



## *San Francisco Bay Area Rapid Transit*

# Office of the Inspector General Fiscal Year 2025 Annual Report to the California State Legislature



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## MESSAGE FROM THE INSPECTOR GENERAL

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This year, the OIG delivered real results that matter, recovering funds, exposing misconduct, and driving systemic improvements. We approached every investigation and audit with rigor while also recognizing the human side of oversight. Whether we were guiding whistleblowers, clarifying expectations, or holding bad actors accountable, we led with fairness and professionalism. That balance of firmness and understanding is the bedrock of our work.

We uncovered just over \$106,000 lost to fraud and error, bringing our overall recovery efforts to about \$216,000. We also completed dozens of investigations, got our overtime audit over the finish line, and launched a public-facing recommendation dashboard to bring new transparency to our oversight work. Just as important, we focused on how we carried out that work by improving our interview room to create a calming space because we believe leading with empathy does not mean letting wrongdoing slide, it means recognizing the people inside the process.

Our investigations and audits demand empathy as much as they demand independence and persistence. Leading with empathy means understanding the pressures facing employees, the gaps in systems that allow problems to grow, and the anxieties of those who speak up. It means acknowledging intent without excusing misconduct and ensuring that our processes are not only fair but also perceived as fair. The ultimate outcomes are insightful findings and decisive recommendations.

We remain committed to holding ourselves to the same standards we expect of others: transparent, accountable, and professional. That includes adapting to risk and delivering credible, constructive oversight. We appreciate everyone at BART who contributed to our efforts this year, and we look forward to continuing to serve the public with both integrity and humanity.

*Claudette Bimoret*

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## WHAT WE DO

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We investigate indications of fraud, waste, or abuse regarding BART's programs, operations, and suppliers; and conduct performance audits that contribute to public accountability and transparency. We do this by providing independent and objective analysis of the efficiency and effectiveness of BART programs, operations, and activities. All our work supports those two objectives, either directly or indirectly.

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## VALUE ADDED

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We play a critical role in providing independent oversight of BART programs, activities, and operations so that the public can feel assured that their tax dollars and ridership fees are used in the manner intended. We add leverage to BART's limited resources by investing our time into finding ways to make the District more effective, efficient, and equitable.

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## OIG CORE VALUES

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# Whistleblower Complaints

## FY25 Highlights

**32 Investigations Closed:** We completed 32 investigations involving contractor false claims, employee time theft, and whistleblower retaliation among other serious allegations. We also finished 12 reports, laying out the verified facts of our investigations, and made 16 new recommendations.

**74 New Complaints:** We received and evaluated 74 new whistleblower allegations, which resulted in us opening 29 new investigations into allegations of fraud, waste, or abuse, closing 19 of them within the year.

**\$106,872 Actual & Pending Recovery:** We uncovered \$106,872 in funds lost to theft or error this year, adding to the \$109k recovered in prior fiscal years and reinforcing accountability by those who work for or do business with BART.

- **\$62,580** – Recovered from an auto-manufacturing company after we identified two months of unpaid parking permit fees.
- **\$28,613** – Settlement reached with two contractors after we found they had submitted false claims to BART for unperformed services.
- **\$15,679** – An employee falsely claimed compensation for time not worked. Upon review of our findings, the employee expressed a willingness to repay BART.

Besides those measurable dollars, our investigations help stop fraud before it happens. Though difficult to quantify, it is a return on investment that compounds over time.

**Retaliation Guide:** We developed a detailed guide to help whistleblowers report retaliation. It walks them through what information to provide so we may assess their complaint and investigate if it meets our criteria and falls within our authority.

## Case Statistics All Years

|                                                                                      |                     |     |
|--------------------------------------------------------------------------------------|---------------------|-----|
|    | complaints received | 318 |
|    | under investigation | 12  |
|    | investigated        | 126 |
|    | forwarded           | 68  |
|    | declined            | 112 |
|    | substantiated       | 51  |
|  | not substantiated   | 54  |
|  | inconclusive        | 21  |



**\$216,000**  
Recovery Efforts  
FY22 – FY25

# Trends

## Top Allegation Categories & Outcomes

Fraud, noncompliance, unprofessional conduct, and conflict of interest remain the leading allegation types that we receive, accounting for 65% (206) of 318 reported complaints. Notably, fraud remains the most prevalent issue. The remaining 35% (112) includes a mix of 19 allegation types, including retaliation.

We investigate about half of the complaints we receive, with the rest either lacking sufficient information or being outside of our jurisdiction. Among those investigated, we find a nearly equal division between those that we substantiate and those that we do not, reflecting on the complexity of the concerns we address.

