



June 24, 2025

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

*VIA EMAIL ONLY:* [bsussman@k2integrity.com](mailto:bsussman@k2integrity.com)

**RE: NOTICE OF AWARD: RFP #2022-RFP-144-11 Integrity Oversight Monitor  
Blended Capital (*aka* Capital Access) 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 \$124,710 (including \$25,000 of contingency for the drawdown of the third tranche) for the duration of the monitorship, including the compliance work and related tasks.

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-144-11

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY TASK  
ORDER REQUEST**

[Reference RFP #2022-RFP-144-11]

<b>VENDOR NAME</b>	Deloitte & Touche, LLP and K2 Integrity
<b>PROJECT TITLE</b>	Capital Access Program
<b>DATE</b>	April 22, 2025
<b>PROJECT SUMMARY</b>	Integrity Monitoring Services for the Capital Access Program
<b>DATE NEEDED</b>	ASAP

<b>NJEDA CONTACT</b> (Name, Title, Address, E-mail & Telephone Number)	<b>Capital Access Program questions:</b> [REDACTED] Director Business Banking [REDACTED]
	<b>For general IOM program questions:</b> [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-144-11– 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 the Capital Access Program, which is a competitive program funded with State Small Business Credit Initiative (SSBCI).

Pursuant to RFP section 3.3.1, the awardee of this Task Order is requested to perform integrity monitoring services for the above referenced Blended Capital aka Capital Access 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 Blended Capital aka Capital Access Program.

## **Program Background**

The State Small Business Credit Initiative (SSBCI) is a federal program administered by the US Department of the Treasury to strengthen programs of eligible jurisdictions that support private financing to small businesses. The program was first established in 2010, and a second round was funded by the American Rescue Plan Act (ARP) in the spring of 2021, with \$10 billion available overall, allocated non-competitively to states, territories, and Tribal governments. Of the \$10 billion of SSBCI funding, the State of New Jersey (“NJ” or “State”) was allocated \$255 million as per the allocation agreement signed on March 15, 2023.

Because U.S. Treasury requires that state-level SSBCI applicants be a state department or agency that can obligate the State, Governor Murphy designated NJ Department of the Treasury as the lead applicant, with the NJEDA acting as a contracted entity to implement the program for purposes of the federal SSBCI application. The NJEDA’s Board of the Authority approved a Memorandum of Understanding (MOU) with NJ Treasury regarding the arrangement for SSBCI 2.0.

SSBCI funds are disbursed to jurisdictions in three tranches.

- The first is disbursed after U.S. Treasury approves the application and NJ Treasury signs and executes the Allocation Agreement with U.S. Treasury,
- The second and third tranches will be disbursed when the NJ Treasury certifies that it has expended, transferred, or obligated at least 80% of the prior disbursement of allocated funds. The second tranche must be drawn down at or before the three-year anniversary of the signing of the allocation agreement, and
- The final tranche must be drawn down at or before the six-year anniversary of the signing of the Allocation Agreement.

US Treasury has informed NJEDA staff that the expected deadline to disburse the funds is 10 years. SSBCI administrative costs are limited to 5% of SSBCI funds in the first tranche and 3% of SSBCI funds in the second and third tranches.

The SSBCI Blended Capital Fund, rebranded as “NJ Capital Access Fund”, is classified as a loan participation program by US Treasury and is administered by a fund manager. This program is supported through New Jersey’s allocation from the U.S. Treasury’s SSBCI funding. This program was approved at the May 10, 2023, board meeting to utilize \$50 million of the \$255 million total NJ SSBCI allocation. Since it is deemed a loan participation program, the state’s investment had to be matched along with a \$50 million private capital match which was the responsibility of the board-approved Fund Manager, Calvert Impact to secure. This would result in a total fund of \$100 million that would be available to support this NJ loan participation program.

Calvert Impact, the Fund Manager selected based on the responses to the Notice of Investment Opportunity posted on the NJEDA website February 9, 2023, and approved by the Board on May 10, 2023, is responsible for complying with the required US Treasury guidelines to oversee this fund and as per program agreements that were executed with NJEDA.

