



March 6, 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-144-09 Integrity Oversight Monitor  
Urban Investment Fund Grant 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 \$36,430 for the duration of the monitorship, including the compliance work and related tasks.

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

Sincerely,

[REDACTED]  
Director, Legal Compliance  
Accountability Officer

cc: [REDACTED] Chief Counsel  
[REDACTED], Team Lead, Legal Compliance  
2022-RFP-144-09

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

[Reference RFP #2022-RFP-144-09]

<b>VENDOR NAME</b>	Deloitte & Touche, LLP and K2 Integrity
<b>PROJECT TITLE</b>	The Urban Investment Fund Grant Program
<b>DATE</b>	12/5/2024
<b>PROJECT SUMMARY</b>	Integrity Monitoring Services for the Urban Investment Fund Grant Program
<b>DATE NEEDED</b>	ASAP

<b>NJEDA CONTACT</b> (Name, Title, Address, E-mail & Telephone Number)	<p><b><u>For Urban Investment Fund Grant Program questions:</u></b>  ██████████  Director Real Estate Programs  ██████████</p> <p><b><u>For general IOM program questions:</u></b>  ██████████, Director – Legal  Compliance and Accountability Officer  ██████████</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-144-09 – 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 **Urban Investment Fund Grant Program**, which is funded with **\$38,198,148** by the American Rescue Plan (ARP) Coronavirus State and Local Fiscal Recovery Funds (SLFRF).

Pursuant to RFP section 3.3.1, the awardee of this Task Order is requested to perform integrity monitoring services for the above referenced **Urban Investment Fund Grant 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 Urban Investment Fund Grant Program.

## **Program Background**

The ARP, which was signed into law by President Joe Biden on March 11, 2021, is a \$1.9 trillion economic stimulus bill designed to rebuild and restart the American economy in the wake of the Coronavirus (COVID-19) public health emergency by investing in families, communities, and small businesses. Through the SLFRF, the ARP delivers \$350 billion to state, local, and tribal governments to support their response to, and recovery from, COVID-19.

The Authority's Board of Directors approved the creation of the Urban Investment Fund Grant Program (the "Program"), a \$38,198,148 pilot grant program funded from the \$50 million appropriated for "Urban Investment Fund" in the Fiscal Year 2024 Appropriations Act (P.L. 2023, c.74) from American Rescue Plan ("ARP") Coronavirus State and Local Fiscal Recovery Funds ("SLFRF"). The Program provides grants for real estate projects located in eligible municipalities identified herein as part of a commercial corridor area revitalization strategy.

## **Funding**

The Urban Investment Fund Grant Program funding of \$38,198,148 will be available to eligible municipalities to implement a revitalization strategy designed to increase foot traffic and commercial activity within a commercial corridor area by supporting and undertaking and concentrating eligible real estate related projects within the identified area. The Program goals are to catalyze and support revitalization in key commercial corridor areas by investing in projects that transform commercial corridors into vibrant 24-hour commercial centers and respond to evolving market conditions, such as hybrid and remote work, by funding activations and development that will in turn increase residents, visitors, and/or office workers and to support investment within key commercial corridors and promote strong, resilient, and equitable economic recoveries. This Program will expand investment in communities by working to activate underutilized, distressed, or vacant buildings for projects to promote equitable economic growth and urban community development.

## **Eligibility Criteria**

Eligible applicants are municipalities defined below as meeting BOTH criteria (excluding Atlantic City which received its own FY 2024 State Budget Appropriation from ARP SLFRF). Only one application per eligible municipality may be submitted. Eligible municipalities may designate a municipal entity, county entity, or a not-for-profit local economic and community development entity to be the applicant on behalf of the municipality and if so, then a letter as described below is required as part of the application.

- Top 5% of municipalities based on Commuter-Adjusted Population (2018-2022 American Community Survey 5-Year Estimates): This is "Daytime Population" which is the calculation of Total Resident Population + Total Workers working in Area – Total Workers Living in Area.
- Top 5% of municipalities within the 2023 Municipal Revitalization Index (MRI). The MRI serves as the State's official measure and ranking of municipal distress. The MRI ranks New Jersey's municipalities according to eight separate indicators that measure diverse aspects of social, economic, physical, and fiscal conditions in each locality. The MRI is used as a factor in distributing certain "need based" funds.

