

Letter of Engagement

December 23, 2020

Successful Bidder: K2 Intelligence

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

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

The total amount of this contract must not exceed the amount of \$117, 450.00

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

Thank you for your participation in this bid.

Sincerely,

Mona Cartwright
IM State Contract Manager

ENGAGEMENT QUERY

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

Office of the Secretary of Higher Education

I. GENERAL INFORMATION:

On March 9, 2020, Governor Murphy issued Executive Order 103 declaring both a Public Health Emergency and State of Emergency in light of the dangers of the Coronavirus disease 2019 (“COVID-19”). On March 13, 2020, the President of the United States declared a national emergency and determined that the COVID-19 pandemic was of sufficient severity and magnitude to warrant a nation-wide emergency declaration under Section 501 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. § 5121-5207, (“Stafford Act”) and that declaration was extended to the State of New Jersey on March 25, 2020 pursuant to Section 401 of the Stafford Act. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act, H.R. 748, (“CARES Act”) was enacted to provide economic stimulus in response to the global pandemic caused by COVID-19, (COVID-19 Recovery Funds).

The CARES Act was enacted to assist State, Local and Tribal governments navigate the impact of the COVID-19 outbreak. Under the CARES Act, the Coronavirus Relief Fund (CRF) provides funding for necessary expenditures related to the public health emergency incurred between March 1, 2020 and January 29, 2021.

On July 17, 2020, Governor Murphy signed Executive Order 166 (“EO 166”), which established the COVID-19 Compliance and Oversight Task Force (the “Taskforce”) and the Governor’s Disaster Recovery Office (GDRO). Pursuant to EO 166, the Taskforce has issued guidelines (“IOM Guidelines”) regarding the appointment and responsibilities of COVID-19 Integrity Oversight Monitors (“Integrity Monitors”). Integrity Monitors are intended to serve as an important part of the State’s accountability infrastructure while working with Using Agencies in developing measures to prevent, detect, and remediate inefficiency and malfeasance in the expenditure of COVID-19 Recovery Funds.

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

This Engagement Query is issued by the Department of the Treasury on behalf of the New Jersey Office of the Secretary of Higher Education (OSHE).

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

A. Background

OSHE received \$225 million in CRF. From these funds, 100% have been allocated to public institutions and four-year public mission independent institutions to address the financial burdens as they provide high quality education in the State. Under EO 166, any New Jersey State Agency receiving more than \$20 million in CARES Act funding may engage an Integrity Monitor in accordance with the IOM Guidelines.

To receive these funds, institutions of higher education (IHEs) were required to submit an application to OSHE outlining how the IHE would use the funds to cover eligible expenditures incurred due to the public health emergency between March 1 and Dec. 30, 2020.

The attached announcement provides a breakdown of the CRF award allocations by IHE and sector. See Attachment 1.

The scope of work for this Engagement will include IHEs in these three institutional sectors: county colleges, senior publics and public mission independents. For each sector, the Integrity Monitor shall conduct three (3) risk assessments for three (3) IHEs based on the selection criteria outlined below, for a total of nine (9) risk assessments. OSHE also seeks assistance with IHE final reporting and compliance.

II. SCOPE OF WORK (SOW) REQUIREMENTS

A. Project Description

The following Scope of Work (SOW) describes and applies to the Tasks that will be completed by the Integrity Monitor to assist with OSHE's compliance and institutional reporting

The Integrity Monitor's role is to ensure that OSHE is adhering to the sub-award agreement and applicable federal and state guidelines and regulations with the CRF grant through the following Tasks:

1. The Integrity monitor shall conduct a risk assessment on the selected IHEs. The risk assessment shall, at minimum, include the following elements:
 - Review of current IHE's internal controls, policies and procedures in place to satisfy the CRF funds requirements, including adequacy of controls to prevent duplication of benefits and federal and state law and regulations;
 - Organizational Capacity of the IHE-leadership, experience in managing federal grants/funds, do they have staffing in place to oversee these funds;
 - Prior audits of IHEs; and
 - Adequacy of financial, acquisition, and grants management policies and procedures, including technological capacity and potentially outdated financial management systems.
 - Selection criteria would be applied to three IHEs in each sector and consider the following criteria:
 - o 2 year, 4 year and research institutions,

- o Large and small institutions
 - o Rural and urban institutions,
 - o Diversity of student populations.
2. Ensure IHE compliance with laws, regulations, programs, contractual requirements, agreements, certifications, and affidavits, including the submission by subgrantees of required periodic reports and reimbursement requests to the OSHE.
 3. Review written documents, such as financial and performance reports.
 4. Validate compliance with sub-grant award and general terms and special conditions;
 5. Ensure that IHE's are retaining appropriate documentation, based on federal and state regulations, to support final reporting to OSHE under CRF. Final reports submitted by IHE's will include back up invoices, Purchase Orders and any other detail requested.
 6. Promote cooperation and communication among Integrity Monitors engaged by other Recovery Program Participants (e.g. to guard against duplication of benefits- IHEs using CRF funds to cover expenses covered by other Cares Act or FEMA funds.); and
 8. Promptly respond to any inquiries from the Office of the State Comptroller (OSC) regarding the Tasks under this Engagement Query.

B. Specific Performance Milestones/Timelines/Standards/Deliverables

All deliverables must be completed by March 31, 2021.

- Integrity Monitor shall have weekly meetings via Microsoft Teams with the Accountability Officer to discuss any issues that may need to be resolved.
- Risk Assessments of the nine (9) selected IHE's shall be submitted to the Accountability Officer within thirty (30) days of receiving a Letter of Engagement or by **2/26/21** (whichever is earlier).
- No later than **March 31, 2021**, Integrity Monitor will deliver their final reports, inclusive of OSHE's comments, to the State Treasurer. These reports will be posted on the Governor's Disaster Recovery Office transparency website pursuant to Executive Order 166.