The NJ Capital Access Fund was intended to service NJ based micro and small businesses by offering a working capital loan with flexible terms. By leveraging a fund manager, NJEDA is able to depend on certain services to be delivered by that entity. A technology platform for sourcing leads and loan applications-CRF Connect (formerly Connect2Capital)- was provided to allow for lead generation to be created and funneled to the participating lenders. The platform is owned and managed by Calvert’s partner, Community Reinvestment Fund (CRF). If leads are not matched to a lender, a Technical Assistance (TA) provider is identified to further support the needs of those small businesses to help access capital in the future. As of February 2024, the NJ Small Business Development Center is the primary TA provider for the program. The fund manager is responsible for the oversight of the fund and the purchase of 80% of eligible working capital loans that are originated by participating Community Development Financial Institutions (CDFIs) and Minority Depository Institution (MDIs). The fund manager depends on a fund administrator, CRF, for the NJ Capital Access Fund. CRF is responsible for ensuring that all application data requirements are collected by the participating lenders.

## **Eligibility Criteria for Loan Participation**

NJEDA has a long history of lending to small businesses as well as supporting (CDFIs) through grants and access to capital. The economic impact of COVID-19 has been unprecedented, and the state of the economy has created uncertainty for many small businesses that are still struggling to recover. One of the hardest hit segments of the US economy has been

the small business community. While the overall economy will rebound, without appropriate access to capital and tailored support, small businesses will face a longer recovery and struggle to pick up the pieces. It takes tailored resources – capital, information, services – from trusted partners to reach them. The creation of the NJ Capital Access Fund is a way to leverage community based lending partners to provide access to capital to NJ-based small businesses all while utilizing the SSBCI resources provided to NJ from US Treasury.

With oversight of NJEDA staff, Calvert must utilize and leverage the SSBCI investment for purposes of administering the NJ Capital Access Fund. Calvert's fund administrator, CRF, must obtain approval from NJEDA staff before proceeding with the purchase of any loan participation.

Calvert is responsible for recruiting and approving CDFIs and MDIs to participate, originate, underwrite, close, and service the eligible loans under the program. Participating CDFIs and MDIs will directly offer a specific loan product that was designed by NJEDA to assist small businesses and nonprofits with their working capital needs throughout NJ– those with no more than \$10 million in revenue and less than 50 employees.

### **Fund and Loan Participation Details**

The guiding principles of the Fund and the loan participation product design are:

- Leverage a technology platform that creates a streamlined path for small businesses in need of loans to be easily connected to experienced community lenders;
- Provide a technical assistance provider to anyone who didn't get connected to a lender to help that small business understand what they can do to help their chances of accessing capital in the future;
- To bolster the existing community based lending infrastructure by leveraging the capacity of experienced CDFIs and MDIs that already lend to NJ based small businesses;
- Leverage SSBCI capital matched with private capital to catalyze the creation of a loan participation fund to ensure a loan product that isn't currently being offered through the NJEDA can be brought to the market; and
- Ensure the loan product to be offered standardized and easy to understand loan terms.

To be eligible for purchase by the Fund, the fund manager is to ensure that the loan must meet the following criteria:

- Loan purchase amount of no more than \$250,000 or 80% of the loan amount, whichever is lower
- Fixed interest rate, no higher than 12%
- Repayment term of 36 to 72 months
- Fully amortizing with fixed monthly payments on an Actual/360 schedule
- No prepayment penalty or fees
- No more than \$750 in third-party fees and expenses (such as UCC filing fee, application fees, credit report costs, and upfront fees, etc.), which can be capitalized into the loan
- A UCC lien filing is required
- Personal guarantees will be required for individuals that own 20% or more of the small business
- No confessions of judgement
- Applicant must provide current NJ Tax Clearance Certificate printed in NJ Economic Development Authority's name

Refinancing existing debt made by another lender is allowed as long as:

- The transaction is beneficial to the small business borrower, which for purposes of the program shall mean that such transaction results in a material monthly cash flow benefit to the borrower and/or eliminates a balloon payment;
- Proceeds of the transaction are not used to finance an extraordinary dividend or other distribution; and
- It complies with all applicable SSBCI restrictions and requirements regarding refinancing and new extensions of credit, including that the SSBCI-supported loan is not a refinancing of a loan previously made to the borrower by the lender or an affiliate of the lender.