Based on the above criteria, the following municipalities would be eligible to apply for and receive funding: Camden, New Brunswick, Newark, Passaic, Paterson, and Trenton.

Applicants must be in substantial good standing with the New Jersey Department of Labor and Workforce Development and the New Jersey Department of Environmental Protection at the time of application to be eligible. A current tax clearance certificate must be provided prior to approval to demonstrate the applicant is in substantial good standing with the New Jersey Division of Taxation, unless the applicant is not required to register with the Division of Taxation.

## **Identification of Commercial Corridor Area and Revitalization Strategy**

Commercial corridors play a vital role in municipalities, serving as economic engines for communities by providing jobs that keep money circulating in the local economy, offering goods and services for residents, and powering entrepreneurship as well as wealth building. Eligible municipalities will identify a key commercial corridor area ("Corridor") for revitalization. These Corridors have experienced negative impacts from the COVID19 pandemic such as loss of foot traffic and decreased economic activity due to work-from-home trends and increased online retail spending. The Corridor will typically be in a downtown location and the Applicant will identify the borders of the Corridor. At a minimum, the Corridor should have active commercial activity and/or have zoning allowing for as-of-right commercial use on the ground floor of at least 50% of buildings in the identified Corridor.

Once the Corridor has been identified, eligible municipalities would develop their revitalization strategy for investing in the Corridor to help mitigate the economic harms/losses resulting from the pandemic and stimulate recovery by promoting economic development projects to increase foot traffic and local spending in that area (“Revitalization Strategy”). The Revitalization Strategy would describe the public open process that the municipality undertook to identify and determine the projects from the eligible project types below for which they would request Program grant funding. The Revitalization Strategy should also indicate other projects that could be undertaken and/or additional partners and stakeholders involved in community or business activities in the identified key commercial corridor area.

### **Eligible Project Uses and Restrictions**

The Program will allow for several types of projects as described below (“Projects”) to be funded within the Corridor as part of the municipal Revitalization Strategy. Applicants must include a minimum of two projects from the list below in their application:

- Building Rehabilitation Projects – rehabilitation/renovation of a blighted, underutilized, partially vacant, or vacant building (could include substantial or minor rehabilitation, reactivating vacant space, addressing code violations, interior building reconfiguration/fit out) for use as a commercial or mixed-use building with a deed restriction to be required ensuring no change in the proposed project use for 5 years; Maximum funding of \$3.5 million per building; not for new construction.
- Building Reuse Studies – such as building conversion analysis from office to commercial or mixed-use; or adaptive reuse study; or other building analysis; Funding cannot be used for physical improvements/construction work. Maximum funding of \$200,000 per study and maximum of 3 studies per applicant
- Public Space Use Investments – Funding may be provided for permanent or semi-permanent physical improvements for projects such as parklets, barrier structures, stages, active use equipment, pedestrian plazas, pocket parks; Funding cannot be used for programming/operational costs of the space; space/property must be either outdoor publicly owned space or outdoor space under agreement (operating agreement, lease, easement, etc.) with a public entity for public use that would function as one of the uses listed above; space/property must be predominantly accessible/open to the public for public use the majority of the time for a minimum 5 years; Maximum funding of \$1.5 million per project Building Rehabilitation Projects that are 100% residential are not eligible, but mixed-used development projects are eligible and (1) any residential portion must comply with the 20% reservation for low- and moderate-income households required by N.J.S.A. 52:27D-329(b). and (2) should have at least 20% of the total square footage or the entire ground level or entire floor of the building dedicated to a commercial/non-residential use. Building Rehabilitation Projects that are for governmental or educational uses are ineligible.

Program grant funding can only be used for the real estate project costs specifically approved based on the application, Authority review, and funding grant agreement. Project costs may include hard construction costs with a maximum 10% contingency, soft costs not exceeding 20% of total project costs and developer fee not exceeding 10% of total project costs or as otherwise allowed by another State agency providing funding to a project. Acquisition funding is not eligible nor are operating costs. All Project costs and Grant funding are subject to federal Duplication of Benefits requirements and a cost reasonableness analysis will be undertaken prior to Project approval.

