



July 7, 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-144-06 Integrity Oversight Monitor  
SSBCI Clean Energy Business Financing Program (“New Jersey Clean Energy  
Loans (NJ CELs)”) - Reissued**

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 \$82,240 for the monitorship period through March 14, 2026, including completion of all post-award compliance work and related tasks and the review of 10 applications.

We appreciate the proposed timeline that was included in K2’s response and will schedule a kickoff meeting in the near future. NJEDA looks forward to working with K2 Integrity.

Sincerely,

[REDACTED]  
Director, Legal Compliance  
Accountability Officer

cc: [REDACTED], Chief Counsel  
[REDACTED], Team Lead, Legal Compliance  
2022-RFP-144-06

## NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY TASK ORDER REQUEST

[Reference RFP #2022-RFP-144-06: REISSUE]

<b>VENDOR NAME</b>	Deloitte & Touche, LLP and K2 Integrity
<b>PROJECT TITLE</b>	SSBCI Clean Energy Business Financing Program (“New Jersey Clean Energy Loans (NJ CELs)”)
<b>DATE</b>	5/9/2025
<b>PROJECT SUMMARY</b>	Integrity Monitoring Services
<b>DATE NEEDED</b>	ASAP

<b>NJEDA CONTACT</b> (Name, Title, Address, E-mail & Telephone Number)	<p>For NJ CELs Program questions:  [REDACTED], Director - Clean Energy Products</p> <hr/> <p>For general IOM program questions:  [REDACTED], Director – Legal  Compliance and Accountability Officer  [REDACTED]</p>
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**Cost Submission:** Please provide a cost estimate for the above referenced project, in accordance with the Fee Schedule submitted for **RFP #2022-RFP-144-06– 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 State Small Business Credit Initiative (SSBCI) Clean Energy Business Financing Program (“New Jersey Clean Energy Loans (NJ CELs)”). This program was funded with \$80,000,000 from New Jersey’s allocation of \$255,197,631 from U.S. Treasury’s State Small Business Credit Initiative.

Pursuant to RFP section 3.3.1, the awardee of this Task Order is requested to perform integrity monitoring services for the above-referenced program, NJ CELs 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 NJ CELs Program.

In February 2022, the NJEDA's Board ("Board") approved an MOU between the NJEDA and NJ Treasury regarding SSBCI 2.0 funds, and NJEDA's role as the contracting entity to implement the SSBCI 2.0 program, authorizing the Chief Executive Officer to approve transactions up to \$3 million]. On November 16, 2022, the Board approved the creation of the NJ CELs Program under the SSBCI federal program. On February 8, 2023, the Board modified the NJ CELs Program regarding the definition of Private Lenders, as specified in the Board Memo dated February 8, 2023, and Proposed Program Specifications sheet. The approved Board Memorandum, dated November 16, 2022 (with program specifications / eligibility criteria), Board Memorandum Modification, dated February 8, 2023, and NJEDA's Memorandum of Understanding with New Jersey Treasury are attached. The NJ CELs Program was launched on April 19, 2023.

As of May 5, 2025, two (2) NJ CELs loans have closed and two (2) applications are under NJEDA's review.

### **Program Background**

The State Small Business Credit Initiative 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. New Jersey is eligible for a total of \$255 million. This includes sub-allocations specifically for very small businesses (\$15,689,280) and businesses owned by socially and economically disadvantaged individuals, or SEDI businesses, as defined by the U.S. Department of the Treasury in the SSBCI Capital Program Policy Guidelines (\$27,521,719). Incentive funds are available for jurisdictions that demonstrate strong support for SEDI businesses.

### **NJ CELs Program**

The NJ CELs Program is a \$80,000,000 co-lending program that offers term loans to eligible small businesses ("Borrowers") seeking to finance eligible clean energy projects ("Projects") that create jobs in New Jersey. Authority was delegated to the NJEDA's Chief Executive Officer by the EDA Board on February 8, 2023, to approve individual applications for the NJ CELs Program for transactions of up to \$3,000,000 in SSBCI funds, in accordance with the terms set forth in the respective memo and program specifications.