### **Eligible Use of Funds**

Loan applicants must attest that:

- It is not using loan proceeds to:
  - Repay delinquent federal or state income taxes unless the borrower has a payment plan in place with the relevant taxing authority,
  - Repay taxes held in trust or escrow,

- Reimburse funds owed to any owner, including any equity investment or investment of capital for the business's continuance; or
- Purchase any portion of the ownership interest of any owner of the business except for the purchase of an interest in an employee stock ownership plan qualifying under section 401 of the Internal Revenue Code, worker cooperative, or related vehicle, provided that the transaction results in the employee stock ownership plan or other employee-owned entity holding a majority interest (on a fully diluted basis) in the business
- The borrower is not:
  - An executive officer, director, or principal shareholder of the financial institution lender.
  - A member of the immediate family of an executive officer, director, or principal shareholder of the financial institution lender.
  - A related interest or immediate family member of such an executive officer, director, or principal shareholder of the financial institution lender.
  - A business engaged in speculative activities that profit from fluctuations in price, such as wildcatting for oil and dealing in commodities futures, unless those activities are incidental to the regular activities of the business and part of a legitimate risk management strategy to guard against price fluctuations related to the regular activities of the business or through the normal course of trade.
  - A business that earns more than half of its annual net revenue from lending activities, unless the business is (1) a CDFI that is not a depository institution or a bank holding company, or (2) a Tribal enterprise lender that is not a depository institution or a bank holding company.
  - A business engaged in pyramid sales, where a participant's primary incentive is based on the sales made by an ever-increasing number of participants.
  - A business engaged in activities that are prohibited by federal law or, if permitted by federal law, applicable law in the jurisdiction where the business is located or conducted (this includes businesses that make, sell, service, or distribute products or services used in connection with illegal activity, unless such use can be shown to be completely outside of the business's intended market); this category of businesses includes direct and indirect marijuana businesses, as defined in Small Business Administration (SBA) Standard Operating Procedure 50 10 6.
  - A business deriving more than one-third of gross annual revenue from legal gambling activities.

### **Ineligible Industries**

The following businesses are not eligible, subject to any additional changes and guidance that U.S. Treasury may issue:

- Firms engaged in activities that are prohibited by federal law or applicable law in the jurisdiction where the business is located or conducted.
- Business engaged in speculative activities that develop profits from fluctuations in price, unless those activities are incidental to the regular activities of the business and part of a legitimate risk management strategy to guard against price fluctuations related to the regular activities of the business or through the normal course of trade.
- Facilities primarily used for gambling or to facilitate gambling.
- Firms engaged primarily in lobbying activities.
- Firms engaged in pyramid sales schemes.
- Passive real estate investments.
- The conduct or purveyance of "adult" (that is, pornographic, lewd, prurient, obscene, or otherwise similarly disreputable) activities, services, products, or materials (including nude or semi-nude performances or the sale of sexual aids or devices); any auction, bankruptcy, fire, "lost-our-lease," "going-out-of-business," or similar sale; sales by transient merchants, Christmas tree sales, or other outdoor storage; or any activity constituting a nuisance.

## Applicants

The NJ Capital Access Fund will purchase eligible working capital loans on a rolling bases up to 10 years or until funding is exhausted. On a monthly or as needed basis, Calvert's fund administrator will submit loans originated by CDFIs and MDIs to NJEDA for review. Only after review and approval by designated NJEDA staff can the Fund purchase the participation in the loans. As of April 15<sup>th</sup>, 2025, the following small businesses have received support through the SSBCI NJ Capital Access Fund.:

Boho House LLC (DBA) Boho House Hair Salon	JG Food Market, LLC	Roselle Monroe LLC
Achieving Goals, LLC	JONATHAN CUSTOMS LLC	Royal Benefits Solutions, LLC
Advanced Billing & Collections LLC	JTJ Accounting and Tax Services, LLC	S2K Management & Solutions, LLC
Aleah Multi Services Center LLC	K Food 1, Inc	Sa Rit Gol Inc
Amazin' Blazin' LLC DBA KKBQ Cupbob & Littleboba	K Tour & Travel LLC	Salon Touch By GF LLC
Anpal Solutions II LLC	Khanone LLC DBA Atlantis Grill House	SANDOVAL TRANSPORT SERVICES LLC
Aqua Prime Irrigation LLC	KLK Refrigeration Limited Liability Company	Signs by RAMA Inc.
Arch Angels NJ LLC	KSK Line Inc	SINDEL TRUCKING LLC
ARTIST-TEES.COM LLC	L7 Beauty LLC	Skin Deep Clinic LLC
Authentic Style LLC	Law Office of Serk H. Chang	SM Business Group LLC
Beverly Lyons Real Estate Agency LLC	LewisBUILT, L.L.C.	Smart Logistics LLC
Black Diamond Logistics LLC	LILY & MAX DISTRIBUTION LLC	Sound Advice Counseling & Psychotherapy LLC
Blue Skies Pottery LLC	Linda Soto Cleaning LLC	SPG CONSULTING LLC
Book Your Block LLC	Marcial Gutters LLC	Taiwo Tax & Accounting LLC
Bright supercars LLC	Mike Depot Contractor LLC	Tarca LLC
Campus Group Limited Liability Company DBA PJS Grill & Pizza	MILLBURN KIDS LLC (dba) The Goddard School of Millburn	Tea Art Realty L.L.C.
CHK US LLC	MST Tutoring LLC	TeamUP Counseling Limited Liability Company
Christmas Designers Holiday Decorating LLC	Neil K Johnson dba Neil K Johnson Architect	Techno Study Inc
Correa Trucking Services Corp	NEW BEGINNINGS BEHAVIORAL HEALTH	The Barefoot Bride, Inc.
Decor by Liz LLC	Norkys Peruvian Restaurant LLC	The Law Office of Edmund F Fitterer JR LLC
Edison Texmex Deli LLC	Naturalvert LLC	The New Pink Room Corp.
ELEVATED AI, INC.	OBC Distribution LLC	THE OLIVE TREE ACADEMY LLC
Elvis Elvin Labs Inc	OJG TRANSPORT LLC	The Posh Pooch LLC
Epi Couture LLC	OS Supervision LLC	Tony's Italian Cuisine LLC dba Tony's Bar
Erin Hertrich Therapy Services LLC	PRECISELY TAX SOLUTIONS CORP	TRAINING WITH KRIS LLC
F&S Digital LLC dba Differnt Systems	Precision Accounting Intl LLC	Tropical Delight Jamaican Restaurant LLC
Flows Tasty Treats LLC	Prince Multi Services LLC	Truth GK, LLC DBA Rainbow Nursery School
FOUR SEASON FINANCIAL L.L.C.	Provenance Organic Farm LLC	Tu Supite Fritura Dominicana Bakery Inc
Global Concept LLC	Pure Guard Services LLC	TUBLife & Rockstaar Entertainment, LLC
HQ Ugly Foods and Service Corporation	Ri Sheng Inc DBA Fujiya Ramen	Unity Jiu Jitsu Cliffside Park LLC
Hunkar LLC	Right Coast General Contracting LLC	Urena Tax & Accounting Solutions LLC DBA Urena Tax
Hydronos Labs LLC	Rizzo Family Chiropractic Center	Vocal Lens Productions LLC
In the Garden, L.L.C.	RJ Dental Teaneck LLC	West Jersey Enterprise, Inc.

## 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](mailto: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](mailto: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](#)

- **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 Blended Capital aka Capital Access 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 **Blended Capital aka Capital Access 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-11)]

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-11)  
RFP #

Blended Capital aka Capital Access 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  
5-8-2025  
Date

Bradley Sussman  
Vendor Contract Manager Name  
  
Vendor Contract Manager Signature

Senior Managing Director  
Title  
5-8-2025  
Date



INTEGRITY MONITORING

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

## Task Order Request – Capital Access Program

**Prepared for:**  
New Jersey Economic Development Authority

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

May 13, 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 **Capital Access 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 Capital Access Program. The Capital Access Program is a \$100 million loan participations program that is administered by a fund manager, Calvert Impact, which \$50 million is funded by the State Small Business Credit Initiative (“SSBCI”) and \$50 million matched through private capital secured by Calvert Impact. The goal of the program is to support New Jersey based micro and small businesses by offering a working capital loan with flexible terms.