### **Grant Amounts**

In order to provide Grants and support projects in several different municipalities, only one application proposal may be submitted per eligible municipality. Maximum grant funding amounts per application will be based on commuter-adjusted population size:

- Maximum grant funding of \$7 million for municipalities with commuter-adjusted population over 100,000
- Maximum grant funding of \$5,732,716 million for municipalities with commuter-adjusted population under 100,000

Minimum grant funding request would be \$1 million for any municipality. Program grant funding may not exceed 80% of the total of all project costs within the approved application. If timelines for meeting project milestones are not met, then the Authority may recapture or may require repayment of Grant funds and/or the Applicant may no longer be eligible for

any remaining unused grant funds. Applicants must confirm in the application that they are aware and agree that the real estate projects proposed in their application can be completed by December 31, 2026.

Per US Treasury deadlines and federal SLFRF requirements, all Program funds must be fully disbursed by December 31, 2026. In order to meet these timelines, it is anticipated that Projects included in any application for Program funding would be fully completed by September 30, 2026. Projects that have started construction are not eligible. Construction, including demolition and remediation, cannot start until approval. All projects will be subject to compliance with New Jersey prevailing wage law and the Public Works Contractor Registration Act (NJSA 34:11-56.48 et seq.) which requires all contractors, subcontractors, or lower tier subcontractors (including subcontractors listed in bid proposal) who bid on or engage in the performance of any public work in New Jersey to register with the NJ Department of Labor and Workforce Development.

**This Engagement/TOR shall run from the effective date until the pilot Urban Investment Fund Program has disbursed all funding and completed any post-award compliance work.**

<b>APPLICANTS TO THIS PROGRAM:</b>
• City of Paterson
• City of Passaic
• City of New Brunswick
• City of Trenton
• Invest Newark (for City of Newark)
• Cooper's Ferry Development Association/Camden Community Partnership, LLC (for City of Camden)

**NO AWARDS HAVE BEEN MADE UNDER THIS PROGRAM AS OF THE DATE OF THIS TOR.**

### 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 Recovery Office \(GDRO\) – COVID-19 Oversight \(nj.gov\)](#)).

- **Additional Reports**

IMs must promptly prepare responses for OSC inquiries. OSC, GDRO and the State Treasurer may request that IMs prepare additional reports or prepare additional memoranda that will assist OSC in evaluating whether there is waste, fraud, or abuse in COVID-19 recovery programs administered by Recovery Plan Participants. OSC may also request that IMs or Recovery Program Participants share corrective action plans prepared by Recovery Plan Participants to address reported deficiencies and to evaluate whether those corrective plans have been successfully implemented.

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

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

The IM must ensure that all pricing reflects itemized costs for all activities required for the Urban Investment Fund 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 Urban Investment Fund 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-09)]

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-09)  
*RFP #*

Urban Investment Fund Grant 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*  
12/24/2024  
*Date*

Bradley Sussman  
*Vendor Contract Manager Name*  
  
*Vendor Contract Manager Signature*

Senior Managing Director  
*Title*  
12/24/2024  
*Date*



INTEGRITY MONITORING

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

## Task Order Request – Urban Investment Fund Grant Program

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

**Attention:**

  
Director Real Estate Programs  
New Jersey Economic Development Authority  
36 West State Street  
P.O. Box 990  
Trenton, NJ 08625-0990

February 18, 2025

# Contents

<b>1. Management Overview and Technical Approach .....</b>	<b>3</b>
1.1. Introduction.....	3
1.2. Management Overview and Technical Approach to Achieve the Scope of Work .....	4
1.3. General Approach .....	5
1.4. Addressing Potential Problems .....	7
1.5. Proposed Work Plan .....	7
<b>2. Organization Chart.....</b>	<b>12</b>
<b>3. Key Team Member List .....</b>	<b>13</b>
<b>4. NJEDA Task Order Request – Vendor Response Form .....</b>	<b>13</b>
<b>Appendix 1 – Vendor Response Form.....</b>	<b>14</b>

# 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 **Urban Investment Fund Grant Program (“UIFG 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 UIFG Program. The UIFG Program is a \$38,198,148 million program to provide grants between \$5.7 to \$7 million based on population, to for eligible municipalities to implement a revitalization strategy to support revitalization in key commercial corridor areas by investing in projects that transform commercial corridors into vibrant 24-hour commercial centers and respond to evolving market conditions, such as hybrid and remote work, by funding activations and development that will in turn increase residents, visitors, and/or office workers and to support investment within key commercial corridors and promote strong, resilient, and equitable economic recoveries.