C. Risk Assessment Summary

1. Attached is the internal risk assessment performed by OSHE staff pursuant to E.O. 166.

D. Reporting Requirements

1. Reports

- a. Pursuant to EO 166, the Integrity Monitor shall submit a draft quarterly report to the Using Agency on or before **March 31, 2021** detailing the specific services rendered during the quarter and any findings of waste, fraud, or abuse. A final quarterly report shall be due on or before **March 31, 2021**.

- b. In the event this Engagement is extended beyond the expiration date set forth in IV below, the Integrity Monitor shall submit draft quarterly reports to the Using Agency on the last day of the quarter detailing the specific services rendered during that quarter and any findings of waste, fraud and abuse. Fifteen business days after each quarter-end, the Integrity Monitor shall deliver its final quarterly reports, inclusive of any comments from the Using Agency, to the State Treasurer, who shall share the reports with the GDRO, the Senate President, the Speaker of the General Assembly, the Attorney General, and the State Comptroller. The Integrity Monitor quarterly reports will be posted on the COVID-19 transparency website pursuant to EO 166.

2. Additional Reports

- a. E.O. 166 directs OSC to oversee the work of Integrity Monitors. Therefore, in accordance with EO 166 and the IOM Guidelines, the Office of the State Comptroller, (OSC) may request that the Integrity Monitor issue reports or prepare memoranda that will assist OSC in evaluating whether there is waste, fraud, or abuse in COVID-19 Recovery Programs administered by the Using Agencies. OSC may also request that the Integrity Monitor share any corrective action plan(s) prepared by the Using Agencies to evaluate whether those corrective plan(s) have been successfully implemented.

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

- a. The Integrity Monitor shall report issues of waste, fraud, abuse and misuse of COVID-19 Recovery Funds immediately to the GDRO, OSC, the State Treasurer, the State Contract Manager, and the Accountability Officer. The Integrity Monitor shall report issues of potential criminal conduct immediately to the Office of the Attorney General.

III. Proposal Content:

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

- 1) A detailed proposal with a person/hour and staff classification mix to meet the scope of work describing how the Integrity Monitor intends to accomplish each component of the scope of work.
- 2) A detailed budget to perform the scope of work reflecting the Price Schedule submitted by the Integrity Monitor in response to the IOM RFQ.
- 3) A schedule identifying the deliverables to be submitted under this Engagement Query.
- 4) Identification of any potential conflicts of interest regarding the delivery of services for the scope of work under this Engagement Query.

IV. Duration of the Engagement:

The Engagement will commence upon the issuance of a Letter of Engagement and expire on **March 31, 2021**. At the option of the Recovery Program Participant, this Letter of Engagement may be extended if the use of Coronavirus Relief Funds is extended under the CARES Act. Any extension to this Letter of Engagement, however, may not to exceed the Contract Term, and any extensions thereto, as set forth in Section 5.2 of the IOM RFQ,

V. LIQUIDATED DAMAGES

The IOM's failure to comply with the requirements of the contract, including but not limited to EO-166, the IOM RFQ, the IOM Guidelines and this Engagement Query may constitute a breach of contract and may result in termination of the contract by the OSHE or imposition of such other remedy as OSHE deems appropriate.

At OSHE's option, such a breach of contract may result in the imposition of liquidated damages. OSHE and the IOM agree that it would be extremely difficult to determine actual damages which OSHE will sustain as the result of the IOM's failure to meet its contractual requirements. Any breach by the IOM: could prevent OSHE from complying with EO-166, the IOM Guidelines, and laws applicable to the use and expenditure of CRF and other public funds; will adversely impact OSHE's ability to ensure identification and mitigation of risks; and may lead to damages suffered by OSHE and the State as a whole. If the IOM fails to meet its contractual obligations, OSHE may assess liquidated damages against IOM as follows:

Failure to deliver a Risk Assessment for any of the nine (9) selected IHE's by 4/8/21 Draft February 15 and Final Feb 26th	\$100/day
Failure to deliver a quarterly report by 4/2/20 Draft March 15th and Final March 31st .	\$150/day
After March 31, 2021 , failure to deliver subsequent final quarterly reports within 15 days after the quarter end.	\$150/day

VI. Questions regarding this Engagement Query (OPTIONAL):

Any questions related to the Scope of Work must be submitted electronically by 3:00pm on December 11, 2020. They must be submitted via email to [REDACTED] with a copy to the State Contract Manager [REDACTED]

VII. Submission of Proposals:

Detailed proposals in response to this Engagement Query shall be submitted electronically by 3:00pm on December 11, 2020. Proposals must be submitted via email as set forth below:

TO: State Contract Manager
Mona Cartwright, Fiscal Manager, Department of the Treasury
[REDACTED]

With a copy to the Agency Contract Manager: [REDACTED]

VIII. Selection Process

The Agency Contract Manager, will review the proposal(s) received and select the Integrity Monitor whose proposal is most advantageous, price and other factors considered.

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

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

ATTACHMENTS

Attachment 1: IHE Award Announcement – August 14, 2020
Attachment 2: Quarterly Report Template
Attachment 2: OSHE Risk Assessment

Notice of Executive Order 166 Requirement for Posting of Winning Proposal
and Contract Documents

Pursuant to Executive Order No. 166, signed by Governor Murphy on July 17, 2020, the Office of the State Comptroller (“OSC”) is required to make all approved State contracts for the allocation and expenditure of COVID-19 Recovery Funds available to the public by posting such contracts on an appropriate State website. Such contracts will be posted on the New Jersey transparency website developed by the Governor’s Disaster Recovery Office (GDRO Transparency Website).

The Letter of Engagement resulting from this Engagement Query is subject to the requirements of Executive Order No. 166. Accordingly, the OSC will post a copy of the Letter of Engagement, including the Engagement Query, the winning proposer’s proposal and other related contract documents for the above contract on the GDRO Transparency website.