### FRAUD

80 Cases (25%): Time theft & contractor false claims are the most common types.

| Status                                                                                                  | Count |
|---------------------------------------------------------------------------------------------------------|-------|
|  Investigated          | 46    |
| ✓ Substantiated                                                                                         | 23    |
|  Not Substantiated   | 17    |
| ?? Inconclusive                                                                                         | 6     |
|  Under Investigation | 5     |
|  Forwarded/Declined  | 29    |

### NONCOMPLIANCE

60 Cases (19%): Policy circumvention & unfair competition are the most common types.

| Status                                                                                                  | Count |
|---------------------------------------------------------------------------------------------------------|-------|
|  Investigated          | 29    |
| ✓ Substantiated                                                                                         | 13    |
|  Not Substantiated   | 13    |
| ?? Inconclusive                                                                                         | 3     |
|  Under Investigation | 6     |
|  Forwarded/Declined  | 25    |

### UNPROFESSIONAL CONDUCT

41 Cases (13%): Harassment & inappropriate behavior are the most common types.

| Status                                                                                                  | Count |
|---------------------------------------------------------------------------------------------------------|-------|
|  Investigated*       | 8     |
| ✓ Substantiated                                                                                         | 2     |
|  Not Substantiated   | 4     |
| ?? Inconclusive                                                                                         | 2     |
|  Under Investigation | 1     |
|  Forwarded/Declined  | 32    |

### CONFLICT OF INTEREST

25 Cases (8%): Financial interest in a contract is the most common type.

| Status                                                                                                  | Count |
|---------------------------------------------------------------------------------------------------------|-------|
|  Investigated        | 19    |
| ✓ Substantiated                                                                                         | 8     |
|  Not Substantiated   | 9     |
| ?? Inconclusive                                                                                         | 2     |
|  Under Investigation | -     |
|  Forwarded/Declined  | 6     |

\*We investigate unprofessional conduct only when it is not a personnel matter that falls within Human Resources' purview or an equal employment opportunity matter that falls within the Office of Civil Rights' purview.

# Improvements

## Corrective Actions

**Tracking Progress:** BART management put five of our investigative recommendations into action in Fiscal Year 2025, bringing their total implemented to 78. These actions show real steps toward tackling fraud, holding contractors accountable, tightening compliance, avoiding conflicts of interest, and sharpening timekeeping controls.

**Suspension & Debarment Policy:** BART took a powerful step by implementing our recommendation to adopt a suspension and debarment policy. This move aligns BART with established federal standards and practices of other transit agencies, and arms BART with a critical enforcement tool. The policy elevates accountability and builds trust by showing BART is actively protecting the public's interests.

**Non-Rep Handbook:** At our recommendation, BART made its first major update to the Non-Represented Employee Handbook since 1996. The revised handbook aligns employment terms and conditions with current policies and includes a companion resource guide for quick access to related policies. Notably, the handbook provides new guidance on timekeeping – clearly identifying false reporting as “time theft,” an issue we see in our investigations. We applaud the tremendous effort that went into the update.

**Derailment Update:** On January 3, 2024, we committed to staying informed of the District's investigation into the [January 1, 2024](#), derailment of an eastbound Yellow Line train between the Orinda and Lafayette BART stations. BART completed its investigation, finding the derailment resulted from human error, and submitted its final report to the California Public Utilities Commission (CPUC) in May 2025. The responsible individual is no longer employed by BART and the affected train car has been decommissioned.

## Recommendations

### all years

|   |                       |     |
|---|-----------------------|-----|
| # | total recommendations | 110 |
| + | accepted              | 96  |
| ↓ | dropped               | 4   |
| × | not accepted          | 10  |
| ✓ | implemented           | 78  |
| ⚙ | in progress           | 18  |

### issued fiscal year 2025

|   |                       |    |
|---|-----------------------|----|
| # | total recommendations | 16 |
| + | accepted              | 11 |
| ↓ | dropped               | 4  |
| × | not accepted          | 1  |
| ✓ | implemented           | 5  |
| ⚙ | in progress           | 6  |

See Appendix II for details on the progress management has made on implementing our recommendations.

# Performance Highlights

## Major Progress

**Overtime Audit Released:** We issued our audit of BART's overtime practices, finding that staffing shortages, union rules, and long training timelines drive overtime costs, but that data limitations restrict a full understanding of *why* they drive it. Key risks included limited budget forecasting tools, manual timecard approval, and a lack of sufficient safeguards against fraud. Recommendations emphasized smarter forecasting, stronger approval controls, and improved alignment with work rules.

**Audits Nearing Completion:** In-depth analysis is done on our Link21 Spending and Construction Contract Change Order audits, and draft reports are in review. We expect to issue our audits within the coming months and have recommendations for improving Link21 contract oversight and management, and construction contract change order processes and information storage.

**Workers' Compensation Audit:** We are conducting this audit in multiple phases due to its complexity, breadth, and resource demands. We have engaged departments and are examining key process and control issues that impact program effectiveness and cost management. Our findings will shape targeted recommendations for cost savings, stronger oversight, and improved outcomes.

**Inventory Audit Launched:** Consistent with our goal of adapting to where we can add the most value, we adjusted our audit plan and shifted our focus from an audit of employee compensation and reporting to an audit of inventory management. This change positions us to examine an area with the most potential for cost-savings opportunities. Preliminary findings support that our shift in focus will provide BART with the most value.

## Current Audits



construction-contract change orders



Link21 spending



workers' compensation



inventory management

### Out Now

#### FY 2026–28 Audit Plan

We revised our multiyear Audit Plan to sharpen our focus on cost savings, risk mitigation, and operational impact. The FY 2026–28 Audit Plan builds on lessons learned, introduces more targeted audit topics, and aligns oversight with BART's most pressing risks. This update reflects a strategic pivot to maximize value and public accountability in a time of fiscal constraint.