K2 Integrity recognizes that no awards have been made under this program as of the date of this TOR; and that six (6) applications have been received. In addition, all projects must be fully completed by December 31, 2026.

K2 Integrity is prepared to review the following:

- **Eligible Applicant:**
  - Eligible applicants are municipalities who meet the following criteria:
    - Top 5% of municipalities based on Commuter-Adjusted Population (2018-2022 American Community Survey 5-Year Estimates): This is “Daytime Population” which is the calculation of Total Resident Population + Total Workers working in Area – Total Workers Living in Area.
    - Top 5% of municipalities within the 2023 Municipal Revitalization Index (MRI). The MRI serves as the State’s official measure and ranking of municipal distress. The MRI ranks New Jersey’s municipalities according to eight separate indicators that measure diverse aspects of social, economic, physical, and fiscal conditions in each locality. The MRI is used as a factor in distributing certain “need based” funds.
- **Eligible Uses**
  - The Program will allow for several types of projects as described below (“Projects”) to be funded within the Corridor as part of the municipal Revitalization Strategy. Applicants must include a minimum of two projects from the list below in their application:
    - Building Rehabilitation Projects – rehabilitation/renovation of a blighted, underutilized, partially vacant, or vacant building (could include substantial or minor rehabilitation, reactivating vacant space, addressing code violations, interior building reconfiguration/fit out) for use as a commercial or mixed-use building with a deed restriction to be required ensuring no change in the proposed project use for 5 years; Maximum funding of \$3.5 million per building; not for new construction.
    - Building Reuse Studies – such as building conversion analysis from office to commercial or mixed-use; or adaptive reuse study; or other building analysis; Funding cannot be used for physical improvements/construction work. Maximum funding of \$200,000 per study and maximum of 3 studies per applicant
    - Public Space Use Investments – Funding may be provided for permanent or semi-permanent physical improvements for projects such as parklets, barrier structures, stages, active use equipment, pedestrian plazas, pocket parks; Funding cannot be used for programming/operational costs of the space; space/property must be either outdoor publicly owned space or outdoor space under agreement (operating agreement, lease, easement, etc.)

with a public entity for public use that would function as one of the uses listed above; space/property must be predominantly accessible/open to the public for public use the majority of the time for a minimum 5 years; Maximum funding of \$1.5 million per project Building Rehabilitation Projects that are 100% residential are not eligible, but mixed-used development projects are eligible and (1) any residential portion must comply with the 20% reservation for low- and moderate-income households required by N.J.S.A. 52:27D-329(b). and (2) should have at least 20% of the total square footage or the entire ground level or entire floor of the building dedicated to a commercial/non-residential use. Building Rehabilitation Projects that are for governmental or educational uses are ineligible.

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.<sup>2</sup>
- Validation of compliance with sub-grant award agreements, general terms, and special conditions.
- Review of written documents, such as quarterly financial and performance reports, recent audit results, documented communications with the State, prior monitoring reports, pertinent performance data, and other documents or reports, as appropriate.
- Interviews of Authority staff, as well as the constituents they serve, to determine whether program objectives are being met in an efficient, effective, and economical manner.
- Sample eligibility determinations and denials of applications for funding.
- Review of specific files to become familiar with the progression of the disbursement of funds in a particular program, (i.e., are actual expenditures consistent with planned expenditure and is the full scope of services listed in the project work plan being accomplished at the same rate of actual and planned expenditures?).
- Ensuring that the Authority is retaining appropriate documentation, based on Federal and State regulations and guidance, to support fund disbursement.
- Following up with questions regarding specific funding decisions, and reviewing decisions related to emergency situations.
- Facilitating the exchange of ideas and promotion of operational efficiency.
- Identifying present and future needs.
- Promotion of cooperation and communication among Integrity Monitors engaged by other Recovery Programs Participants (e.g., to guard against duplication of benefits).
- Supporting services, including analysis of internal processes in support of Federal compliance and efficient and effective delivery of program.

### 1.3. General Approach

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

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

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 fulfilment 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 ("ARP") Coronavirus State Fiscal Recovery Funds

("SLFRF"); Additional programmatic funds received from the State; and other Federal Agency for this purpose and subject to an Integrity Oversight Monitoring requirement.