The NJ Cels Program has been designed to meet the requirements for a Loan Participation Program ("LPP") under the rules of SSBCI. As an LPP, Federal SSBCI funds allocated to NJEDA may make up a portion of the overall financing plan for a particular Project, through the use of either of two mechanisms: originating companion loans directly to Borrowers in parallel with Private Lenders that meet both SSBCI and the NJCELS proposed program specifications sheet criteria; or purchasing participations in loans Private Lenders extend to Borrowers.

NJEDA is opting to leverage both mechanisms authorized under the SSBCI rules for LPPs to provide maximum flexibility to meet the needs of both potential borrowers and Private Lenders. In all cases, NJEDA will only fund up to 50% of the overall principal amount of the financing of a Project ("SSBCI Loan"), requiring at least 50% of the overall principal amount to be funded by one or more Private Lenders.

The program is expected to support nearly 100 small businesses over its life. This is based on an assumed average recycling time of 5 years; a horizon of 10 years for the program; an average leverage ratio of 2 private dollars to 1 SSBCI dollar of funding; and expected average aggregate principal amount per financing (inclusive of private funding) of \$5,000,000. Additionally, the scoring criteria and overall program are structured in such a way that provides additional support to NJ Certified Woman-, Minority-, and Veteran-owned businesses as well as Projects located in overburdened communities.

## Eligibility Criteria

Based on SSBCI guidelines, in pursuing an eligible Project, a Borrower may use loan proceeds for business purposes only, including but not limited to start-up costs; working capital; acquisition of equipment, inventory, or services used in the production, manufacturing, or delivery of a business's goods or services; or the purchase, construction, renovation, or tenant improvements of an eligible place of business that is not for passive real estate investment purposes.

The NJ CELs Program will make available SSBCI-funded direct loans or purchase loan participations between \$250,000 and \$10,000,000. The aggregate principal loan size will range from \$500,000 to \$20,000,000, and the program will target loans of an aggregate size of \$5 million or less. Loans and participations will be matched at least 1:1 with private capital.

Companion direct loans issued by NJEDA, or loan participations purchased by NJEDA, will have an interest rate equal to 3% below the rate proposed by Private Lender(s), but in no case lower than 0%, and not to exceed rate cap as specified in the SSBCI Capital Program Policy Guidelines (currently in accordance with 12 U.S.C. § 1757(5)(A)(vi)(I)).

Additionally, Borrowers will have their interest rates lowered an additional 1%, but in no case resulting in an interest rate below 0% overall, for each of the following:

- The Borrower is a NJ Certified Minority, Woman, or Veteran-owned businesses; or
- The Project is located in an overburdened community as defined in N.J.S.A 13:1D-157.

In order for a Project to be considered located in an overburdened community, the following criteria must be met at all times:

- For Projects that are Clean Energy Industry infrastructure projects or the installation or purchase of Clean Energy Industry improvements at a Borrower's existing facility, the infrastructure project or installation activities must be physically located in an overburdened community;
- For all other Projects, Borrowers must have a physical location in an overburdened community (formal office, facility, or colocation facility acceptable) and have a minimum of 50% of full-time employees working in the overburdened community.

The determination of whether a Project is located in an overburdened community will be made at the time of application, and the Borrower will not be penalized if community's designation as an overburdened community changes over the course of the loan.

If at any time during the loan term, the Borrower fails to meet any of the requirements with regards to the Borrower being an NJ Certified Minority, Woman, or Veteran-Owned business or the Project's location in an overburdened community (as specified above), the Borrower will no longer receive the 1% interest rate reduction.

The loan's term and amortization may be between 1 and 25 years. NJEDA will match the term and amortization proposed by the Private Lender.