In submitting its proposal, a proposer may designate specific information as not subject to disclosure. However, such proposer must have a good faith legal or factual basis to assert that such designated portions of its proposal: (i) are proprietary and confidential financial or commercial information or trade secrets; or (ii) must not be disclosed to protect the personal privacy of an identified individual. The location in the proposal of any such designation should be clearly stated in a cover letter, and a redacted copy of the proposal should be provided. A Proposer’s failure to designate such information as confidential in submitting a proposal shall result in waiver of such claim.

The State reserves the right to make the determination regarding what is proprietary or confidential and will advise the winning proposer accordingly. The State will not honor any attempt by a winning proposer to designate its entire proposal as proprietary or confidential and will not honor a claim of copyright protection for an entire proposal. In the event of any challenge to the winning proposer’s assertion of confidentiality with which the State does not concur, proposer shall be solely responsible for defending its designation.

Murphy Administration Announces \$150 Million in Coronavirus Relief Funds to be Awarded to New Jersey Colleges and Universities

TRENTON - Governor Phil Murphy and the Office of the Secretary of Higher Education (OSHE) today announced that the Administration will award \$150 million in federal Coronavirus Aid, Relief and Economic Security (CARES) Act funds to New Jersey's public and private colleges and universities to help offset costs incurred as a result of the ongoing COVID-19 pandemic.

The [application is available](#) for eligible institutions to receive federal Coronavirus Relief Funds (CRF) from the state which can be used for costs such as those related to cleaning and disinfecting supplies, the transition to online learning, and support for testing, among other eligible costs.

"The COVID-19 pandemic has impacted countless communities throughout the state, and the higher education community is no exception," **said Governor Murphy**. "Today's announcement will provide necessary funds to assist our students and institutions as they manage economic hardships for the upcoming school year. I thank our Congressional delegation for their unwavering commitment to secure these funds, and will continue to fight alongside them for further assistance in order to alleviate the challenges of this ongoing crisis."

"This unprecedented public health emergency has significantly impacted the higher education community in an incredibly unpredictable and rapidly-changing way. Through various federal funding streams, we continue supporting institutions as they navigate this uncertain time," **said Interim Secretary of Higher Education Diana Gonzalez**. "We remain committed to regularly working with stakeholders to assess the financial impacts that the COVID-19 pandemic continues posing and advocating for additional federal funding."

"Higher Education has been hit particularly hard by the COVID-19 pandemic," **said Senate President Steve Sweeney**. "This funding is going to help colleges and universities continue to provide crucial opportunities, education and support for students across the state."

"Our colleges and universities are facing immensely tough decisions and challenges in reopening, whether that be online or in person," **said Senator Cunningham, Chair of the Senate Higher Education Committee**. "This funding will go a long way towards

ensuring our institutions of higher education remain able to deliver the highest quality of education, despite the challenges presented by the COVID-19 pandemic.”

“New Jersey colleges and universities have been severely impacted during this pandemic and are facing drastic budget shortfalls,” **said Speaker Craig Coughlin**. “They need this supportive funding to help with efforts to move forward this fall, afford supplies and take necessary measures to protect the students returning. We could not have imagined the impact of the virus on our campuses, but I’m glad we are able to provide some relief through the Cares Act funding.”

“Today, I’m happy to hear that help is on the way for our colleges and universities. This federal funding will help alleviate some of the burden put on schools by COVID-19, and help us keep students and staff safe,” **said Assemblywoman Mila Jasey**. “However, we must not forget that as long as the virus is among us, colleges will face unprecedented fiscal challenges. We’ll need continued assistance from the federal government to further help colleges address this crisis.”

Institutional awards will be based on an OSHE-developed allocation rationale that incorporates priority student populations from the [New Jersey State Higher Education Plan](#), “Where Opportunity Meets Innovation: A Student-Centered Vision for New Jersey Higher Education.” This includes institutions’ share of Pell recipients, underrepresented minorities, and overall student enrollments. These priority populations have been disproportionately affected by the COVID-19 pandemic. As such, institutions serving larger proportions of these students will receive a larger share to ensure funding is distributed equitably. This funding rationale also aligns with the state’s focus on an equitable restart of campus operations impacted by the COVID-19 pandemic.

To receive these funds, institutions must submit an application to OSHE that outlines how institutions will use funds to cover eligible expenditures incurred due to the public health emergency between March 1 and Dec. 30, 2020.

A breakdown of the \$150 million in CRF award allocations by institution and sector is as follows:

Kean University	\$11,195,096
Montclair State University	\$15,110,641
New Jersey City University	\$6,930,105

New Jersey Institute of Technology	\$7,247,949
Ramapo College of New Jersey	\$3,670,089
Rowan University	\$12,132,828
Rutgers University-Camden	\$4,959,838
Rutgers University-New Brunswick <i>Funds can be used to support New Jersey Agricultural Experiment Station</i>	\$29,142,450
Rutgers University-Newark	\$9,896,895
Stockton University	\$6,445,806
The College of New Jersey	\$4,298,429
Thomas Edison State University	\$7,679,703
William Paterson University of New Jersey	\$8,040,171
Total Senior Publics	\$126,750,000

Atlantic Cape Community College	\$856,855
Bergen Community College	\$1,925,709
Brookdale Community College	\$1,603,050

Camden County College	\$1,722,964
County College of Morris	\$1,005,724
Essex County College	\$1,450,611
Hudson County Community College	\$1,622,947
Mercer County Community College	\$1,144,478
Middlesex County College	\$1,802,357
Ocean County College	\$1,297,908
Passaic County Community College	\$1,363,088
Raritan Valley Community College	\$1,105,014
Rowan College at Burlington County	\$1,406,784
Rowan College of South Jersey	\$1,455,239
Salem Community College	\$154,025
Sussex County Community College	\$318,891
Union County College	\$1,690,705
Warren County Community College	\$323,651
Total Community Colleges	\$22,250,000

Bloomfield College	\$45,468
Caldwell University	\$41,948
Centenary University	\$31,652
Drew University	\$36,851
Fairleigh Dickinson University-Florham Campus	\$57,047
Fairleigh Dickinson University-Metropolitan Campus	\$146,315
Felician University	\$45,713
Georgian Court University	\$41,806
Monmouth University	\$95,179
Pillar College	\$15,098
Princeton University	\$0*
Rider University	\$81,638
Saint Elizabeth University	\$24,408
Saint Peter's University	\$80,437

Seton Hall University	\$162,512
Stevens Institute of Technology	\$93,928
Total Independent Non-Profit Colleges <i>*Princeton University requested their allocation be redistributed to other institutions facing greater financial need</i>	\$1,000,000
Grand Total, All Colleges	\$150,000,000

For more information about the CRF, please see the U.S. Department of the Treasury's [website](#).