# Updates

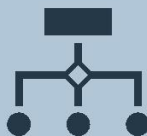
## Monitoring Improvements

**Performance Progress:** We are tracking BART management's progress on the five recommendations from our Span of Control audit, which we issued in April 2024. They have made some headway, in part, by drafting a memo that outlines expectations for managers to update the Human Resources' Information System (HRIS) with accurate data on their unit's organizational structure. We will continue to follow up as they move forward with implementing our recommendations for applying span of control analysis in their decision-making. A key component of our recommendations is to develop clear organizational charts – a critical need when hiring freezes are in place to control costs and while BART faces a fiscal cliff.

## Why Org Charts Matter in Crisis Conditions

### Resource Allocation & Gap Identification

Accurate org charts clarify critical roles, reveal realignment opportunities, and identify redundancies.



### Managing Risk & Continuity Planning

Visualizing dependencies helps leadership mitigate operational risk, identify bottlenecks, and prepare for staffing changes.

### Transparency & Stakeholder Trust

A visible structure supports clear, defensible decisions when engaging unions, boards, or the public.



### Strategic Budgeting

Org charts guide smarter workforce investments by linking structure to service impact, even under financial constraints.

## Recommendations

### all years

|   |                       |    |
|---|-----------------------|----|
| # | total recommendations | 12 |
| ⊕ | accepted              | 12 |
| ✓ | implemented           | 3  |
| ⚙ | In progress           | 9  |

### issued fiscal year 2025

|   |                       |   |
|---|-----------------------|---|
| # | total recommendations | 5 |
| ⊕ | accepted              | 5 |
| ✓ | implemented           | - |
| ⚙ | In progress           | 5 |

See Appendix III for details on the progress management has made on implementing our recommendations.



# Expenditures & Value

## Transparent Spending

**How We Spent Funds:** It is vital that we keep the public informed of how we use their funding. As of June 30, 2025, we spent just shy of \$2.2 million of our \$2.7 million budget. Our largest costs were labor at \$1.3 million and consultant services at \$774,994, both supporting audit execution and comprehensive fraud investigation work. The tiles below provide more detail on that spending and the Inspector General stands ready to discuss how the OIG uses public funds for critical oversight.

## FY26 Spending Budget



employee compensation **\$1.75M**



consultant services **\$857k**



professional development **\$43k**



tech for audits & investigations **\$39k**



engagement & administration **\$14k**

## Fiscal Year 2025 Spending Snapshot

### OIG Workforce Efforts

**\$1,316,122**

Audits, investigations, hotline, consultant oversight, engagement, & more.



### Fraud Examination Services

**\$185,475**

Sophisticated analysis and forensic accounting for fraud investigations.



### Overtime Audit

**\$149,034**

Expansive evaluation of overtime use, processes, and trends.



### Tech for Audits & Investigations

**\$47,495**

Research, analysis, and management tools to enhance performance.



### Workspace & Equipment Enhancements

**\$26,669**

Finished up workspaces and invested in laptops powerful enough for our needs.



### Link21 Spending Audit

**\$226,240**

Deep dive into \$121.4M in consultant costs on this megaregion project.



### Construction Contract CO Audit

**\$160,741**

Detailed assessment of change order processes and compliance.



### Inventory Audit

**\$53,504**

Comprehensive review of inventory management, controls, and data.



### Professional Development

**\$32,612**

Strengthened skills and equipped OIG staff to deliver quality results.



### Engagement & Administration

**\$7,165**

BART employee and public outreach, OIG website, and office supplies.



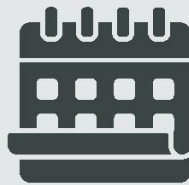
**Note:** Above costs are not inclusive of fiscal year 2024 expenditures that may have also applied to the projects.

# Key Objectives

## Recommendation Dashboard Key Benefits

### Recommendations by Fiscal Year

Explore, filter, and quickly summarize both investigative and audit recommendations by the year they were issued.



### Recommendations by Risk Category

Grasp the root problems that recommendations tackle: fraud risks, inefficiencies, and more.

### Recommendations by Status

Track what has been done, what is in motion, and what management opted not to pursue.



### Potential & Realized Benefits

Discover how much money has been recovered and the amount assessed for possible recovery.

## Critical Updates

**Major Accomplishment:** Our new public-facing recommendation dashboard went live this year, allowing us to show – not tell – legislators, the public, and all BART stakeholders that our recommendations are being taken seriously and that we are tracking them to make sure they are implemented. This real-time visibility promotes public accountability and transparency, and it supports our oversight efforts.

To make the dashboard a reality, we implemented Missionmark, an automated audit platform that provides a portal for collaboratively managing recommendations with BART officials, eliminating our reliance on fragmented email communication, and ensuring a consistent and documented process.

**OIG Charter:** Despite progress on many fronts, our charter stalled. During our presentation to the Audit Committee on August 1, 2024, a vote was postponed on advancing the charter to the BART Board pending the outcome of Senate Bill 827, which would have made the OIG charter obsolete. The bill was moved to the inactive file due to requested amendments that would have impaired our independence and our ability to maintain investigation integrity and protect witness confidentiality.

