



**OFFICE OF THE INSPECTOR GENERAL
ACTIVITIES REPORT
JULY 2022 TO SEPTEMBER 2022**

ACCOMPLISHMENTS & EFFORTS

- Issued our financial structure audit recommending adoption of a CFO structure
- Continued work on 33 investigations, resolved 9, and started 6 new ones
- Requested Board of Directors not accept management's Alameda Grand Jury Report response and work with us to prepare a response that helps us succeed
- Completed an evaluation of our fraud, waste, or abuse allegations case load
- Presented our reports to the Audit Committee in July and September

ACCOMPLISHMENTS & EFFORTS

- Conducted follow up on our completed investigations and allegations we forwarded to management
- Established a YouTube channel to showcase our new animated videos
- Evaluated our strategic plan for fiscal year 2023 and made changes to reflect our resource limitations
- Obtained CPE to maintain our professional designations and compliance with professional standards
- Received and evaluated 12 new fraud, waste, or abuse allegations

FRAUD, WASTE, & ABUSE INVESTIGATIONS AT A GLANCE

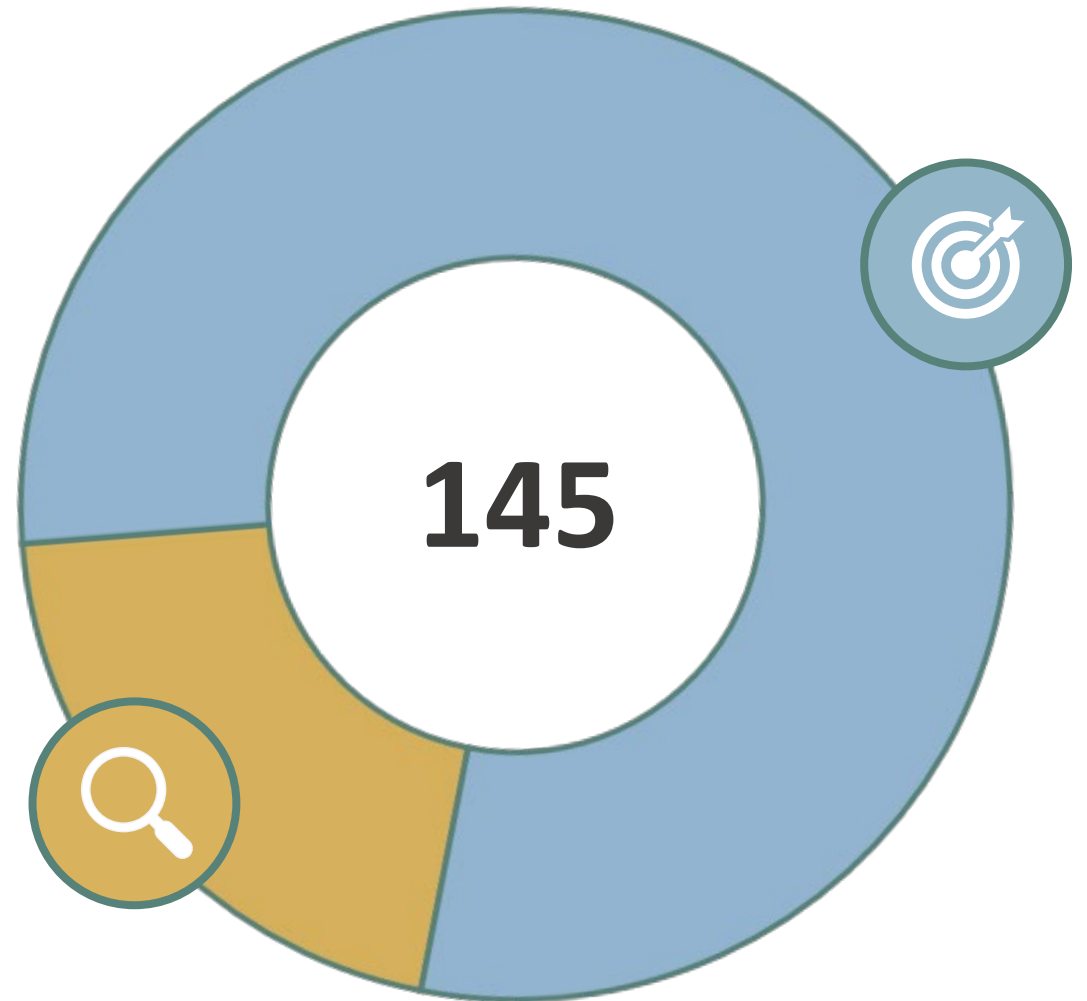
Total Complaints Received



30 under active investigation

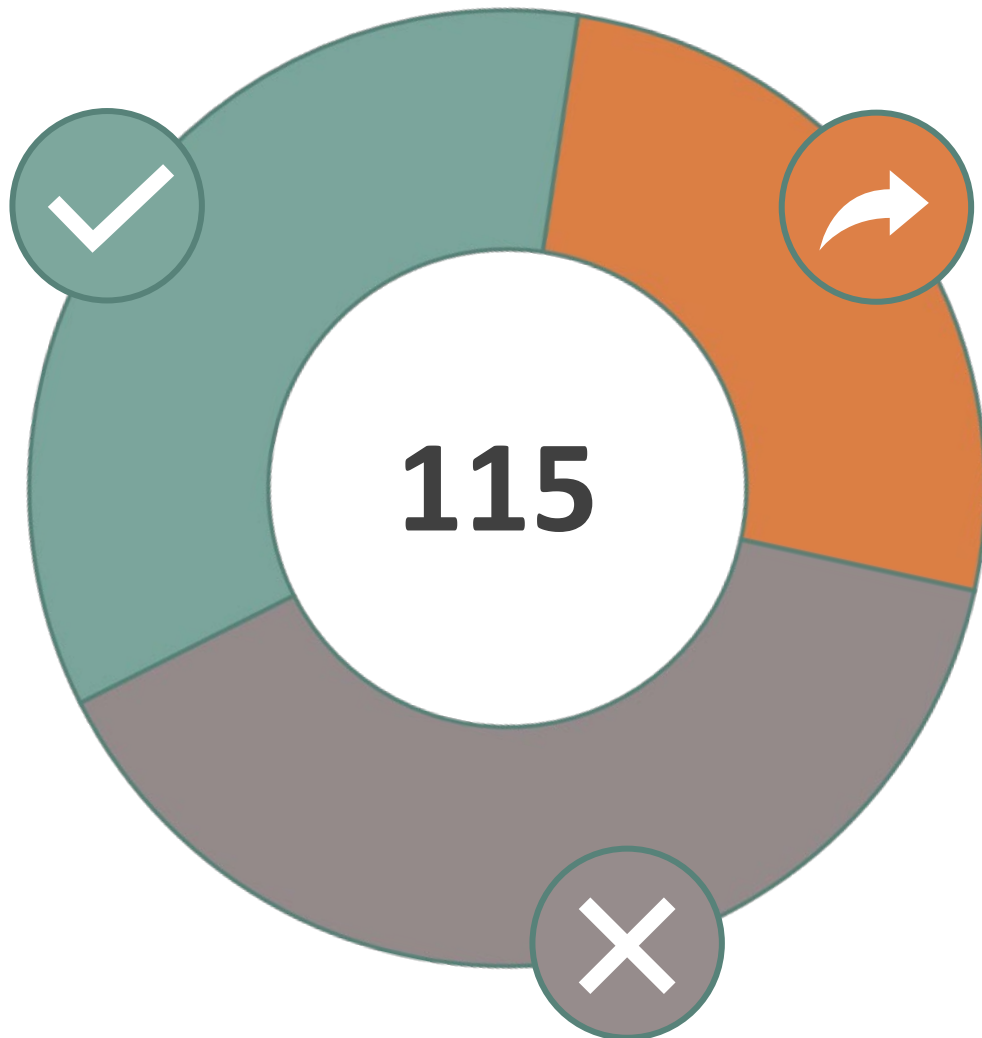


115 resolved



FRAUD, WASTE, & ABUSE INVESTIGATIONS AT A GLANCE

Total Cases Resolved



40 investigated