Integrity Monitor Firm Name: _____

Engagement: _____

Quarter Ending: _____

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

Name of Integrity Monitor

Name of Report Preparer

Signature

Date

Attachment 1 is an internal document that is not a public record pursuant to N.J.S.A. 47:1a-1.1 as it constitutes intra-agency advisory, consultative, or deliberative material.



New Jersey Office of the Secretary of Higher Education's Engagement Query for Integrity Oversight Monitor

Prepared For:

The New Jersey Office of the Secretary of Higher Education

Attention:

State Contract Manager

Mona Cartwright, Fiscal Manager, Department of the Treasury

[REDACTED]

Cc:

Angela Bethea, Agency Contract Manager

[REDACTED]

December 17, 2020

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

December 17, 2020

**Request for Quotation ("RFQ"): New Jersey Office of the Secretary of Higher Education
Engagement Query for Integrity Oversight Monitor**

Dear Ms. Cartwright,

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

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

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

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

Yours sincerely,



Snezana Gebauer
Executive Managing Director

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1. About K2 Intelligence Financial Integrity Network

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


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

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

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

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

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



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COMPETENCY OF OUR FIRM.

2. Relevant Experience

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

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

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

Kevin Mullins, K2-FIN's proposed Program Manager, has worked on various disaster recovery and integrity monitoring projects throughout his time at K2-FIN. In his role, he has lead efforts in evaluating and auditing compliance with government issued grants and loans, starting with the assessment of risk on through to the execution of tailored audit plans. Kevin has performed in this role for a host of clients, including on many of our assignments with the Metropolitan Transportation Authority ("MTA"), including acting as the project manager on the East Side Access project and Hurricane Sandy recovery work. In addition, Kevin acts as a key member leading the audit and forensic accounting effort on the Moynihan Train Hall project.

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

- The State of New Jersey has just recently selected K2-FIN to be the IOM to review the New Jersey Economic Development Authority expenditure of CARES Act funds distributed under the Agency's COVID-19 Recovery Programs. This experience has provided us with valuable experience for performing NJ CARES Act IOM engagements, which will increase our efficiency if we are awarded this engagement. It has provided us with an understanding of the applicable risk factors for purposes of testing sample selections. Based on this knowledge and experience, we have created sample selection criteria and testing templates – all of which can be used in this engagement.
- The State of New York established the Governor's Office of Storm Recovery ("GOSR") following Hurricane Irene, Tropical Storm Lee, and Hurricane Sandy to centralize recovery and rebuilding efforts in the impacted areas throughout New York State. GOSR paired approximately \$4.4 billion in flexible funding made available by the U.S. Department of Housing & Urban Development with additional federal funds awarded to other State agencies to enable homeowners, small business, and entire communities recover.
- Since September 2013, K2-FIN has served as a Program Oversight and Compliance Monitor reporting to the Director of Investigations and Senior Counsel. In addition to our continuing onsite and desk audit monitoring activities, we have performed special investigative assignments and

performed due diligence relating to select sub-recipients. We designed GOSR's vendor screening protocols, performed site security assessments on GOSR's physical assets made recommendations to strengthen federal regulatory compliance reporting, performed risk assessments of policies and procedures relating to assistance application processing, and performed reviews to ensure compliance with established policies and procedures.

- K2-FIN led the first large-scale deployment of project oversight, integrity monitors in a disaster recovery setting. Working with the Port Authority of New York and New Jersey at Ground Zero, our integrity monitors were engaged by the City of New York and were involved at every phase of the World Trade Center recovery effort from contract award to on-site activity. The message the City of New York conveyed through its use of our integrity monitors was clear – integrity counted. Cleanup was on time and under budget. In fact, some estimates credited the integrity monitors with more than \$60 million dollars in anti-fraud savings. In 2006, a U.S. House of Representatives subcommittee heralded the World Trade Center Integrity Monitorship Program as “an overwhelming success,” adding that the program was so effective because it was preventative in nature, with monitors calling for immediate corrections and remediation in real time versus after-the-fact auditing discoveries.
- The State of New Jersey, through a competitive process, prequalified a number of firms to provide auditing and integrity monitoring, among other services, on a large number of Superstorm Sandy recovery and rebuilding projects. The firms are selected on a per-engagement basis through individualized responses to proposals. The program began in August 2013. K2-FIN was selected to provide integrity monitoring services for two engagements – the City of Elizabeth's Veterans Memorial Waterfront Park and the City of Perth Amboy's Marina and Walkways.
- The City of Elizabeth Veteran's Memorial Waterfront Park project involved the rebuilding of the entire waterfront, including the memorial park, the municipal marina and the recreation and boardwalk piers. The estimated construction value for this project is \$16.2 million. The City of Perth Amboy project involved the rebuilding of seven areas, including the Promenade at the Old Ferry Terminal, a beachfront promenade, and a fishing pier. The estimated construction value for this project is \$8 million. Both projects involved performing risk assessments and recommending loss prevention strategies to prevent duplication of benefits, inefficiency, fraud, waste, abuse, malfeasance and mismanagement of funds determining if appropriate compliance systems and controls related to internal controls, procurement – including the New Jersey Local Public Contract Law, contracting, compliance, cost eligibility, contract management, invoicing, payment, are in place to comply with applicable State and federal guidelines and regulations – including compliance with FEMA funding guidelines and regulations – and to test and monitor control environments. Our team made several contributions directly leading to the establishment of revised and enhanced institutional controls specifically related to procuring future services, as well as identifying several thousand dollars in suspected product substitutions.
- We are currently serving as IOM, reviewing the \$40 Million contract of HNTB and the \$11 Million contract of BEM Environmental, to assist NJT in program management on Sandy recovery and resilience projects. In close consultation with NJT, we prepared risk assessments on these engagements, and are presently reviewing expenditures in what are primarily a “look-back” forensic audit assignments. Previously, we performed IOM services for NJT on the \$13.3 million Gladstone