With shifts on the BART Board, a looming BART fiscal crisis, and staffing shortages in our office, we chose not to pursue the charter approval further, but we did continue to follow its provisions – as we have been for years – including ensuring union members knew of their right to have representation during interviews if they chose to. We are now reassessing the best path forward with the charter.

# Goals & Guiding Principles

## Short-Term Goals



Complete a peer review of our quality management system under updated standards.



Enhance the recommendation dashboard's usability and stakeholder value.



Create a new investigative auditor position that specializes in construction.



Reassess and update the audit plan to reflect evolving risks and organizational priorities.



Issue our Link21 and Construction Contract Change Order audits.

## Ongoing Strategic Goals and Efforts

Guiding principles for adaptable, transparent, and effective work.



Conduct fraud, waste, or abuse investigations.



Be transparent in our processes and intentions.



Adjust priorities as trends & risks emerge.



Shift workloads in response to changes.



Continue & improve upon our use of videos.



Promote professional development & well-being.



Recognize & learn from others' expertise & backgrounds.



Understand business context before drawing conclusions.



Demonstrate appreciation for those who provide their support.



Show empathy for others by understanding their positions.



Acknowledge the efforts of others.



Make real-time changes to our audit plan.



Build a team of talented & diverse employees.



Complete audits on our FY26-28 audit plan.



Leverage modern media and communication trends.



Work with our peers on informative content.



Share professional community information.



Rethink how we work as a team & coordinate our efforts.



Evolve our procedures to remain highly effective & efficient.

# Tools, Talent, & Tactics



**36th Annual ACFE Global Fraud Conference:** In June 2025, our team attended the 36<sup>th</sup> Annual Association of Certified Fraud Examiners (ACFE) Global Fraud Conference, where we connected with oversight professionals and explored emerging tools, trends, and strategies to enhance our fraud prevention and detection efforts across the District. We came back energized in our fight against fraud and armed with the knowledge and tools to do so.

**Process Automation:** Beyond the recommendation dashboard showcased above, Missionmark has allowed us to automate our audit workflows and recommendation tracking. We are now configuring the system to streamline our investigative process, which will cover both administrative steps and standardizing evidence documentation. This will cut investigation time and boost quality control.

**Risk Assessment:** We completed a risk assessment to identify real or potential threats to our quality management system, using the results to ensure that our processes, procedures, and environment support our independence, ensure our compliance with professional standards, and result in objective, high-quality investigations and audits.

**New Hire – Jordan Sweeney:** We welcomed Jordan Sweeney as our newest Investigative Auditor in June 2025. Jordan brings experience from the City of Sacramento’s Office of the City Auditor, and has expertise in project management, civil engineering, whistleblower programs, and performance audits. She holds a master’s in civil engineering from the University of California, Davis, and several professional certifications, including Certified Fraud Examiner (CFE) and Engineer-in-Training, and was named an Institute of Internal Auditors Emerging Leader in 2019.

**New Certification – Jorge Oseguera:** In May 2025, Deputy Inspector General Jorge Oseguera earned his Certified Fraud Examiner (CFE) designation, further strengthening our in-house expertise in fraud detection and investigation. We commend Mr. Oseguera for his commitment to excellence and dedication to fighting fraud.

**Conference Room Makeover:** We updated the meeting room we use for sensitive interviews. Because many individuals who speak with us may feel uneasy, anxious, or afraid to come forward, we made it a priority to create a comfortable and private space where whistleblowers feel safe sharing concerns and others feel respected during stressful conversations.



.....

**Providing Independent  
Oversight of the District's  
Use of Revenue**

.....

**Stop Fraud, Waste, & Abuse  
Report What You See  
to the OIG**



**24/7 Fraud, Waste, & Abuse  
Whistleblower Hotline**



**[www.bart.gov/oighotline](http://www.bart.gov/oighotline)**



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**REPORTS**

You can read this and all the Office of the Inspector General's reports on our website at [www.bart.gov/oig](http://www.bart.gov/oig).

# Appendix I: Definitions

## Common Terms Used by the BART Office of the Inspector General

**Abuse:** Behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary.

**Allegation:** A claim or assertion that someone has done something illegal, wrong, or inappropriate. Also referred to as a complaint.

**Complaint:** A claim or assertion that someone has done something illegal, wrong, or inappropriate. Also referred to as an allegation.

**Declined:** Allegation lacked sufficient information to investigate or was too broad for a fraud, waste, or abuse investigation.

**Dropped:** Recommendation is no longer relevant or feasible.

**Economical:** An organization's administration of its programs, functions, or activities with honesty, integrity, and impartiality and in a manner that advances the collective interest of the public rather than private gain.

**Effective:** An organization's ability to achieve its intended goals and objectives.

**Efficient:** An organization's ability to get the most value from its available resources.

**Equitable:** An organization's consistency in serving members of the public, distributing public services, and implementing public policy in a manner that promotes fairness, justice, and equality.

**Forwarded:** Allegation outside the OIG's area of influence and oversight and sent to the correct oversight function.

**Fraud:** In broad terms, an act that is intended to swindle someone or an organization. It is the intentional misrepresentation of the facts for monetary or personal gain.

**Inconclusive:** No evidence to support that the allegation of fraud, waste, or abuse, or noncompliance did or did not occur.

