

Fiscal Year 2025 Semiannual Report

BART Office of the Inspector General



March 6, 2025

Message from the Inspector General

The first half of the 2025 fiscal year showcased our continued growth and impact. We reached major milestones in our investigative and audit work, organizational developments, and active engagement with stakeholders.

I am deeply proud of my team's dedication and their steadfast commitment to excellence.



Fraud, Waste, & Abuse Investigations Midyear Highlights

Key Accomplishments, Issues Addressed, & Trends

Closed Investigations: 9 cases resolved involving theft, misuse of resources, and policy violations.

New Complaints: 38 whistleblower complaints received—above average—leading to 16 new investigations.

Suspension & Debarment Policy: BART adopted our recommended policy to deter fraud and ensure contractor accountability.

False Claims: 2 cases substantiated; \$11,900 recovered, and \$16,713 in restitution is being pursued.

Time Theft: A persistent high-risk issue; 1 of 4 cases substantiated, mainly involving autonomous workers falsifying time.

Retaliation Concerns: Strengthened tracking system to identify patterns and support complainants facing potential retaliation.

Leading Allegations: Fraud, noncompliance, and unprofessional conduct continue to be the three leading types of allegations.



Whistleblower Complaints Case Statistics

Totals

complaints received	282
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under investigation	19
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investigated	106
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forwarded	61
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declined	96
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substantiated	42
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not/unsubstantiated	49
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inconclusive	15
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Tracking Progress

Executive leadership successfully implemented 12 recommendations since July 1, 2024, including 4 that we issued the first half of the fiscal year, and made progress on 17 others.

Investigation Recommendations	
Total	104
Accepted	94
Not Accepted	10
Implemented	74
In Progress	17
Dropped	3

Audit Highlights

Improvements on the Way & Switching Gears

Overtime: Audit almost done; recommendations will be designed to assist the District in effectively managing and budgeting for overtime expenses.

Construction Contract Change Orders & Link21 Spending: Audits winding down; potential recommendations will focus on enhanced oversight and timely deliverables.

Workers' Compensation: Audit progressing; using Missionmark to manage audit and streamline routine audit tasks – developed employee survey to gather feedback across the District. Recent staffing vacancy delayed our timeline; we remain committed to delivering a value-added audit.

Preparing to Launch New Audit: Intended to start employee compensation & reporting, proposal came in higher than budget allows – will likely pivot to inventory audit to identify cost savings for BART.

Evaluating Audit Plan: We will be assessing whether to adjust our FY24-26 Audit Plan to account for staffing and priority changes.



Realized Changes

After amending the BART Act in response to our financial structure audit, executive leadership hired Joe Beach as the District's first CFO. This is an exciting time for the District, and we at the OIG are pleased to witness the outcomes of our audit efforts.

Audit Recommendations

Total	7
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Accepted	7
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Implemented	2
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In Progress	5
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Big on Transparency OIG Budget & Spending

Expenditures

Employee Pay & Benefits	\$696,658
Professional Service Contracts	\$511,826
Continuing Education	\$5,666
Office Administration	\$2,889
Total	\$1,227,583

Budget

Workforce Pay & Benefits	\$1.47M
Consultant Professional Services	\$1.23M
Employee Development	\$27.4k
Office Administration	\$4.8k
Total	\$2,700,000



Return on Investment

Financial benefits of our office are more often realized in what does not happen due to our effective, independent oversight: saving resources, preventing fraud, and ensuring responsible stewardship of public funds.

With \$120,000 in benefits to date – and more on the way – imagine what lies beneath.

OIG Short Term Goals

On the Horizon

Hire Deputy: Congrats Jorge Oseguera! You got the job.

