assets or navigating the complex financial regulatory landscape to help clients identify, manage, and mitigate risk, K2 Integrity is a trusted advisor striving to meet and exceed clients’ goals in a rapidly changing world.

K2 Integrity is confident it can assist the Authority and provide a monitoring plan that can perform the requested services. We are uniquely qualified to provide the services requested in the Authority’s RFP. No other firm possesses decades of experience, depth of proprietary intelligence, and expertise in performing such services. As explained below, we are currently performing very similar IOM services on four engagements including for the Authority and other New Jersey agencies in which we monitored the expenditure of Covid-19 relief funds.

1.2. Management Overview and Technical Approach to Achieve the Scope of Work

K2 Integrity understands that the TOR calls for integrity monitoring services for the ACF Program. The ACF Program is a \$5,250,000 program that provides grants between \$50,000 to \$500,000 to government entities, not-for-profits, and for-profit entities who have been in existence for a minimum of two years at the time of application to strengthen food access and food security in Atlantic City.

K2 recognizes that the eleven (11) awardees have received disbursements in the amount of \$5,105,098 as of September 11, 2024. In addition, the awardees are required to utilize eligible expenses within two years of the execution of the grant agreement, subject to two 6-month extensions by NJEDA. K2 Integrity is prepared to review the following:

- **Eligible Applicant:**
 - Applicant was a for-profit, nonprofit or government entity that has been in existence for at least two years at the time of application;
 - Applicant served, in any manner, residents of the Atlantic City/Ventnor FDC at the time of application;
 - Applicant demonstrated existing programming or services related to food access and/or food security, including but not limited to: food distribution, nutrition education, local agriculture, and/or food retail (such programming may be different than the food security or food access activities proposed for the grant); and
 - Applicant was in good standing with the NJ Department of Labor and Workforce Development and the Department of Environmental Protection.
 - Applicant was not subject to suspension or debarment in accordance with 2 CFR § 200.214 and its implementing regulations, including Executive Orders 12549 and 12689, 2 CFR part 180.
- **Eligible Uses**
 - Proposed use(s) must be accomplished within two years of execution of the grant agreement, subject to two 6-month extensions by EDA staff if the grantee has been diligently pursuing the use and the delay was unforeseeable and not in the grantee's control, to the extent allowed under federal spending deadlines.
 - Acquisition of land or buildings is not an eligible cost. All other costs incurred after the date of grant agreement execution are eligible, subject to the Authority's approval of the project budget and supporting documentation. For example, costs can include construction, equipment, installation, salaries and fringe, and rent.
 - As required by law, construction, including use of trades in construction related to installation of equipment, is subject to state affirmative action requirements for contractors, and such work with a cost of \$2,000 or more is subject to New Jersey prevailing wage requirements. Additionally, grantees must have utilized contractors registered as a New Jersey Public Works Contractor with the Department of Labor and Workforce Development for work subject to prevailing wage.
 - Awards are subject to federal Duplication of Benefits requirements and, if construction is included, to cost reasonableness analysis.

In addition, K2 Integrity understands that the following particulars are part of the requested IOM services:

- Initial program risk assessments.¹
- Ongoing program risk assessments.
- Evaluation of program performance.
- Evaluation of internal controls associated with the Authority's fiscal management, cash management, acquisition management, property management, and records management capabilities.²
- Validation of compliance with sub-grant award agreements, general terms, and special conditions.
- Review of 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.
- Interviews of Authority 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 of 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?).
- Ensuring that the Authority is retaining appropriate documentation, based on Federal and State regulations and guidance, to support fund disbursement.
- Following up with questions regarding specific funding decisions, and reviewing decisions related to emergency situations.
- Facilitating the exchange of ideas and promotion of operational efficiency.
- Identifying present and future needs.
- Promotion of cooperation and communication among Integrity Monitors engaged by other Recovery Programs Participants (e.g., to guard against duplication of benefits).
- Supporting services, including analysis of internal processes in support of Federal compliance and efficient and effective delivery of program.

1.3. General Approach

Designing, implementing, and managing proactive integrity monitoring and anti-fraud engagements is a core competency of K2 Integrity. As a result, K2 Integrity has an intimate understanding of the risks inherent in federal grant and disaster recovery programs, and knowledge of how to apply our methodologies in an independent fashion while collaborating and calibrating our work with decision-makers.

K2 Integrity has performed this type of work with multiple agencies in the past and continues to do so. In 2020 through present, we were instrumental in assisting the Authority, The New Jersey Department of Agriculture, the New Jersey Department of State, the New Jersey State Police, and the New Jersey Office of Higher Education in monitoring their expenditures of Covid-19 recovery funds.