**Insufficient:** Not enough evidence proving that it is more than probable that a fraud, waste, or abuse allegation did occur, or to support audit findings and conclusions.

**Not Substantiated:** Insufficient evidence to support that an allegation of fraud, waste, or abuse, or noncompliance did or did not occur.

**Out of Scope:** Outside of the OIG's parameters for conducting fraud, waste, or abuse or noncompliance investigations or audits.

**Performance Audit:** Objective analysis, findings, and conclusions that assist with improving program performance and operations, reducing costs, facilitating decision making, initiating corrective action, and contributing to accountability.

**Scope:** The boundary of the audit or investigation tied directly to the objective or allegation, or area over which an oversight body has jurisdiction or influence, as stated by law or policy.

**Substantiated:** Sufficient evidence supported that the allegation of fraud, waste, or abuse, or noncompliance did occur.

**Sufficient:** Enough evidence proving that it is more than probable that a fraud, waste, or abuse allegation did occur, or the quantity of evidence to support the audit findings and conclusions related to the audit objectives.

**Unsubstantiated:** Sufficient evidence supported that the allegation of fraud, waste, or abuse, or noncompliance did not occur.

**Waste:** Using or spending resources carelessly, extravagantly, or to no purpose.

# Appendix II: Investigation Recommendations Update

## Upcoming Change

Beginning in fiscal year 2026, the OIG's recommendation dashboard will replace this appendix. The dashboard offers comprehensive information on all OIG recommendations, showcasing the OIG's suggested improvements and the actions taken by management to implement those changes. Additionally, users can search for recommendations by specific audits or investigations and gain insights into the types of categories those recommendations fall into.

## **District's Progress on Open Recommendations**

Provides information on only the status of recommendations issued or not yet implemented as of December 31, 2024, and only the most current reported corrective actions. Please refer to prior period annual and activities reports for older information.

*Some recommendations have been edited for brevity and clarity. No substantive changes were made.*

## **\$56,000 in Project Administration Costs Were Avoidable – 2/3/23**

### **Open Recommendation Update**

### **Status**

- 1 Require Procurement to ensure that the scope of services for all on-call contract workplans is in alignment with the contract scope of services and work with the requestor to identify and use a more appropriate procurement process when work outside the scope of work is being requested.

### **Executive Management Response**

The Agreement Manager is responsible for ensuring that each project's scope is properly matched to the appropriate on-call contract type under their oversight. To support this, internal guidance has been developed to help Agreement Managers prepare detailed work plans and follow an established approval process. This includes verifying that the requested scope aligns with the terms of the contract and that the staffing levels correspond with the work to be delivered.

Implemented

**Open Recommendation Update**

**Status**

- 3 Provide a timeline to the BART Board of Directors for when the work will be performed and how, i.e., BART staff or contract, along with updated estimated costs that correspond to that timeline.

**Executive Management Response**

Infrastructure Delivery has made continuous progress on installations by having BART personnel install lights in concurrence with regular maintenance work and scheduled shutdowns. To advance installations, Infrastructure Delivery is working on a schedule and potential dedicated team to complete the work.

In Progress  
Expected  
Implementation:  
TBD

**Note:** The OIG is working with Infrastructure Delivery to obtain the cost for installations to date and the estimated timeframe to completion assuming the current installation pace continues.



**Open Recommendation Update****Status**

- 1 Update the District's Employee and Contractor Codes of Conduct to specify how to calculate the value of an intangible benefit such as an invitation-only event hosted and paid for by a contractor.

**Executive Management Response**

The Employee Code of Conduct is currently being revised. The part concerning Acceptance of Gratuities and Favors will now cover intangible benefits and methods for estimating their value. Additionally, the Contractor Code of Conduct's section on Prohibition Regarding Gifts will be updated to reflect these changes.

In Progress  
Expected  
Implementation:  
TBD

- 2 Provide guidance on how to document the mitigating action taken to remain compliant with gift prohibitions when attending an invitation-only event hosted and paid for by a contractor.

**Executive Management Response**

Management will draft a memo to distribute to all employees about the prohibition on accepting gifts, which also covers intangible gifts. This memo will provide guidelines on how to attend contractor-hosted events while adhering to the Employee Code of Conduct and avoiding any conflict-of-interest issues. Additionally, management will collaborate with the OCIO to ensure that the memo is automatically sent to all employees before the holiday season each year.

In Progress  
Expected  
Implementation:  
TBD

**Open Recommendation Update**

**Status**

- 4 Update the District Contractor Code of Conduct and Employee Code of Conduct to ban former employees from entering into new contracts with the District for a minimum of one year post District employment.

**Executive Management Response**

A revised Employee Code of Conduct along with the Employee Conflict of Interest Declaration is currently being reviewed.

In Progress  
Expected  
Implementation:  
TBD

## Contractor Submitted at Least \$5.5K in False Claims – 10/3/24

### Open Recommendations Update

### Status

- 1 Recover the \$5,571.09 identified in this investigation for services the contractor did not render or did not render to contractual standards.

#### Executive Management Response

BART's General Counsel's Office has received a response from the corporation indicating their willingness to settle. The General Counsel will distribute the proposed settlement agreement shortly.