Poles & Foundations Replacement Project. The Gladstone Poles & Foundations project involved the installation of new concrete foundations and steel poles for the catenary lines on the Gladstone Branch of NJT's Morris & Essex Line damaged as a result of Superstorm Sandy. K2 monitored the work of the contractor and conducted field spot checks on work performed in the field to ensure that NJT policies and procedures were followed.

- We served as the Integrity Monitor on several projects at the WTC site during the rebuilding of the site following the 9/11 terrorist attacks, including the \$4.5 billion Hub and \$1 billion Memorial projects. These multi-billion-dollar PANYNJ projects involved the construction of a major mass transit hub and related infrastructure, the iconic 9/11 museum, retail space, and the site's central chiller plant. We employed our intelligence-based approach to design and implement an integrity monitoring program for these projects. This approach drives our risk assessments, corruption prevention programs, and review and assessment of the adequacy of controls on all phases of the projects, to ensure that all transactions are conducted and documented in such a way as to be both transparent and auditable. Our findings and recommendations resulted in improvements to project processes and integrity controls in the areas of prevailing wage compliance, M/WBE program compliance, procurement, subcontractor vetting, construction processes, project finances, requisition reviews, environmental and safety compliance, physical site security, and information security. We played a special role in monitoring the cleanup following Superstorm Sandy, which resulted in severe flooding throughout the site. Immediately after Superstorm Sandy we were tasked by PAOIG to design and implement integrity controls that would prevent time and materials abuse. The controls that we designed became the site-wide standard for preventing fraud during the post-Sandy clean-up and recovery stage at WTC projects.
- Similar to the Moynihan Train Hall project, K2-FIN was also selected by New York's Empire State Development Corporation as the integrity monitor for the Javits Center Expansion project, a five-year assignment to protect New York State's investment of more than \$1.5 billion. Similar in work scope, K2-FIN assists in providing necessary payment and compliance oversight as well as construction monitoring. This engagement has included screening of vendors and other providers of services to the project.
- In 2012, the MTA selected K2-FIN to serve as an Independent Compliance Monitor for construction of the \$10+ billion East Side Access project. Since then, we have worked in close cooperation with the MTA and the contractors to foster a collective commitment to compliance, to deter and detect fraud, waste, and abuse, and to protect the reputation of the MTA.
- In 2016, the MTA tasked K2-FIN with conducting a voluntary assessment of the New York City Transit Authority's ("NYCT," an authority within the MTA) internal controls relating to the grant drawdown process for Hurricane Sandy Program Projects funded by Federal Transit Authority ("FTA") grant monies. The purpose of K2-FIN's assessment was to detect and address potential weaknesses in payment processing and strengthen its internal controls over the grant drawdown process on applicable NYCT capital projects.
- We are currently serving as the integrity monitor on NJDEP's \$380 million Hudson River and Meadowlands Projects under the Rebuild by Design Program. Both projects encompassed performing risk assessments and recommending loss prevention strategies to prevent duplication

of benefits, inefficiency, fraud, waste, abuse, malfeasance and mismanagement of funds determining if appropriate compliance systems and controls related to internal controls, procurement, contracting, compliance, cost eligibility, contract management, invoicing, payment, are in place to comply with applicable State and Federal guidelines and regulations and to test and monitor control environments.

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

3. Background and Our Understanding of Your Needs

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

We also understand that OSHE has received \$225 million in CRF funds. From these funds, 100% have been allocated to public institutions and four-year public mission independent institutions to address financial burdens as they provide high quality education in the State of New Jersey.

To receive these funds, institutions of higher education (“IHEs”) were required to submit an application to OSHE outlining how the IHE would use the funds to cover eligible expenditures incurred due to the public health emergency between March 1 and December 30, 2020.

We further understand that the scope of work for this engagement will include IHEs in each of three institutional sectors. For each sector, the Integrity Oversight Monitor is required to conduct three risk assessments for three IHEs. The three institutional sectors are as follows:

- County colleges
- Senior publics
- Public mission independents.

Selection criteria, as described in the Engagement Query, should be based on the following:

- Two-year, four-year, and research institutions
- Large and small institutions
- Rural and urban institutions
- Diversity of student populations

We understand the Integrity Oversight Monitor’s role is to ensure that OSHE is adhering to the sub-award agreement and applicable federal and state guidelines and regulations with the CRF grant funding through the following tasks:

- Conduct a risk assessment of the nine selected IHEs. The risk assessments shall, at a minimum, include the following elements:
 - Review of current IHE’s internal controls, policies, and procedures in place to satisfy the CRF funds requirements, including adequacy of controls to prevent duplication of benefits and federal and state law and regulations
 - Organizational Capacity of the IHE-leadership, experience in managing federal grants/funds, do they have staffing in place to oversee these funds
 - Prior audits of IHEs
 - Adequacy of financial, acquisition, and grants management policies and procedures, including technological capacity and potentially outdated financial management systems.
 - Selection criteria would be applied to three IHEs in each sector considering the criteria noted above.
- Ensure IHE compliance with laws, regulations, programs, contractual requirements, agreements, certifications, and affidavits, including the submission by subgrantees of required periodic reports and reimbursement requests to the OSHE.