We have performed integrity monitoring for major disaster recovery engagements since 2001, with our work on the clean-up of the World Trade Center site. Since then, we have performed these services in other engagements for a

¹ This task is included in the NJEDA Task Order Request - Risk Assessment issued on March 24, 2023.

² This task is typically included as part of the programmatic risk assessment. Therefore, K2 Integrity does not anticipate performing this task as part of the ACF Program TOR.

host of government agencies, including the New Jersey Department of Environmental Protection, the New Jersey Transit Corporation, the Port Authority of New York & New Jersey, the New York State Empire Development Corporation, and the Metropolitan Transportation Authority. Our experience on these past and current disaster recovery engagements allows us to design and implement efficient monitoring methodologies that will minimize the time and expense required to perform the services required on the engagement.

Our proposed work plan approach, as further described in the following sections of this document, focuses on practicality and real-world solutions to how grant funds and grant disbursements are managed. Our years of integrity monitoring experience enable us to target engagement-specific risks, not wasting resources in areas that do not require scrutiny. As we identify problems, we strive to get to the heart of the matter and design solutions to address and prevent integrity issues without burdening the engagement's progress. We also follow through to ensure that proposed solutions work and do not adversely impact the fulfillment of our clients' goals.

We understand that our clients have limited resources. We understand that while we cannot effectively monitor every transaction on every engagement, we maximize our efforts to focus on those activities or transactions most susceptible to risks of fraud, waste, and abuse. We can accomplish these objectives successfully, despite our clients' resource limitations, because we employ a cost-effective, intelligence-driven approach designed to identify the areas of greatest risk (both in terms of impact and likelihood of occurrence), and the controls in place to mitigate those risks, so that we can target the use of our resources and make our sampling of processes and controls maximally effective. This pragmatic approach avoids duplication of the routine operational reviews of grant management controls and processes and provides a value-add for an affordable cost.

K2 Integrity's approach is distinguished by the following characteristics:

Solutions-oriented, Not Process-Driven

We believe that there is no such thing as a routine situation. We work to understand the problem before forming the solution. We are experts at analyzing internal data, documents, and communications and marrying that to market and situational intelligence to give our clients an edge.

Decades of Combined Experience

Our senior practitioners bring decades of experience as leaders in their fields and deliver the best solutions to our clients.

Strategic Application of Technology

Whether using sophisticated digital forensic tools, analytic platforms for interrogating massive data sets, or cutting-edge case management systems, K2 Integrity consistently relies on technology to deliver the most effective solution to our clients.

Tailored to the Needs of the Client

We address client challenges from every possible angle and work tirelessly to craft solutions as quickly and efficiently as the particular situation requires. Our investigations frequently support the legal strategies of law firms.

Multidisciplinary Breadth

Our teams can engineer multifaceted solutions that always put our clients' needs first. Using the latest technological, data, and analytical tools, our teams address client challenges from every angle and discipline to craft solutions.

Nimble Teams

With global experience and local knowledge, we are able to go anywhere in the world at a moment's notice, including many remote or difficult locations. In addition to drawing on our own collective experience, we partner with a worldwide

network of experts and practitioners in every field and capacity. This footprint allows us to service client needs wherever and whenever they arise.

Independence and Insight

We are proud of what we have come to stand for: good outcomes, honest outcomes, and a reputation not only for risk advisory, consulting and compliance excellence, but for our independence and insight. Because of it we are trusted by governments around the world.

1.4. Addressing Potential Problems

Given our extensive experience assisting agencies such as the Authority, The New Jersey Department of Agriculture, the New Jersey Department of State, the New Jersey State Police, and the New Jersey Office of Higher Education in monitoring their expenditures of Covid-19 recovery funds, we feel fully equipped to effectively handle any problems that may arise over the scope of this engagement. Our recent engagement with the Authority has given us specific familiarity with Agency procedures, programs, and staff, and should mitigate any potential problems that may arise.

1.5. Proposed Work Plan

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

1.5.1. Kickoff and Identification of Monitorship Needs

Objective

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

Project Kick-off Meeting

During this initial phase of work, K2 Integrity will coordinate a project kick-off meeting with key NJEDA personnel. The purpose of the kick-off meeting is to ensure that all stakeholders are aligned on the project objectives, scope, timelines, and deliverables.