- Results of quality assurance reviews and assessments associated with the payments process to ensure that they are following Federal and State regulations.
- Grants management policies and procedures.
- Accounting policies and procedures including, but not limited to, procurement, payments, expense reimbursement process, financial reporting, and accounts reconciliation process.
- Code of conduct, compliance program, and other governance related documentation.
- Results of prior risk assessments and related risk and control matrix.
- Audit reports including the identification of prior internal control deficiencies and management's response regarding the same.
- Board memoranda related to the program subject to monitorship.
- Periodic reports and other financial reports that NJEDA produces or receives in its management of the grants and its program utilizing grant funding.
- Sub-grantee application processing data.

#### **Identify Expenditures Subject to Monitorship**

- K2 Integrity will review information obtained to identify funds subject to monitorship and develop a schedule for operational and internal controls review.
- K2 Integrity understands that NJEDA currently estimates \$38,198,148 million subject to monitorship in ARP SLFRF from the \$50 million appropriated for "Urban Investment Fund" for UIFG Program.
- K2 understands that six (6) applications have been received.
- NJEDA expects that all projects to be completed by December 31, 2026.

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

#### **Objective**

K2 Integrity understands that the scope of work for the initial risk assessment for the UIFG 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 UIFG Program. K2 Integrity will ensure that there is no duplication or overlap of services related to the risk assessment.

### **1.5.3. Substantive Testing of Grant Applications**

#### **Objective**

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

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

## Identification of High-risk Areas Subject to Testing

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

- Sub-recipient application processing, payment, and monitoring;
- Grant management;
- Procurement;
- Payments;
- Financial reporting and reimbursement; and
- Reconciliation.

## Review Sub-recipient Grant Applications

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

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

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

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

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

#### 1.5.4. Reporting

K2 Integrity will provide draft quarterly reports to the Authority, with a copy to [TreasuryIM@treas.nj.gov](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>	April 01, 2025
<b>Kick-Off Meeting</b>	April 15, 2025
<b>IOM Information Request</b>	April 15, 2025
<b>Obtain Requested Information</b>	April 30, 2025
<b>Interviews of Authority Stakeholders</b>	May 2, 2025
<b>Conduct Quarterly Compliance Testing</b>	May 5, 2025 – June 16, 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>Quarterly Report Finalization</b>	July 14, 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>Quarterly Report Finalization</b>	October 13, 2025
<b>Conduct Quarterly Compliance Testing</b>	October 2, 2025 – December 15, 2025
<b>Issue Interim Report</b>	December 19, 2025
<b>Draft Quarterly Report Preparation</b>	December 22, 2025
<b>Draft Quarterly Report Submission</b>	December 29, 2025
<b>Quarterly Report Finalization</b>	January 12, 2026
<b>Conduct Quarterly Compliance Testing</b>	January 5, 2026 – March 16, 2026
<b>Issue Interim Report</b>	March 20, 2026

<b>Key Milestone:</b>	<b>Date:</b>
<b>Draft Quarterly Report Preparation</b>	March 23, 2026
<b>Draft Quarterly Report Submission</b>	March 30, 2026
<b>Quarterly Report Finalization</b>	April 14, 2026

## 2. Organization Chart



### 3. Key Team Member List

Our Key Team Members for this TOR are identified below:

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

### 4. NJEDA Task Order Request – Vendor Response Form

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

K2 Integrity understands that the term of the monitorship over the UIFG Program is until all funds have been dispersed, which the NJEDA anticipates will occur by December 31, 2026, and all post-award compliance work is completed. As such, K2 Integrity's proposes a budget to reflect the period of the Notice to Proceed to December 31, 2026. K2 Integrity will review the six (6) awardees who have currently received Federal funding for the UIFG Program. K2 Integrity's total budget for this TOR is not-to-exceed \$36,430.

Appendix 1 – Vendor Response Form

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
TASK ORDER REQUEST - VENDOR RESPONSE FORM**

[Reference RFP #2022-RFP-144]

**TASK ORDER REQUEST #\_144-09\_\_\_\_\_**

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>	Urban Investment Fund Grant 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	53	\$15,370
Low-level (or similar title)	\$220	88	\$19,360
Administrative/Support Staff			
<b>TOTAL PRICE</b>			\$36,430
<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;">XXXXXXXXXX</span> .			

Respectfully submitted,

\_\_\_\_\_  
K2 Intelligence LLC  
Name of Firm

\_\_\_\_\_  
Bradley Sussman, Sr. Managing Director  
Name of Individual

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

\_\_\_\_\_  
02/18/2025  
Date

