



**Date:** July 9, 2025

**To:** BART Audit Committee

**From:** Claudette Biemeret, Inspector General

**Subject:** July 16, 2025, BART OIG Audit Committee Agenda Items

To be mindful of the full agenda before the Audit Committee on July 16, 2025, the BART Office of the Inspector General is providing this memorandum as a supplement to its agenda items. We have planned for a comprehensive discussion on our overtime audit and anticipate a healthy question and answer period on the item. We are keeping our presentations on recent investigations brief, except for two cases involving monetary recoveries. Even for those cases, we are taking a high-level approach to our presentations to account for the volume of materials on the agenda. Please do not let that discourage you from engaging with us on our items. We welcome all questions and feedback on our work.

We will not be delivering a presentation on our quarterly *Snapshot* report. However, the document is included in your materials, and we are ready to answer questions you may have about it. The report offers a concise overview of our work from January to March 2025. Our 2025 Fiscal Year Annual Report, which we will present at the audit committee meeting currently scheduled for September 23, 2025, will provide a more robust view of our efforts and achievements for the fiscal year. We expect to issue that report by the end of July 2025.

We hope this overview will help guide discussions on our seven reports. Links to the reports and brief video summaries are also provided.

### **1. Audit: Overtime Risks Can Be Reduced by Strategic Improvements**

This performance audit, conducted by TAP International, identified challenges in BART's oversight and budgeting of overtime. Key recommendations focused on improving data collection, forecasting, timekeeping, and internal controls. These changes aim to reduce long-term financial risks and support more strategic workforce management.

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### **2. \$62K Recovered from Unpaid Parking Permit Fees**

Our investigation identified underpayment of permit fees by a corporation that used BART parking facilities beyond the terms of its agreement. Following our findings, BART executed a retroactive agreement amendment and recovered \$62,580.

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### **3. Investigations Identify Lapses in Policy Enforcement & \$15.7k in Time Theft**

In one of four time-theft cases covered in this report, we identified \$15,679 in improper wages paid to an employee who falsely claimed work on holidays or days that they were absent. Notably, this same employee improperly disclosed confidential interview materials to the subject of a disciplinary hearing, compromising the integrity of management's disciplinary process. Following our recommendations, BART agreed to seek recovery of the \$15,679 and management took its own action to address the employee's misconduct.

In the remaining three time-theft investigations, we observed wasteful practices, including employees routinely sitting in cars waiting for parking after clocking in. The behavior appeared to be informally allowed. However, BART policy requires employees to be at their assigned work location on time and ready for duty. Management instructed employees to cease the behavior because of our investigation.

This report also covers three separate complaints involving claims of unprofessional behavior, including discrimination. While these matters fell outside our direct jurisdiction, we served as an intermediary to ensure that they were addressed due to the organizational structure of those involved. We verified that external parties conducted independent investigations using sound methodologies, and that they reported their findings to BART officials and to the complainants.

Finally, this report covers an allegation of an unqualified appointment and, separately, an unreported conflict of interest. We received a complaint that a BART employee was appointed to a position requiring a Professional Engineering (P.E.) license despite lacking that designation. We determined that the position in question did not require P.E. licensure and that the employee's assigned duties were consistent with the job description. As for the alleged financial conflict of interest, we determined that District senior management was aware of and had addressed the issue. Therefore, we took no additional action.

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### **4. Discreet Investigative Practices Result in the Perception that Suspicious Workers' Compensation Claims Go Uninvestigated**

We investigated three separate allegations that BART employees were committing workers' compensation fraud and that, in some cases, BART failed to investigate. Each complainant identified different employees, for a total of nine employees allegedly committing workers' compensation fraud.

We determined that BART's third-party administrator had addressed these claims, but their investigations were rightly unknown by our complainants due to the confidentiality surrounding workers' compensation investigations, and the privacy laws and regulations designed to protect the rights of all parties involved.

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## 5. Procedural Lapses Prompted Claim of DBE Fraud

We investigated an allegation that a contractor had committed DBE fraud. We concluded that non-DBE subcontractors performed work billed under bid items meant for a specific DBE, but that those bid items had been removed from the scope of work before the non-DBE firms provided the services. However, the BART project manager did not process the requisite change order to remove the bid items, which would have provided the opportunity to document and obtain formal approval for the scope change's impact to the contract terms and DBE goals.

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## 6. BART Responsive to Updating Procurement Manual

A whistleblower alleged that BART misused public funds by circumventing the competitive procurement process to award contracts to a favored vendor. We confirmed that BART used an approved procurement option and selected an appropriate contractor. However, the approved procurement method was not included in BART's Consolidated Procurement Manual at the time we received the complaint. We brought this issue to the attention of Procurement staff who promptly updated the manual.

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## 7. Snapshot Volume 2 Issue 2 (Jan. – Mar. 2025)

As of March 2025, our work recovered \$120,000 for the District. During the quarter, we completed nine investigations, identifying policy gaps, breakdowns in communication, and misaligned expectations. We made progress on our performance audits and prepared to launch an inventory audit after shifting our focus from an audit of employee compensation and reporting. We implemented Missionmark, our new audit management system, and conducted a soft launch of its public-facing recommendation dashboard. We also started on improvements to our interview room to create a calming space for interviewees.

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Our intent with this summary is to provide transparency and accountability while minimizing presentation time. We encourage Audit Committee members to reach out with questions or to request a deeper discussion on these items at any time.

Respectfully,



Claudette Biemeret  
Inspector General