The following entities are involved in the process of loans:

- Calvert Impact – responsible for oversight of NJ Capital Access Fund (“the Fund”) and the purchase of 80% of eligible working capital loans originated by:
  - Community Development Financial Institutions (“CDFIs”); and
  - Minority Depository Institution (“MDIs”).
- CRF Connect – provides a technology platform for sourcing leads and loan applications.
- Community Reinvestment Fund:
  - The Fund Administrator ensures applications data requirements are collected by participating lenders;
  - Will submit loans by CDFIs and MDIs to NJEDA for review on a monthly basis; and
  - Owns and manages the technology platform.
- NJ Small Business Development Center – Technical Assistance provider to support the needs of the small businesses to help access capital in the event leads are not matched to a lender.

K2 Integrity understands that the Fund will purchase eligible working capital loans on a rolling basis up to 10 years or until funding is exhausted; and as of April 15, 2025, ninety-nine (99) small businesses have received support through the Fund.

K2 Integrity is prepared to review the following:

- **Eligibility Criteria:**
  - Small businesses and non-profits with no more than \$10 million in revenue; and
  - Small businesses and non-profits with less than 50 employees.
  - To be eligible for purchase by the Fund:
    - Loan purchase amount of no more than \$250,000 or 80% of the loan amount, whichever is lower;
    - Fixed interest rate, no higher than 12%;
    - Repayment term of 36 to 72 months;
    - Fully amortizing with fixed monthly payments on an Actual/360 schedule;
    - No prepayment penalty or fees;

- No more than \$750 in third-party fees and expenses (such as UCC filing fee, application fees, credit report costs, and upfront fees, etc.), which can be capitalized into the loan;
  - A UCC lien filing is required;
  - Personal guarantees will be required for individuals that own 20% or more of the small business;
  - No confessions of judgement; and
  - Applicant must provide current NJ Tax Clearance Certificate printed in NJ Economic Development Authority's name.
- **Eligible Uses**
    - Loan applicants must attest that it is not using loan proceeds to:
      - Repay delinquent federal or state income taxes unless the borrower has a payment plan in place with the relevant taxing authority;
      - Repay taxes held in trust or escrow;
      - Reimburse funds owed to any owner, including any equity investment or investment of capital for the business's continuance; or
      - Purchase any portion of the ownership interest of any owner of the business except for the purchase of an interest in an employee stock ownership plan qualifying under section 401 of the Internal Revenue Code, worker cooperative, or related vehicle, provided that the transaction results in the employee stock ownership plan or other employee-owned entity holding a majority interest (on a fully diluted basis) in the business.
    - The borrower is not:
      - An executive officer, director, or principal shareholder of the financial institution lender.
      - A member of the immediate family of an executive officer, director, or principal shareholder of the financial institution lender.
      - A related interest or immediate family member of such an executive officer, director, or principal shareholder of the financial institution lender.
      - A business engaged in speculative activities that profit from fluctuations in price, such as wildcatting for oil and dealing in commodities futures, unless those activities are incidental to the regular activities of the business and part of a legitimate risk management strategy to guard against price fluctuations related to the regular activities of the business or through the normal course of trade.
      - A business that earns more than half of its annual net revenue from lending activities, unless the business is (1) a CDFI that is not a depository institution or a bank holding company, or (2) a Tribal enterprise lender that is not a depository institution or a bank holding company.
      - A business engaged in pyramid sales, where a participant's primary incentive is based on the sales made by an ever-increasing number of participants.
      - A business engaged in activities that are prohibited by federal law or, if permitted by federal law, applicable law in the jurisdiction where the business is located or conducted (this includes businesses that make, sell, service, or distribute products or services used in

connection with illegal activity, unless such use can be shown to be completely outside of the business's intended market); this category of businesses includes direct and indirect marijuana businesses, as defined in Small Business Administration (SBA) Standard Operating Procedure 50 10 6.

- A business deriving more than one-third of gross annual revenue from legal gambling activities.

### **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 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 program 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 SSBCI funds and American Rescue Plan (“ARP”); 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.
- loan 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 \$50 million funded by the State Small Business Credit Initiative (“SSBCI”) and \$50 million matched through private capital.
- K2 understands that as of April 15, 2025, ninety-nine (99) small businesses have received support through the Fund.
- K2 Integrity understands that the Fund will purchase eligible working capital loans on a rolling basis for up to 10 years or until funding is exhausted.