Preparation of an Information Request

K2 Integrity will prepare a preliminary information request including relevant policies, procedures, and internal controls implemented by NJEDA. This may include, but will not necessarily be limited to the following:

- Documentation evidencing processes, controls, and technologies implemented to support the execution of applicable programmatic, financial, and administrative requirements set forth in Federal-State grant agreements, sub-grant award agreements, and applicable Federal and State laws, regulations, and guidelines in its administration of Economic Recovery Fund (“ERF”); American Rescue Plan Coronavirus State Fiscal Recovery Funds (“SLFRF”); Additional programmatic funds received from the State; and other Federal Agency for this purpose and subject to an Integrity Oversight Monitoring requirement.
- Results of quality assurance reviews and assessments associated with the payments process to ensure that they are following Federal and State regulations.
- Grants management policies and procedures.
- Accounting policies and procedures including, but not limited to, procurement, payments, expense reimbursement process, financial reporting, and accounts reconciliation process.
- Code of conduct, compliance program, and other governance related documentation.

- Results of prior risk assessments and related risk and control matrix.
- Audit reports including the identification of prior internal control deficiencies and management's response regarding the same.
- Board memoranda related to the program subject to monitorship.
- Periodic reports and other financial reports that NJEDA produces or receives in its management of the grants and its program utilizing grant funding.
- Sub-grantee application processing data.

Identify Expenditures Subject to Monitorship

- K2 Integrity will review information obtained to identify funds subject to monitorship and develop a schedule for operational and internal controls review.
- K2 Integrity understands that NJEDA currently estimates \$5,250,000 million subject to monitorship, broken down by \$104 million in SLFRF, \$1.25 million in State funds.
- As of September 11, 2024, the total disbursements for all eleven (11) beneficiaries have been \$5,105,098.
- NJEDA expects that all funds will be disbursed by September 30, 2026.

1.5.2. Ongoing Program Risk Assessment

Objective

K2 Integrity understands that the scope of work for the initial risk assessment for the ACF Program may be included separately in the Phase 1 or 2 of this program, or NJEDA TOR for Risk Assessment released on March 24, 2023. As such, K2 Integrity will review the risk assessment created under that TOR and will provide any ongoing risk assessment services as needed including, but not limited to: (i) reviewing the operational effectiveness of key control activities against the initial risk matrix to determine residual risk, and (ii) updating the risk assessment to address information obtained throughout the monitorship of the ACF Program. K2 Integrity will ensure that there is no duplication or overlap of services related to the risk assessment.

1.5.3. Substantive Testing of Grant Applications

Objective

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

K2 Integrity understands the importance of NJEDA's deadlines, and as such, will be nimble in our approach to conducting tasks in a timely and efficient manner. K2 Integrity professionals will work closely with designated NJEDA personnel to coordinate and perform the following tasks to achieve the project objectives.

Identification of High-risk Areas Subject to Testing

Based on the reviewed risk assessment from the prior TOR, and knowledge of the ACF Program, K2 Integrity will work with NJEDA to identify potential areas of focus of the transaction testing. This may include, but is not necessarily limited to, the following:

- Sub-recipient application processing, payment, and monitoring;
- Grant management;
- Procurement;

- Payments;
- Financial reporting and reimbursement; and
- Reconciliation.

Review Sub-recipient Grant Applications

With respect to the sub-recipients, K2 Integrity will request and review the list of sub-recipient grant applications received and select a risk-based sample of transactions for testing using a combination of random and judgmental sampling designed to provide appropriate coverage of populations subject to monitorship and assess potential red flags. Transactional attributes to be tested include, but are not limited to, the following:

- Reviewing determinations and denials of applications for proper action.
- Reviewing documentation from the applicant to determine whether eligibility requirements are met.
- Assess adequacy of documentation provided by the sub-recipient as part of its application.
- Review actual disbursement files to ensure that all planned disbursements agree with actual amounts as stated in the sub-recipient files.
- Ensure that all appropriate supporting documentation was provided to support subrecipient's use of funds.
- Verify that applicants are registered in New Jersey, meet guidelines for grant-specific expenditures, and are in good standing with sister agencies including the New Jersey Department of Labor, Workforce Development, and Department of Taxation.
- Validating sub-recipient banking information of sub-recipients with sister agencies to detect and deter misappropriations of funds.
- Recalculating grant award amounts to determine whether the appropriate value of funds was disbursed.

Utilizing information learned from the risk assessment and initial analysis of data, we will determine the appropriate weighting of random and judgmental sampling to best identify noncompliant and fraudulent transactions. We will identify potential exceptions based on the transactions testing, which will include potential exceptions to established controls as well as potential indicators of fraud, waste, or abuse. We will conduct follow-up inquiries to obtain an understanding of the root cause of the exceptions and provide recommendations regarding control remediation. Testing and follow-up activity will include inquiry, observations, and forensic analysis of books and records to ensure that procedures and controls were executed based on program requirements and that Authority financial data reconcile with transactional and source data.

K2 Integrity's team of forensic accountants, investigative attorneys, forensic engineers, and investigators are available to conduct onsite monitoring, interviews, and data capture in the event of noncompliance with reporting requirements, unresponsiveness, allegations of misuse of funds, or other high-risk.