In Progress  
Expected  
Implementation:  
TBD

- 2 Seek damages and penalties as permissible under the California False Claims Act.

#### Executive Management Response

BART's General Counsel's Office has received a response from the corporation indicating their willingness to settle. The General Counsel will distribute the proposed settlement agreement shortly.

In Progress  
Expected  
Implementation:  
TBD

**Open Recommendations Update**

**Status**

- 9 Update the Non-Rep Handbook to be reflective of current employment terms and conditions for non-represented employees.

**Executive Management Response**

Human Resources launched the new Non-Rep Handbook on July 1, 2025. It is available in both digital and printed formats. All employees will be required to acknowledge they have received the handbook and watch a short Pathlore training video that details how to access the document and finish the acknowledgment process.

Implemented

## Investigations Identify Lapses in Policy Enforcement & \$15.7k in Time Theft – July 2, 2025\*

### Open Recommendation Update

### Status

- 1 Address the employee's violation of OR&P § 1703 and § 1704 in accordance with the District's Non-Rep Handbook.

#### Executive Management Response

The Employee resigned from the District. Case will be referred to the General Counsel's office for a decision regarding restitution.

Dropped  
(Closed)

- 2 Seek full restitution for the \$15,679 in wages obtained through falsified time reporting.

#### Executive Management Response

The Office of the General Counsel will advise management on options for seeking civil restitution for the District's losses.

In Progress  
Expected  
Implementation:  
TBD

- 3 Address the supervisor's violation of OR&P § 1703 in accordance with the District's Non-Rep Handbook.

#### Executive Management Response

Human Resources is currently addressing the misconduct in accordance with the Non-Rep Handbook.

In Progress  
Expected  
Implementation:  
TBD

- 4 Reinforce expectations for managers, supervisors, and staff to follow existing policies and that work should begin once clocked in.

#### Executive Management Response

Management has reinforced time-keeping expectations for clocking-in at work to ensure that employees park their personal vehicle on their own time and that District work begins when employees clock-in.

Implemented

\*Although this report was issued two days into fiscal year 2026, the investigations were completed in fiscal year 2025, therefore, included in this annual report.



**Open Recommendations Update**

**Status**

- 1 Obtain settlement from the contractors.

**Executive Management Response**

The Board has given the green light for settlements with the two contractors, and BART's General Counsel's Office is currently working on negotiating settlement agreements with both of them.

In Progress  
Expected  
Implementation:  
TBD

- 2 File civil action against the firms if they fail to settle in good faith.

**Executive Management Response**

The Board has given the green light for settlements with the two contractors, and BART's General Counsel's Office is currently working on negotiating settlement agreements with both of them.

In Progress  
Expected  
Implementation:  
TBD

## More Time Theft Cases – Cause for Concern – Issued 3/18/24

### Open Recommendations Update

### Status

- 2 Work with the General Counsel's Office to seek \$9,003.80 in restitution from former employee. Determine if the District should seek more if admitted to theft prior to the period covered in our investigation.

#### Executive Management Response

The criminal case against the former employee is currently with the District Attorney (DA) and is still awaiting resolution. BART's General Counsel's Office will monitor the status of this case and provide any updates from the DA. Implementation will resume once the criminal case is resolved.

In Progress  
Expected  
Implementation:  
TBD

- 3 Coordinate with CalPERS to make the appropriate years-of-service adjustments for the former employee's retirement calculation, pending results of prosecution.

#### Executive Management Response

The criminal case against the former employee is currently with the District Attorney (DA) and is still awaiting resolution. Adjustment of the employee's pension benefit is permitted only upon conviction or admitted guilt of specified crimes. BART's General Counsel's Office will monitor the status of this case and provide any updates from the DA. The District will follow-up with CalPERS depending on the outcome of the case.

In Progress  
Expected  
Implementation:  
TBD

**Open Recommendation Update**

**Status**

- 2 Develop training and guidance to assist BART employees in fulfilling their fiduciary responsibility in reviewing and approving invoices. Include examples that demonstrate common invoice errors and methods by which vendors might attempt to or could submit false information. Require personnel to complete the training before they are inserted into the PeopleSoft invoice approval workflow. Training need not be in person and can be achieved through online tutorials and videos.

**Executive Management Response**

Management has implemented the key recommendations, which included preparing and updating desk guides for the Accounts Payable team and establishing controls to prevent non-BART (contract) personnel from carrying out financial approvals. However, the last item, which is the online overall fraud training, has been postponed because of delays in the operational audit schedule.

In Progress  
Expected  
Implementation:  
TBD

**Open Recommendations Update**

**Status**

1 Create a standardized form that prime contractors must complete and submit to the OCR that justifies their proposed subconsultant addition by clearly identifying the special skills or resources requiring the addition and confirms that:

- There was no practical solution to assist their existing DBEs in obtaining the specialty skills or resources necessary for the addition and be given the opportunity to object because they have those skills or resources.
- Their existing subconsultants were given written notification of a subconsultant addition with a clear explanation of the specialized skill or resource needed.
- The addition is not at the direction, request, or suggestion of BART or its employees.

**Executive Management Response**

Management is currently working on a draft form that will be in accordance with the new manual created by Agreement Management. This form will be sent to all relevant parties (Agreement Management, Infrastructure Delivery, Office of Civil Rights) for their review. Management is also developing ways for contractors to access and submit the form.