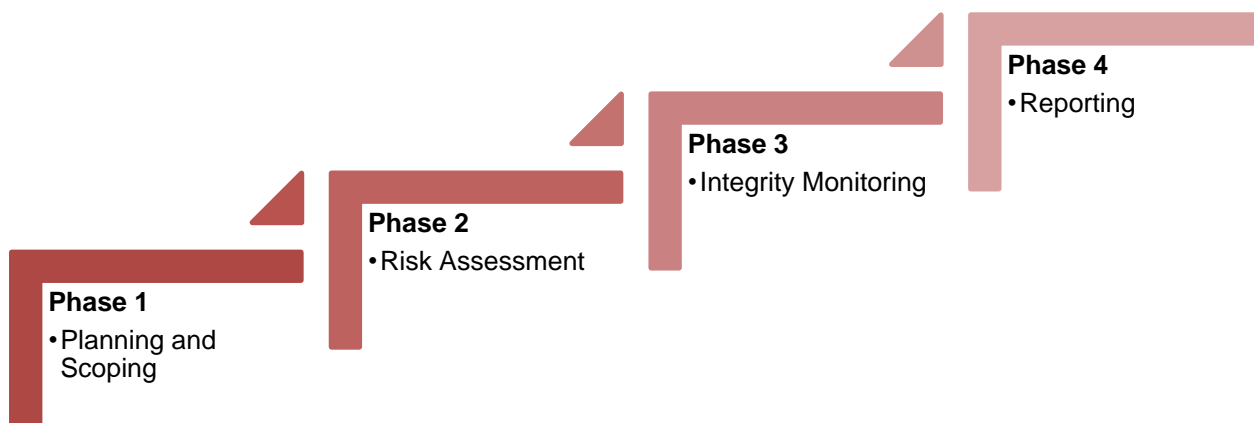
- Review written documents, such as financial and performance reports.
- Validate compliance with sub-grant award and general terms and special conditions.
- Ensure that IHE's are retaining appropriate documentation, based on federal and state regulations, to support final reporting to OSHE under CRF. Final reports submitted by IHE's will include back up invoices, Purchase Orders and any other detail requested.
- Promote cooperation and communication among Integrity Monitors engaged by other Recovery Program Participants (e.g., to guard against duplication of benefits- IHEs using CRF funds to cover expenses covered by other Cares Act or FEMA funds).
- Conduct on-site monitoring as needed.
- Promptly respond to any inquiries from the Office of the State Comptroller ("OSC") regarding the tasks under this Engagement Query.

Depending upon results of the risk assessments as well as desk reviews conducted, we understand that the Integrity Oversight Monitor should evaluate whether an on-site monitoring visit is appropriate for any of the IHEs. All decisions and the steps that to be taken regarding an on-site monitoring visit should be documented as to how the conclusion was made as it related to the on-site visit. The Integrity Oversight Monitor may choose to conduct an on-site monitoring visit as a result of the following:

- Non-compliance with reporting requirements.
- Problems identified in reports.
- History of unsatisfactory performance.
- Unresponsiveness to requests for information.
- High-Risk designation.
- Follow-up on prior audits or monitoring findings; and
- Allegations of misuse of funds or receipt of complaints.

4. Proposed Approach

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



4.1.1. Phase 1: Planning and Scoping

OBJECTIVE

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

4.1.1.1. Key Work Steps

This will include the following work steps:

- Project kickoff meeting
 - During this initial phase of work, K2-FIN will coordinate a project kickoff meeting with key OSHE personnel.
 - The purpose of the kickoff meeting is to ensure that all stakeholders are aligned on the project objectives, scope, approach, timelines, and deliverables.
- Preparation of an Information Request
 - K2-FIN will prepare a Preliminary Information Request including relevant policies, procedures, and internal controls implemented by OSHE and subrecipients. This may include, but will not necessarily be limited to the following:
 - Documentation evidencing processes, controls and technologies implemented to support the execution of Section 5001 of the CARES Act
 - Results of any internal or external audits, assessments, or reviews, of grant management processes, internal controls, including any internal control deficiencies and management's response regarding the same
 - Grant application, processing, management, and reporting policies and procedures
 - Accounting policies and procedures including, but not limited, procurement, payments, expense reimbursement process, financial reporting, and accounts reconciliation process
 - Organization chart
 - Code of conduct, compliance program, and other governance related documentation
- Finalize workplan
 - At the conclusion of this phase of work, K2-FIN will prepare a final audit plan for review and finalization
 - The audit plan will be a tailored version of this approach document and include project-specific objectives and key work steps

4.1.2. Phase 2: Risk Assessment

OBJECTIVE

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

4.1.2.1. Key Work Steps

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

- Review any prior risk assessments performed by OSHE and develop a baseline of the potential inherent operational and fraud risks associated with OSHE's COVID-19 Recovery Programs as well as the sub-recipient level risks, including the risks of asset misappropriation, financial reporting fraud, and violation of Federal or State laws, regulations, or established grant management protocols.
- Conduct interviews of key OSHE personnel to obtain an understanding of key grants management processes and controls at the program level as well as the subrecipient level. This may include the following personnel:
 - COVID-19 Recovery Programs Accountability Officer
 - COVID-19 Recovery Programs Managers
 - Accounting and Finance Staff
 - Information Technology Specialists
 - Program Operations Personnel
- Reviewed relevant grant program documentation including, but not limited to, grant agreements, applications, MOUs, policies and procedures, and board memorandums outlining program eligibility.
- Based on the interviews conducted and documentation reviewed, develop a detailed risk and control matrix identifying the key processes, risks, and controls to mitigate such risks.
- Perform an assessment of the inherent fraud risks, control risk, and residual risk for each of the risk focus areas (e.g., agency oversight, grant program operations, grant management, and grant reporting)
- We will also benchmark the program controls against regulatory frameworks and leading practices that grant recipients have generally found to be effective in preventing, detecting, and mitigating such risks.
- Preparation of the draft risk matrix identifying the program level and recipient level risks and work with OSHE's Accountability Office and other OSHE staff to prepare the final risk assessment.
- Identify opportunities for control enhancements and operational efficiencies.
- Based on the results of the risk assessment and analysis, K2-FIN will assess the scope and extent of the monitoring activities.