K2 Integrity has a vast network of professionals in additional areas of practice, including commercial lending and economic development incentives structuring, who are available to provide services at NJEDA's discretion should the need arise.

1.5.4. Reporting

K2 Integrity will provide draft quarterly reports to the Authority, with a copy to TreasuryIM@treas.nj.gov, on the last day of the quarter detailing the specific services rendered and any findings of waste, fraud, or abuse. K2 Integrity will utilize the report templates on the Office of the State Comptroller's website for submittal.

1.5.5. Engagement Timeline

K2 Integrity has prepared the following proposed timeline for the initial year of the Task Order based on the information presently available at the time of proposal. The timeline may need to be adjusted due to circumstances as they arise including, but not limited to, requirements of Task Orders that the Authority may issue.

Key Milestone:	Date:
TOR Award	April 01, 2025
Kick-Off Meeting	April 15, 2025
IOM Information Request	April 15, 2025
Obtain Requested Information	April 30, 2025
Interviews of Authority Stakeholders	May 2, 2025
Conduct Quarterly Compliance Testing	May 5, 2025 – June 16, 2025
Issue Interim Report	June 19, 2025
Draft Quarterly Report Preparation	June 23, 2025
Draft Quarterly Report Submission	June 30, 2025
Quarterly Report Finalization	July 14, 2025
Conduct Quarterly Compliance Testing	July 3, 2025 – September 15, 2025
Issue Interim Report	September 15, 2025
Draft Quarterly Report Preparation	September 19, 2025
Draft Quarterly Report Submission	September 29, 2025
Quarterly Report Finalization	October 13, 2025
Conduct Quarterly Compliance Testing	October 2, 2025 – December 15, 2025
Issue Interim Report	December 19, 2025
Draft Quarterly Report Preparation	December 22, 2025
Draft Quarterly Report Submission	December 29, 2025
Quarterly Report Finalization	January 12, 2026
Conduct Quarterly Compliance Testing	January 5, 2026 – March 16, 2026
Issue Interim Report	March 20, 2026
Draft Quarterly Report Preparation	March 23, 2026
Draft Quarterly Report Submission	March 30, 2026
Quarterly Report Finalization	April 14, 2026

2. Organization Chart



3. Key Team Member List

Our Key Team Members for this TOR are identified below:

Key Team Member	Proposed Role
Bradley Sussman	Executive Oversight of IOM Team
Tejah Duckworth	Project Management
Michael Bernstein	Management of All Audit Functions

4. NJEDA Task Order Request – Vendor Response Form

Attached please find K2 Integrity's TOR Vendor Response Form, RFP Exhibit B3, as Appendix 2.

K2 Integrity understands that the term of the monitorship over the ACF Program is until all funds have been dispersed, which the NJEDA anticipates will occur by September 30, 2026, and all post-award compliance work is completed. As such, K2 Integrity's proposes a budget to reflect the period of the Notice to Proceed to September 30, 2026. K2 Integrity will review the eleven (11) awardees who have currently received Federal funding for the ACF Program. K2 Integrity's total budget for this TOR is not-to-exceed \$38,310.

Appendix 1 – Vendor Response Form

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
TASK ORDER REQUEST - VENDOR RESPONSE FORM
[Reference RFP #2022-RFP-144]**

TASK ORDER REQUEST # 144-07

The undersigned, having familiarized himself/herself with the conditions affecting the cost of the work and with the Authority Contract documents agrees to furnish all mobilization, insurances, labor, materials and services, and perform all work as described in the Contract documents, per the rates included in the Fee Schedule. The Contractor is responsible for verifying and estimating all quantities for providing the prices.

CONTRACTOR NAME	K2 Intelligence LLC dba K2 Integrity		
PROJECT SUMMARY	Atlantic City Food Security Grants Pilot Program		
COVID-19 Recovery Programs valued at \$20 million or more	Yes _____ No <u>X</u>		
STANDARDIZED POSITIONS/TITLES	HOURLY RATES	NUMBER OF HOURS	PRICE
Senior Executive / Manager	\$340.00	7	\$2,380
Mid-Level Manager	\$290.00	45	\$13,050
Low-level (or similar title)	\$220.00	104	\$22,880
Administrative/Support Staff			
TOTAL PRICE			\$38,310
<p>Contractor agrees as follows: Project completion shall be consistent with the dates outlined on the Task Order Request. Scheduling of all work shall be coordinated with the Authority. Consultant represents that there is no conflict of interest in the performance of this Task Order Request. The Authority is a tax-exempt organization: [REDACTED]</p>			

Respectfully submitted,

K2 Intelligence LLC
Name of Firm



Signature & Title

Bradley Sussman
Name of Individual

Date