## SSBCI Clean Energy Business Financing Program ("New Jersey Clean Energy Loans (NJ CELs)") -Status.

**The following two (2) loans have closed and funds have been disbursed.**

- 1. Amergy Solar, Inc-** 100% owner: Bill Wang (legal name: Wei Wang). Disbursement amount- \$500,000.
- 2. Solar Landscape, LLC- 100% owner: COSH Development LLC.- Disbursement amount- \$10,000,000.**  
Other entities listed as co-borrowers in the application/loan documents:
  - Solar Landscape Development LLC
  - Solar Landscape Origination LLC
  - Shore Holdings 2019 LLC
  - COSH Development LLC

COSH Development LLC ("COSH") is the holding company for the wholly owned subsidiaries Solar Landscape LLC, Solar Landscape Development Landscape LLC, and Solar Landscape Origination LLC. COSH is owned by Shaun Keegan (40%),  
RFP Exhibit B1 - TOR

Corey Gross (40%), Mark Schottinger (10%), and Clayton Avent (10%).

SHORE Holdings 2019 LLC ("SHORE") is not a subsidiary of COSH but is related by common ownership. SHORE is owned by Shaun Keegan (50%) and Corey Gross (50%).

**Two (2) pending applications are under NJEDA review, as of 5/9/2025.**

### **Disbursement**

Funds will be fully disbursed upon execution of closing documents, with the exception of cases in which the Private Lender is disbursing funds in multiple tranches. In such cases, the NJEDA may match the Private Lender and disburse funds in multiple tranches, as follows:

- The first disbursement occurs after the U.S. Treasury approves the application and the NJ Dept. of Treasury signs and executes the required Allocation Agreement with the U.S. Treasury. New Jersey's Allocation Agreement was executed on March 15, 2023;
- The second and third tranches are disbursed once the jurisdiction has certified that it has expended, transferred, or obligated at least 80% of the prior disbursement of allocated funds. Therefore, 80% of the first tranche (\$63.4 million of the \$79.3 million) of the SSBCI funds must be disbursed by March 14, 2026;
- The second tranche must be drawn down at or before the three-year anniversary of the signing of the allocation agreement, i.e., March 14, 2026; and
- The final tranche must be drawn down at or before the six-year anniversary of the signing of the allocation agreement, i.e., March 14, 2029.

The U.S. Treasury had informed the NJEDA that funds are expected to be disbursed within 10 years. Additionally, administration costs are limited to 5% of SSBCI funds for the first tranche and 3% of SSBCI funds in the second and third tranches.

The Engagement/TOR shall run from the effective date until the NJ CELs Program has disbursed all funding and completed any post-award compliance work.

### **Documents Attached**

- NJEDA Board Memo Re: Clean Energy Business Financing Program (11.16.22)
- NJEDA Board Memo Re: Modifications to the SSBCI Clean Energy Business Financing Program ("New Jersey Clean Energy Loans (NJ CELs)") (2.8.23)
- NJEDA's Memorandum of Understanding: Memorandum of Understanding Between the State of New Jersey, Department of the Treasury and the New Jersey Economic Development Authority (2.10.22)
- (2022 RFP-144) IOM Task Order: Method of Operation Questions and Answers

Deliverables:

- **Quarterly Reports**

Integrity Monitors (IMs) shall submit draft quarterly reports to the NJEDA **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 business days after the quarter-end, the IMs will deliver its final quarterly reports, inclusive of any comments from the NJEDA, to [TreasuryIM@treas.nj.gov](mailto:TreasuryIM@treas.nj.gov) for distribution to the State Treasurer, the GDRO, the Senate President, the Speaker of the General Assembly, the Attorney General and the OSC.

The IMs 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 OSC's website ([New Jersey Governor's Disaster Recovery Office \(GDRO\) – COVID-19 Oversight \(nj.gov\)](https://www.nj.gov/governor/disaster-recovery-office/)).