4.1.3. Phase 3: Integrity Monitoring

OBJECTIVE

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

4.1.3.1. Key Work Steps

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

We will also leverage desk reviews to the extent possible to conduct monitoring activities. As stated above, we understand from the Engagement Query that the sample will include a combination of nine IHEs from the three identified sectors – county colleges, senior publics, and public mission independents. Specifically, K2-FIN professionals will work closely with designated OSHE and IHE personnel to coordinate and perform the following tasks to achieve the project objectives:

- Based on the results of the risk assessment, we will identify moderate to high-risk areas subject to testing. Based on our experience with similar programs, this may include, but is not necessarily limited to, the following:
 - Grant management and oversight
 - Sub-grant award agreement processing, payment, monitoring, including compliance with grant terms, agreement, and special terms and conditions
 - Procurement
 - Unauthorized use of funds
 - Duplication of benefits
 - Financial reporting, reimbursement requests, and reconciliation
 - Document retention
 - IT Security
 - Fraud, waste, or abuse
- Review the most recent grant report and related transaction details and performed completeness check against source data evidencing grant disbursements.
- From the transaction details for each program, K2 will select a risk-based sample of transactions for testing.
- The sample will include nine IHEs from awarded grants from the IHE Award Announcement dated August 14, 2020. The sample will be evenly divided among the three sectors – county colleges, senior publics, and public mission independents – and the following criteria will be considered in making the selection, Two-year, four-year, and research institutions, Large and small institutions, Rural and urban institutions, and Diversity of student populations.
- We will conduct transaction testing through inquiry, observation, re-performance, and review of documentation supporting grant awards, expenditures, procurement, and financial reporting and assessed whether there were any potential exceptions.
 - This will include forensic analysis of books and records to ensure that procedures and controls were executed based on program requirements

- Ensure appropriate federally and state-required documentation to support reimbursement requests submitted to OSHE under CRF are being retained, inclusive of invoices, purchase orders, and other documentation.
- Assess the adequacy of the documentation provided
- Ensure compliance with not only laws and regulations, but programmatic and contractual requirements, agreements, and affidavits.
- To the extent possible, ensure that reimbursement requests are not duplicative of requests made from other emergency funding sources.
- Identification of potential exceptions based on the transactions testing
 - This will include potential exceptions to established controls as well as potential indicators of fraud, waste, or abuse.
- Conduct follow-up inquiry to obtain an understanding of the root cause of the exception.
- Promptly respond to any inquiries from the Office of the State Comptroller regarding the tasks being performed as a part of this engagement.
- Conduct on-site monitoring as needed. Given the limited timeframe, it anticipated that K2-FIN will perform desk reviews to evaluate the need for on-site visits or monitoring. Depending on the results of the desk review, coupled with the results of the risk assessment, we will evaluate whether on-site monitoring is appropriate. If we are satisfied that the essential project goals, objectives, timelines, budgets, and other related program and financial criteria are being met, then we will document the steps taken to reach this conclusion and dispense with an on-site monitoring visit. However, we may choose to perform on-site monitoring visits as a result of any of items below. We do not anticipate every IHE requiring on-site monitoring:
 - Non-compliance with reporting requirements
 - Problems identified in quarterly progress or financial reports
 - History of unsatisfactory performance
 - Unresponsiveness to requests for information
 - High-risk designation
 - Follow-up on prior audits or monitoring findings
 - Allegations of misuse of funds or receipt of complaints
- Provide recommendations regarding control remediation and to promote operational efficiency for future emergency funding.

4.1.4. Phase 4: Reporting

OBJECTIVE

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

4.1.4.1. Key Work Steps

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

- Provide status update reports as needed
- Prepare interim draft deliverables

- Discuss draft deliverables with OSHE stakeholders including any recommendations to streamline grant management and fiscal management processes to ensure accountability of funds and compliance with program regulations
- Finalize deliverables

5. Anticipated Deliverables and Timeline

The following chart represents the anticipated deliverables and timeline, based on a December 28, 2020 starting date for the engagement:

Phases of Work	Anticipated Deliverables	Anticipated Delivery Date
Phase 1: Planning and scoping	<ul style="list-style-type: none"> • Information request • Detailed audit plan 	<ul style="list-style-type: none"> • December 29, 2020
Phase 2: Risk Assessment	<ul style="list-style-type: none"> • Draft Summary Risk Matrix • Final Risk Matrix 	<ul style="list-style-type: none"> • Draft Summary Risk Matrix – January 8, 2020 • Final Risk Matrix – January 15, 2021
Phase 3: Integrity Monitoring	<ul style="list-style-type: none"> • Assessment of sample that was monitored • Exceptions identified and management response • Recommendations for control enhancements 	<ul style="list-style-type: none"> • Ongoing
Phase 4: Reporting	<ul style="list-style-type: none"> • Draft IM Report • Final IM Report 	<ul style="list-style-type: none"> • Draft Quarterly IM Report – December 31, 2020 • Final Quarterly IM Report – January 15, 2021

The project schedule and completion dates are contingent upon the commencement of the engagement on December 28, 2020, substantial production / access to all required information by December 29, 2020, timely production of follow-up information request, and cooperation from OSHE personnel subject to interview. K2 will promptly report any such delays in writing in-order to project stakeholders in an effort to remediate the concerns. Given the condensed project schedule, any delays in the production of required information, will have a significant impact in our ability to meet to the above deadlines.

6. Our Team

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



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

Program Manager		
Name	Title	Key Experience
Kevin Mullins	Managing Director and Head of Forensic Accounting	<ul style="list-style-type: none">Over 17 years of forensic accounting and audit experience specifically geared towards disaster recovery and integrity monitoring on projects funded by Federal and State monies.