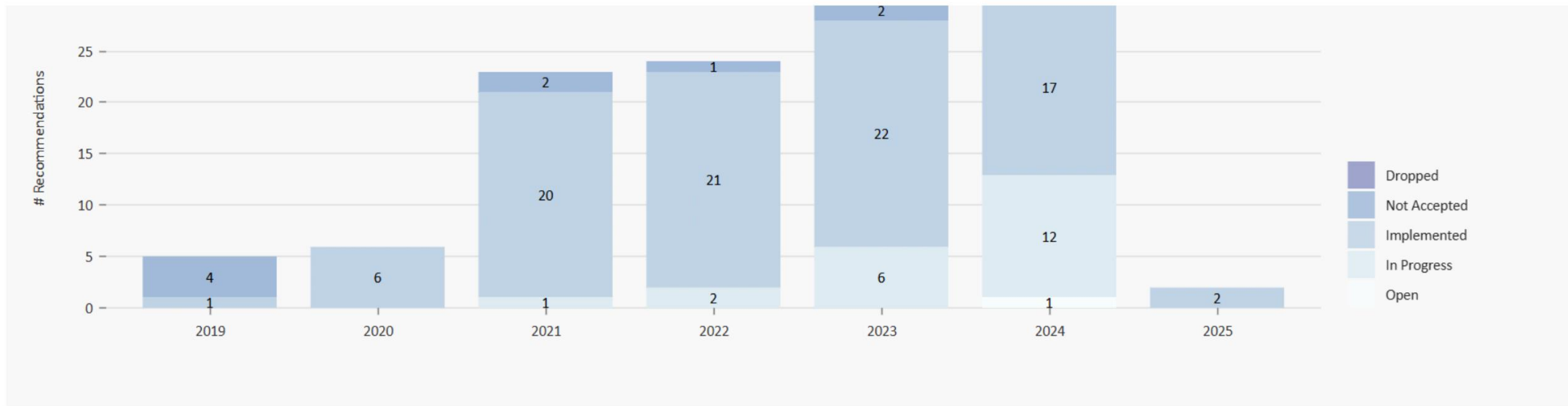
Audit the Auditor: Obtain a peer review to assess the sufficiency of our quality management system.

Engage Workforce: Participate in the new employee orientation program as part of our outreach efforts.

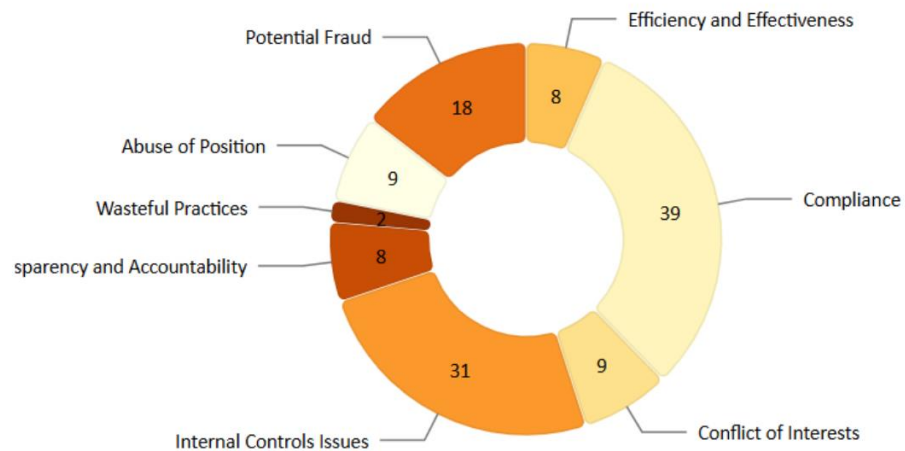
New Position: Create a new investigative auditor position that specializes in construction.

Change Strategy: Reassess our audit plan and make changes to align with current conditions, if needed.

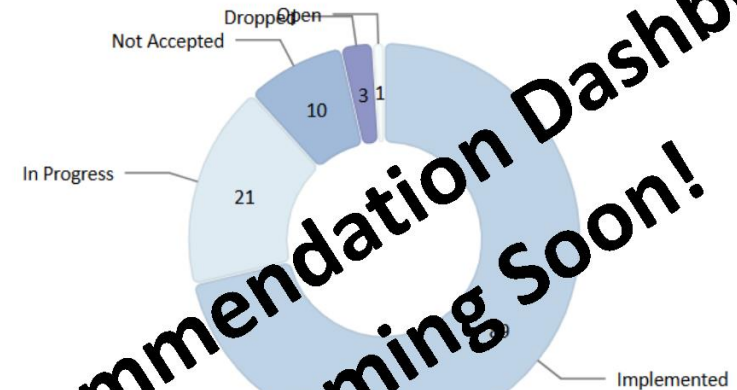
Define Course: Complete the OIG charter and present it to the Board of Directors for adoption.



Recommendations by Category



Recommendations by Status



**Recommendation Dashboard
Coming Soon!**



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