- **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 SSBCI Clean Energy Business Financing Program ("New Jersey Clean Energy Loans (NJ CELs)") 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 SSBCI Clean Energy Business Financing Program ("New Jersey Clean Energy Loans (NJ CELs)") 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.**

**Specifically, please note the following when proposing the pricing with regard to the Tranches.:**

The Allocation Agreement with US Treasury was executed on March 16, 2023.

Per the RFP and related materials, Vendors are requested to propose a budget that is contingent upon the number of tranches of funding disbursed by US Treasury for the SSBCI Program to the state of New Jersey. Following the disbursement of the first tranche at the signing of the allocation agreement (March 16, 2023), the second and third tranches will be disbursed only after 80% of the prior disbursement has been expended, transferred, or obligated. *The second tranche must be drawn down at or before March 14, 2026 and the third, final tranche must be drawn down at or before March 14, 2029.*

**Accordingly, an NTE for the period through March 14, 2026 and an extension contingent upon the drawdown of the third and final tranche, should be reflected in the pricing you submit in Exhibit B.**

**ADDITIONAL PARTIES TO RELY ON THE RESPONSE**

THIS SECTION INTENTIONALLY LEFT BLANK

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
TASK ORDER REQUEST  
CONFLICT OF INTEREST CERTIFICATION STATEMENT  
[Reference RFP #2022-RFP-144 (TOR-06)]

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-06)  
RFP #

NJ Clean Energy Business Financing Program ("NJ CELs")  
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:

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Michael Bernstein  
Vendor Employee Name  
  
Vendor Employee Signature

Associate Managing Director  
Title  
May 9, 2024  
Date

Bradley Sussman  
Vendor Contract Manager Name  
  
Vendor Contract Manager Signature

Senior Managing Director  
Title  
May 9, 2024  
Date



INTEGRITY MONITORING

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

**Task Order Request – SSBCI Clean Energy  
Business Financing Program (“New Jersey  
Clean Energy Loans (NJ CELs)”) - Reissued**

Prepared for:

New Jersey Economic Development Authority

Attention:



Director – Legal Compliance

New Jersey Economic Development Authority

36 West State Street

P.O. Box 990

Trenton, NJ 08625-0990

June 2, 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 “NJEDA” or “the Authority”) to provide Integrity Oversight Monitor (“IOM”) services, Task Order Request (“TOR”) for the **SSBCI Clean Energy Business Financing Program (“New Jersey Clean Energy Loans (NJ CELs)”)**.

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 is 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, in 2020-21, we performed very similar IOM services on five 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 New Jersey Clean Energy Loans (“NJ CELs”). The NJ CELs Program received \$20 million in American Rescue Plan Coronavirus State Fiscal Recovery funds. K2 Integrity understands that the NJ CELs Program launched on April 19, 2023, and as of May 5, 2025 two (2) NJ CELs loans have closed and two (2) applications are under NJEDA’s review. This is a co-lending program for small businesses who will create jobs in New Jersey by financing eligible clean energy projects. Businesses can receive up to \$3 million in SSBCI funds and the program anticipates supporting approximately 100 small businesses.

Program Eligibility:

- NJ Certified Minority, Woman, or Veteran-Owned business or the Project’s location in an overburdened community.
- Overburden Community:
  - For Projects that are Clean Energy Industry infrastructure projects or the installation or purchase of Clean Energy Industry improvements at a Borrower’s existing facility, the infrastructure project or installation activities must be physically located in an overburdened community; and
  - For all other Projects, Borrowers must have a physical location in an overburdened community (formal office, facility, or colocation facility acceptable) and have a minimum of 50% of full-time employees working in the overburdened community.