In Progress  
Expected  
Implementation:  
TBD

**Potential Conflict of Interest May Require Voiding a \$40 Million Construction Management Contract and Not Paying \$5.4 Million of Invoices – Issued 4/8/22**

**Open Recommendations Update**

**Status**

- 3 Review and update the Contractor and Employee Codes of Conduct to ensure discussions of conflicts of interest are clear and consistent for both contractors and employees, including when and to whom to report them, and that they incorporate appropriate provisions of both federal and state conflict-of-interest prohibitions.

**Executive Management Response**

A revision of the Employee Code of Conduct and the associated Employee Conflict of Interest Declaration is currently being reviewed.

In Progress  
Expected  
Implementation:  
TBD

- 6 Revise the Proposal Evaluation and Award Confidentiality and Conflict of Interest Certification as necessary to align it with the updated Employee Code of Conduct (see Recommendation 3) and expand its use of to include all staff who are involved in any way in the procurement and contract administration process for a project. The timing of when an employee signs the form should align with when their participation in the process is to begin.

**Executive Management Response**

The Proposal Evaluation and Award Confidentiality, along with Conflict of Interest Certification, will be updated following the revision of the Employee Code of Conduct. Staff are currently assessing which positions should be incorporated into the certification.

In Progress  
Expected  
Implementation:  
TBD

**Open Recommendations Update**

**Status**

- 5 Seek civil restitution from the employee for an amount to be determined by management.

**Executive Management Response**

The District has concluded that seeking restitution would not be cost-effective due to the minimal amount involved and the fact that the employee has left their position and is no longer with the District.

Dropped  
(Closed)



Open Recommendations Update

Status

- 5 Formally document known familial relationships between District employees and provide the information to Human Resources and to the General Manager, Deputy General Manager, or Assistant General Manager as appropriate based on the organizational work area of the involved employees.

**Executive Management Response**

Following multiple discussions regarding the policy, Labor Relations have a follow-up negotiation session scheduled for the week of June 16th, during which Labor Relations will present a counter proposal to the District's Nepotism policy proposal. Subsequently, the parties will keep meeting with the goal of reaching a resolution by the beginning of FY26. The existing nepotism policy will stay in effect while the new policy is being negotiated.

In Progress  
Expected  
Implementation:  
January 2026

- 6 Establish and formally document mitigating controls that ensure familial relationships between BART employees will not result in one relative supervising the other or having control over the other's work area.

**Executive Management Response**

Following multiple discussions regarding the policy, Labor Relations have a follow-up negotiation session scheduled for the week of June 16th, during which Labor Relations will present a counter proposal to the District's Nepotism policy proposal. Subsequently, the parties will keep meeting with the goal of reaching a resolution by the beginning of FY26. The existing nepotism policy will stay in effect while the new policy is being negotiated.

In Progress  
Expected  
Implementation:  
January 2026

# Appendix III: Audit Recommendations Update

## Upcoming Change

Beginning in fiscal year 2026, the OIG’s recommendation dashboard will replace this appendix. The dashboard offers comprehensive information on all OIG recommendations, showcasing the OIG’s suggested improvements and the actions taken by management to implement those changes. Additionally, users can search for recommendations by specific audits or investigations and gain insights into the types of categories those recommendations fall into.

## District’s Progress on Open Recommendations

Provides information on only the status of recommendations issued or not yet implemented as of December 31, 2024, and only the most current reported corrective actions. Please refer to prior period annual and activities reports for older information.

*Some recommendations have been edited for brevity and clarity. No substantive changes were made.*

## BART Can Benefit from Implementing Span of Control Analysis – Issued 4/4/24

### Open Recommendations Update

### Status

#### Executive Management Response to All Five Recommendations Listed Below

Human Resources is finalizing a recommended Districtwide communication (or at the very least, a mass communication intended for management employees) that will cover each of these recommendations. This will include guidance on how to keep your department’s position data current, steps to take if you discover any discrepancies, and general guidance on effectively managing the span of control among supervisory roles. Currently, there are several methods through which employees can access organizational charts (such as Outlook, PeopleSoft, and NEOGOV). This communication will outline specific instructions on utilizing these resources to ensure transparency and accuracy. Additional information will be provided soon.

In Progress  
Expected  
Implementation:  
TBD

- 1 To ensure the success of strategies that promote cost-effective communication and collaboration, the Human Resources Director should develop processes to ensure that the HRIS includes an up-to-date dataset of reporting relationships among BART employees, including the lower organizational layers.
- 2 The BART General Manager should set expectations that executive offices maintain up-to-date organization charts that include contractors and contracted work, making transparent where accountability and the workload for reporting and oversight activities resides.

## **BART Can Benefit from Implementing Span of Control Analysis – Issued 4/4/24**

- 3 The BART General Manager should establish guidance and/or criteria on the factors that executives should follow when assessing their organizational frameworks and making changes to spans of control to improve organizational health or performance. The guidance for making changes to span of control should include:
  - Considering risk mitigation
  - Widening span of control ratios where appropriate
  - Promoting equity
  - Acknowledging the level of accountability for contracted work
  - Considering the administrative workload of supervisors
- 4 The BART General Manager should adopt span of control as a management tool and require its use under the following conditions:
  - When considering promotions and defining career development pathways,
  - To ensure alignment with executive office goals,
  - When identifying opportunities for collaboration and cross-training, and
  - When there are opportunities to make operational enhancements in lieu of adding positions.
- 5 The BART General Manager should establish policies stipulating the conditions supporting span of control ratios of one supervisor to one employee.