## **1.5.2. Ongoing Program Risk Assessment**

### **Objective**

K2 Integrity understands that the scope of work for the initial risk assessment for the Capital Access 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 Capital Access 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 Loan 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 Capital Access 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:

- loan application processing, payment, and monitoring;
- loan management;
- Payments;
- Financial reporting and reimbursement; and
- Reconciliation.

#### **Review Loan Applications**

With respect to the loan applicant, K2 Integrity will request and review the list of loan 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 applicant as part of its application.
- Review actual disbursement files to ensure that all planned disbursements agree with actual amounts as stated in the applicant files.
- Ensure that all appropriate supporting documentation was provided to support applicant's use of funds.
- Verify that applicants are registered in New Jersey, meet guidelines for specific expenditures, and are in good standing with sister agencies including the New Jersey Department of Labor, Workforce Development, and Department of Taxation.
- Validating applicant's banking information with sister agencies to detect and deter misappropriations of funds.
- Recalculating loan 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](mailto: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:
<b>TOR Award</b>	May 23, 2025
<b>Kick-Off Meeting</b>	June 2, 2025
<b>IOM Information Request</b>	June 5, 2025
<b>Obtain Requested Information</b>	June 15, 2025
<b>Issue Interim Report</b>	June 19, 2025
<b>Draft Quarterly Report Preparation</b>	June 23, 2025
<b>Draft Quarterly Report Submission</b>	June 30, 2025
<b>Interviews of Authority Stakeholders</b>	July 2, 2025
<b>Conduct Quarterly Compliance Testing</b>	July 3, 2025 – September 15, 2025
<b>Issue Interim Report</b>	September 15, 2025
<b>Draft Quarterly Report Preparation</b>	September 19, 2025
<b>Draft Quarterly Report Submission</b>	September 29, 2025
<b>Conduct Quarterly Compliance Testing</b>	October 2, 2025 – December 15, 2025
<b>Issue Interim Report</b>	December 19, 2025

<b>Key Milestone:</b>	<b>Date:</b>
<b>Draft Quarterly Report Preparation</b>	December 22, 2025
<b>Draft Quarterly Report Submission</b>	December 29, 2025
<b>Conduct Quarterly Compliance Testing</b>	January 5, 2026 – March 16, 2026
<b>Issue Interim Report</b>	March 20, 2026
<b>Draft Quarterly Report Preparation</b>	March 23, 2026
<b>Draft Quarterly Report Submission</b>	March 30, 2026
<b>Quarterly Report Finalization</b>	April 1, 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 1.

K2 Integrity understands that the term of the monitorship over the Capital Access Program is until all funds have been dispersed, which the NJEDA anticipates will occur on a rolling bases up to 10 years. As such, K2 Integrity's proposes a budget to reflect the period of the Notice to Proceed to December 31, 2026. K2 Integrity will review up to fifteen (15) loan applicants (15% of the small businesses up to receipt of funding of third tranche) who have currently received Federal funding for the Capital Access Program. K2 Integrity's total budget for this TOR is not-to-exceed \$124,710 (including \$25,000 of contingency for the drawdown of the third tranche).

## Appendix 1 – Vendor Response Form

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

TASK ORDER REQUEST #\_144-11\_\_\_\_\_

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.

<b>CONTRACTOR NAME</b>		K2 Intelligence LLC	
<b>PROJECT SUMMARY</b>		Blended Capital aka Capital Access Program	
<b>COVID-19 Recovery Programs valued at \$20 million or more</b>		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
<b>STANDARDIZED POSITIONS/TITLES</b>	<b>HOURLY RATES</b>	<b>NUMBER OF HOURS</b>	<b>PRICE</b>
Senior Executive / Manager	\$340	5	\$1,700
Mid-Level Manager	\$290	233	\$67,570
Low-level (or similar title)	\$220	252	\$55,440
Administrative/Support Staff			
<b>TOTAL PRICE</b>			\$124,710
<p><b>Contractor agrees as follows:</b>                  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: ██████████.</p>			

Respectfully submitted,

K2 Intelligence LLC

Bradley Sussman

\_\_\_\_\_  
Name of Firm

\_\_\_\_\_  
Name of Individual



May 13, 2025

\_\_\_\_\_  
Signature & Title

\_\_\_\_\_  
Date