		<ul style="list-style-type: none"> • Lead efforts in evaluating and auditing compliance with government programs related to Federally and State issued grants, starting with the assessment of risk to the creation and tailoring of work plans to executing approach. • Work with clients to migrate and consolidate accounting systems and related compliance programs, making recommendations to enhancements at each state of the process.
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Project Managers		
Name	Title	Key Experience
Yashvi Roy	Senior Director	<ul style="list-style-type: none"> • Over seven years of experience in providing auditing and integrity monitoring services on large scale government funded projects • Lead audit teams in performing risk assessments, constructing, and executing work plans, and working with client management to implement enhancements to controls and resolve audit issues • Conduct audits designed to focus on uncovering fraud, waste, and abuse to support state government agencies
Scott Millman	Senior Director	<ul style="list-style-type: none"> • Over two decades of experience in providing governance, risk, and compliance management consulting enabling public entities to build and sustain effective risk management and internal audit programs • Lead teams in performing integrity monitoring services to focused to uncover fraud, waste, and abuse to support various state government agencies • Involved in compliance review for large disaster recovery projects funded with Federal grants containing strict funding requirements

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

7. Detailed Budget

Based on our understanding of OSHE's needs and proposed scope of work described above, K2-FIN anticipates that the project budget will be \$117,450. Please refer to the table below for additional details.

Tasks	Principal	Program Manager	Project Manager	Project Manager	Supervisory/ Senior Consultant	Consultant	Total
Rates	\$340	\$325	\$290	\$290	\$220	\$195	
Planning and information gathering	2	4	4	4	4	4	22
Inherent and Control Risk Assessments	5	20	40			40	105
Integrity Monitoring	5	12	24	60	60	24	185
Status update reporting, and preparing of final deliverables	12	30	24	24	20	20	130
Total Hours	24	66	92	88	84	88	442
Total Cost	\$8,160	\$21,450	\$26,680	\$25,520	\$18,480	\$17,160	\$117,450

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



Paul E. Ryan

Senior Managing Director
New York

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

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

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

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

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

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



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

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



Kevin J. Mullins

Managing Director
New York



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Kevin J. Mullins is a managing director in K2 Intelligence Financial Integrity Network's (K2-FIN) Investigation and Disputes practice, specializing in financial and forensic investigations. He is a certified fraud examiner with 17 years of multidisciplinary experience in the accounting industry, specifically in the areas of forensic auditing and accounting. He performs analyses not only to detect fraud and noncompliance, but also to identify possible areas where costs can be recovered and make recommendations to client management for improvements in internal controls.

Working directly with client executive management, Kevin creates, tailors, and executes audit work plans, and oversees the audit teams carrying out assigned tasks. He serves as supervising auditor on projects, including but not limited to private, city, and federally funded integrity monitorships; systems implementation and integrity engagements; forensic accounting and auditing; litigation support; contract and program compliance; internal controls assessments; and fraud investigations associated with accusations relating to the misappropriation of funds and the creation of fictitious financial records. Kevin joined K2-FIN through its acquisition of Thatcher Associates.

Kevin received a B.S. in accounting from Monmouth University. He is a Certified Fraud Examiner (CFE).

Relevant Project Experience

Metropolitan Transportation Authority

Kevin has been a key person on multiple projects for the Metropolitan Transportation Authority ("MTA") throughout his time at K2-FIN. Since 2015, Kevin has been the project manager for K2-FIN's contracts for integrity monitoring work associated with the East Side Access project. Kevin also manages our work with the MTA as relates to Hurricane Sandy



recovery work. This includes an assignment where K2-FIN was tasked with reviewing the processes and controls relating the drawdown of grant funds earmarked for Hurricane Sandy remediation.

Moynihan Train Hall

Kevin has been a key member of the Moynihan Train Hall integrity monitoring team since 2018. He leads the audit and forensic accounting effort to search for fraud, waste, and abuse. In working with project management, Kevin addresses issues and key findings, and works with the client to resolve issues timely and effectively.

Fortune 100 Global Financial Institution

Since 2016, K2-FIN has worked extensively with the real estate division of a global financial institution in acting as an integrity monitor and consultant on multiple large-scale development projects. Kevin has acted as the K2-FIN project manager across many of these projects, working with the client and project team to enhance processes and controls, and to ensure that the projects are free of fraud, waste, and abuse.



Yashvi Roy

Senior Director
New York



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

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

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

Relevant Project Experience

Jacob K. Javits Convention Center Expansion and Transformer Building Projects

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



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INTEGRITY
NETWORK

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



Scott Millman

Senior Director
New York



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Scott Millman is a senior director in K2 Intelligence Financial Integrity Network's (K2-FIN) Investigations and Disputes practice, based in New York. Working with clients in both the public and private sectors, he handles complex forensic accounting projects focused on combating fraud, waste, and abuse issues. Scott also oversees integrity monitoring projects and helps clients evaluate and implement oversight programs by performing internal and external audits as well as risk assessments.

Before joining K2-FIN, Scott was a manager at CohnReznick, where he performed integrity oversight monitoring and compliance reviews to determine Community Development Block Grant Disaster Recovery (CDBG-DR) eligibility. He also gained expertise investigating prevailing wage discrepancies and performing financial audits of drawdowns and overhead rates relating to the Superstorm Sandy Funding process and repair work.

Scott has several years of diversified accounting experience with an extensive background in providing audit and accounting services to large banking and investment institutions.

Scott received his M.S. in accounting from Fairleigh Dickinson University, his M.B.A. in finance from Loyola College in Maryland, and his B.A. in political science from the University of Delaware.

Relevant Project Experience

New Jersey Department of Environmental Protection

Scott is a key member of the audit team in our integrity monitoring of two projects funded by grants received for the Rebuild by Design program. Scott reviews records for compliance with all Federal and state regulations, including but not limited to HUD CDBG-DR and prevailing wage. As a member of the team, he works with NJDEP personnel in making recommendations to better enhance controls, policies, and procedures on both projects.