## **BART Overtime Risks Can be Reduced by Strategic Improvements in Oversight and Management**

### **Open Recommendation Update**

### **Status**

- 1 BART management should address the factors driving overtime in positions with continued high levels of overtime use and for those positions with employees who earned overtime pay amounts of double or more of their regular pay. These factors include, but are not limited to, challenges to hiring and promotion and the work rules governing overtime work.

#### **Executive Management Response**

Operations and Human Resources are working to fill critical vacancies. Some of the departments with high overtime are challenging to recruit and retain. We continue to utilize, hire and maintain pools for Part Time staff in System Service, Utility, Station Agents and Train Operators in order to fill day-to-day vacancies. Operations and BPD also meet every two weeks with the Deputy General Manager to trend and drive overtime down by department. Hiring qualified sworn police personnel has been difficult for all law enforcement agencies, including BART, which is reflected in overtime costs. In addition to working with Human Resources to fill vacancies, BPD has implemented a “fair share” system to allocate overtime during periods where staffing is short due to vacations and planned events. The “fair share” system works with the Telestaff scheduling system overtime auctions to allocate overtime over the largest group of employees to reduce the requirement for a small group of employees to work a disproportionate number of mandatory shifts.

In Progress  
Expected  
Implementation:  
TBD

- 2 BART management should develop and implement cost-effective processes or tools to improve overtime cost management, including overtime budget forecasting, monitoring, and analysis of the reasons for overtime work, automated scheduling, and performance measures for the efficiency and effectiveness of the timekeeping system.

#### **Executive Management Response**

The Office of the Chief Financial Officer (OCFO) has been refining its overtime cost budgeting for the past several years and will continue to do so based on recommendations of this audit and industry best and leading practices. The OCFO works with Operations, the BART Police Department, and other executive offices that generate overtime to regularly monitor overtime hours and costs. This information is incorporated into budget development as well. Staff will continue to work with the Office of the Chief Information Officer (OCIO) to improve accessibility to overtime data and related analytics and leverage the data and analytics tools to iterate reporting and develop performance measures to consistently monitor overtime cost drivers and their cost components. The focus of this work will be the root cause of overtime beyond staffing shortages.

In Progress  
Expected  
Implementation:  
TBD

- 3 BART management should, with the assistance of BART’s risk managers, assess and report to the Board on the risk of, and extent that overtime work has led to industrial injury at BART, if any.

## BART Overtime Risks Can be Reduced by Strategic Improvements in Oversight and Management

### Open Recommendation Update

### Status

#### Executive Management Response

Human Resources will work with our 3rd Party Administrator to obtain workers' compensation injury data and will determine whether a correlation exists between work-related injuries and overtime. If overtime is found to be a contributing factor, Human Resources, Operations, and System Safety will collaborate to develop an actionable plan to address the issue, reduce injury risk, and promote a safer work environment.

In Progress  
Expected  
Implementation:  
TBD

- 4 BART management should address deficiencies in the time review and approval process to better prevent and detect time theft schemes, and ensure BART has sufficient anti-fraud policies, procedures, and systems.

#### Executive Management Response

BART's Performance & Innovation team has recently developed process maps for the payroll process. OCFO staff will review the maps to determine gaps in the process or potential weaknesses to internal controls. With the process maps complete, Internal Audit will move forward with its Payroll Process audit that was included in the FY25 Audit Plan: BART's payroll procedures and systems utilize both manual and automated processes, including staff scheduling, timesheet entry/timecard tagging, time approvals, submission, and payment and deductions. Risks to pay accuracy include manual processes that can be automated, and undocumented, inconsistent, and non-standard processes. The scope of the audit will include reviewing the time entry/ timesheet process, including how time is entered, tracked, and approved. Management will use data analytics tools to identify trends and anomalies in payroll data, including time reporting codes related to overtime. The resulting trends will be evaluated with gaps, if any, identified in the process maps and the root causes mentioned in the response to Recommendation #2 to determine if changes are needed to the payroll process.

In Progress  
Expected  
Implementation:  
TBD

- 5 BART management should strengthen fraud prevention practices in the areas recommended by best practices, including anti-fraud education and awareness, proactive audit procedures, and ethics and organizational culture.

#### Executive Management Response

Management will evaluate fraud prevention measures for timekeeping and payroll based on its analysis of the payroll process. This analysis will allow management to identify areas of potential fraud to inform anti-fraud education and awareness materials and proactive audit procedures. Management will evaluate the best ways to disseminate fraud prevention information to a broad audience and take other actions to increase fraud awareness (e.g., enhancements to the Employee Code of Conduct, board-approved fraud policy, etc.). The General Counsel's Office currently provides ethics training upon request, and management will evaluate if this training should be provided to all employees on a periodic basis.

In Progress  
Expected  
Implementation:  
TBD