K2 Integrity understands the following relative to program funding:

- The NJ CELs Program will be funded through New Jersey’s allocation from U.S. Treasury’s SSBCI under the ARP. SSBCI is a federal program administered by the U.S. Treasury to support state, territory, and tribal government programs that catalyze private lending or investment in small businesses. New Jersey is eligible for a total non-competitive allocation amount of \$255,197,631. The NJ CELs program will receive \$80 million of this funding.
- 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; that 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; that 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. U.S. Treasury has informed EDA 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 allocation agreement for the NJ CELs Program was executed in February 2022.

## 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 2021, 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 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 American Rescue Plan State and Local Fiscal Recovery Funds ("ARPCFSRF"); 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 New Jersey was eligible for a total non-competitive allocation amount of \$255,197,631 and utilized \$80 million for the NJ CELs Program.
- As of May 5, 2025, two (2) loans for the NJ CELs Program were approved by NJEDA and two (2) applications are pending NJEDA's review.

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

- Initial program risk assessments.<sup>1</sup>
- 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.
- 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., review to determine if actual expenditures are consistent with planned expenditure and if the

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

full scope of services listed in the project work plan are 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.

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

#### **Objective**

K2 Integrity understands that the scope of work for the initial risk assessment for the NJ CELs 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 NJ CELs 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 NJ CELs 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 Loan Applications**

With respect to the sub-recipients, K2 Integrity will request and review the list of sub-recipient 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 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 loan proceeds 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.

<b>Key Milestone:</b>	<b>Date:</b>
<b>TOR Award</b>	July 1, 2025
<b>Kick-Off Meeting</b>	July 8, 2025
<b>IOM Information Request</b>	July 14, 2025
<b>Obtain Requested Information</b>	July 28, 2025
<b>Interviews of Authority Stakeholders</b>	August 5, 2025
<b>Conduct Quarterly Compliance Testing</b>	August 11, 2025 – September 12, 2025
<b>Draft Quarterly Report to the Authority</b>	September 15, 2025
<b>Submit Quarterly Report</b>	September 30, 2025
<b>Conduct Quarterly Compliance Testing</b>	October 6, 2025 – December 12, 2025
<b>Draft Quarterly Report to the Authority</b>	December 15, 2025
<b>Submit Quarterly Report</b>	December 22, 2025
<b>Conduct Quarterly Compliance Testing</b>	January 5, 2026 – March 13, 2026
<b>Draft Quarterly Report to the Authority</b>	March 16, 2026
<b>Submit Quarterly Report</b>	March 31, 2026
<b>Conduct Quarterly Compliance Testing</b>	April 6, 2026 – June 12, 2026
<b>Draft Quarterly Report to the Authority</b>	June 15, 2026
<b>Submit Quarterly Report</b>	June 30, 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 NJ CELs Program is until all funds have been dispersed, and all post-award compliance work is completed. As such, K2 Integrity's proposes a budget not-to-exceed \$82,240 for the period through March 14, 2026. The not-to-exceed budget includes the review of 10 applications.

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

TASK ORDER REQUEST # 144-06

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>			
<b>PROJECT SUMMARY</b>		NJ Clean Energy Business Financing Program ("NJ CELs") - Reissued	
<b>COVID-19 Recovery Programs valued at \$20 million or more</b>		Yes <u>  X  </u> No _____	
<b>STANDARDIZED POSITIONS/TITLES</b>	<b>HOURLY RATES</b>	<b>NUMBER OF HOURS</b>	<b>PRICE</b>
Senior Executive / Manager	\$340	12	\$4,080
Mid-Level Manager	\$290	158	\$45,820
Low-level (or similar title)	\$220	147	\$32,340
Administrative/Support Staff	\$195	0	\$0
<b>TOTAL PRICE</b>			\$82,240.00
<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: <span style="background-color: black; color: black;">[REDACTED]</span>.</p>			

Respectfully submitted,

K2 Integrity \_\_\_\_\_  
Name of Firm

Bradley Sussman \_\_\_\_\_  
Name of Individual



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

June 2, 2025 \_\_\_\_\_  
Date

