

Firm Name: Thacher Associates LLC
 Engagement: NJ Transit - Gladstone Line Poles & Foundations Replacement Project
 For Quarter Ending: 12/31/2015

Reports required under A-60 will be submitted by Integrity Monitors on the first business day of each calendar quarter to the State Treasurer and will contain detailed information on the projects/contracts/programs funded by the Disaster Relief Appropriations Act.

| No. | Recipient Data Elements | Response | Comments |
|---------------------------------|---|---|---|
| A. General Info | | | |
| 1. | Recipient of funding | New Jersey Transit Corporation | |
| 2. | Federal Funding Agency? (e.g. HUD, FEMA) | Federal Transit Administration | |
| 3. | State Funding (if applicable) | N/A | |
| 4. | Award Type | Emergency Relief Program | |
| 5. | Award Amount | \$13,308,080.00 | Represents the contract value of the single contract in Thacher Associates current scope of work. |
| 6. | Contract/Program Person/Title | James Schworn, Chief Procurement Officer | |
| 7. | Brief Description, Purpose and Rationale of Project/Program | This project consists of installing new concrete foundations and steel poles on the Gladstone Branch of New Jersey Transit's Morris & Essex Line. | |
| 8. | Contract/Program Location | Gladstone Branch (New Providence to Gladstone Rail Yard) | |
| 9. | Amount Expended to Date | \$11,004,370.65 through December 31, 2015; approved by New Jersey Transit and paid to Case Foundation Company (CFC). | |
| 10. | Amount Provided to other State or Local Entities | None | |
| 11. | Completion Status of Contract or Program | In Progress | |
| 12. | Expected Contract End Date/Time Period | January 2017 (Est.) | |
| B. Monitoring Activities | | | |
| 13. | If FEMA funded, brief description of the status of the project worksheet and its support. | N/A | |
| 14. | Quarterly Activities/Project Description (include number of visits to meet with recipient and sub recipient, including who you met with, and any site visits warranted to where work was completed) | Thacher Associates (Thacher) commenced fieldwork in July 2015 beginning with a formal document request dated July 6, 2015. Following various meetings between July 1 and September 30, 2015, Thacher reviewed various documents received from New Jersey Transit during October and December 2015. Due to construction work ceasing during the winter months, Thacher did not perform site visits during this quarter and primarily performed procedures based on the documentation received in conjunction with document requests to New Jersey Transit. | |
| 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. | NJT provided Thacher with electronic copies of payment requisitions and certified payroll reports in September 2015. Thacher performed preliminary reviews of this information, submitted additional follow-up requests to NJT for communication to CFC and L&R Construction and performed preliminary reviews of the information received in response to those requests. Thacher is continuing with its analysis of documentation received. | |

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| 16. | Description of quarterly auditing activities that have been conducted to ensure procurement compliance with terms and conditions of the contracts and agreements. | Thacher is currently reviewing payment requisitions and certified payroll reports to assess CFC's compliance with contractual and legal requirements in the areas of procurement, prevailing wage rules, and payment to contractor and subcontractor. In addition, Thacher has engaged Crescent Consulting to similarly review documentation provided by L&R Construction as part of the DBE Compliance portion of Thacher's workplan. These reviews are ongoing and Thacher and Crescent are preparing supplementary requests to finalize their respective reviews pertaining to work performed during the quarter ending December 30, 2015. | |
| 17. | Have payment requisitions in connection with the contract/program been reviewed? Please describe | Thacher deferred review of additional payment requisitions pertaining to this period as on-site work being performed was suspended during the winter months. | |
| 18. | Description of quarterly activity to prevent and detect waste, fraud and abuse. | Thacher is reviewing various filings and supporting documentation pertinent to certified payroll reports and prevailing wage requirements and has not identified any indicators of fraud, waste, or abuse for the quarter ending December 30, 2015. | |
| 19. | Provide details of any integrity issues/findings | None. | |
| 20. | Provide details of any work quality or safety/environmental/historical preservation issue(s). | None. | |
| 21. | Provide details on any other items of note that have occurred in the past quarter | None. | |
| 22. | Provide details of any actions taken to remediate waste, fraud and abuse noted in past quarters | None. | |
| C. Miscellaneous | | | |
| 23. | Attach a list of hours and expenses incurred to perform your quarterly integrity monitoring review | For the period October 1, 2015 through December 31, 2015, Thacher expended 145.5 hours (see Comments for breakdown) and no expenses. This includes site and office visits, document reviews, and preliminary follow-up discussions with NJT. Additionally, Thacher has provided status updates to NJT and filed prior quarterly reports with the Department of the Treasury for the quarters ended September 30, 2015 and June 30, 2015. | Angela Della Universita, Senior Consultant - 20.00 Bradley J. Breslin, Program Manager - 2.25 Chris Ward, Senior Consultant - 19.25 Dan Kassa, Project Manager - 30.50 Jose L. Velazquez, Project Manager - 40.00 Kenneth J. Casado, Program Manager - 2.75 Phillipe Larock, Consultant - 19.50 Richard Vermeulen, Program Manager - 1.75 Rohan Defreitas, Principal (DBE) - 1.50 Hector Calderon, Principal (DBE) - 5.00 Michael Arroyo, Senior Consultant (DBE) - 1.50 Angel Sepulveda, Senior Consultant (DBE) - 1.50 |
| 24. | Add any item, issue or comment not covered in previous sections but deemed pertinent to monitoring program. | None. | |

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| Name of Integrity Monitor: Thacher Associates LLC Name of Report Preparer: Bradley J. Breslin, Director of Operations Signature: <i>B. B. C.</i> Date: April 1, 2016 |
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