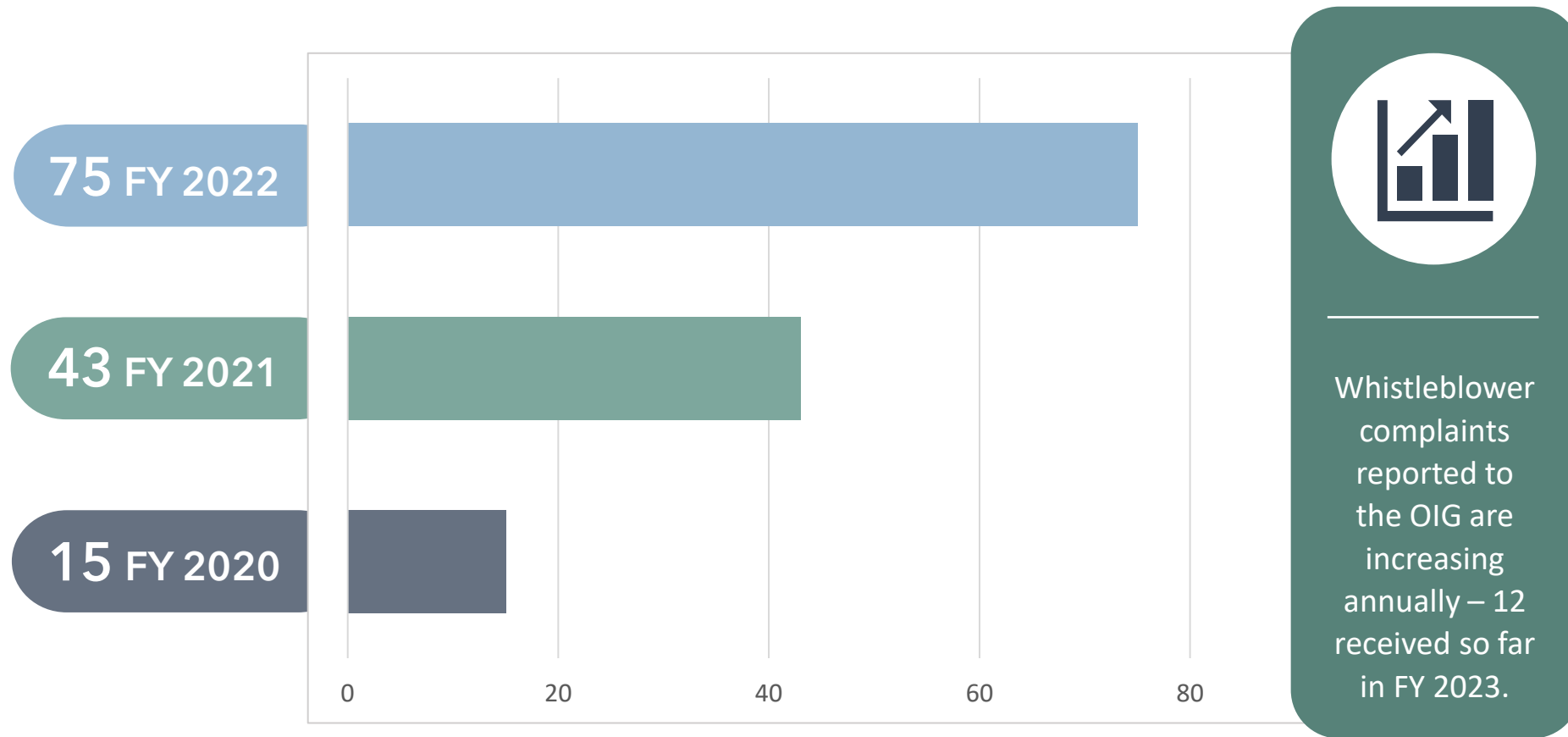
45 declined: insufficient information or out of scope



30 forwarded to other oversight function

FRAUD, WASTE, & ABUSE INVESTIGATIONS AT A GLANCE

Total Annual Complaints Received – Prior Fiscal Years



FRAUD, WASTE, & ABUSE INVESTIGATIONS AT A GLANCE

Most Common Allegations

Fraud

We received **26** complaints alleging fraud or misappropriation. Timesheet and contracting fraud are the most common suballegations.

Unprofessional Conduct

We received **28** complaints alleging unprofessional conduct. Conflict of interest and harassment are the most common suballegations.

Compliance

We received **32** complaints alleging noncompliance. Unfair competition, conflict of interest, and policy and procedural noncompliance are the most common suballegations.

MAJOR ACTIVITIES - AUDITS & INVESTIGATIONS

- Actively investigating 30 allegations of fraud, waste, or abuse, including 6 new cases
- Resolved 9 cases and received 12 new allegations
- Several major investigations underway requiring significant resources
- Hope to report 7 cases by December – depends on new allegations we may receive
- Issued our financial structure audit recommending CFO structure – waiting to present it to Board of Directors
- Resource constraints continue to delay span of control audit and removed our ability to contract for consulting services for audits this year

MAJOR ACTIVITIES – FOLLOW-UP



MAJOR ACTIVITIES – FOLLOW-UP

- Followed up on allegations we forward to management - most cases related to unprofessional conduct, equal employment law violations, or service delivery and quality
- Management responsive to addressing anonymous complaints even with little specifics for an investigation
- Learned OCR requires complainant name and contact information and completion of their form
 - Made improvements to our process to communicate this to complainants
 - Still forward cases since they relate to potential equal employment law violations

OIG VALUE & LOOKING AHEAD

- OIG connected to riders & taxpayers
 - Ensure fare revenue & tax dollars not wasted or misused
 - Never investigate riders
- Recent attack on integrity
- Expanding educational materials
 - Providing Government Code definition of fraud, waste, or abuse



OIG VALUE & LOOKING AHEAD

- SB 1488 Vetoed – reasoning does not acknowledge language in the bill
- Unclear on the future of the OIG
- Confidentiality and independence vital to OIG success
- OIG does – always has – informed subjects of their rights
- Need to be asked directly for representation not via third party
- Hope future supports OIG success

“Requiring the BART IG to notify the union essentially deprives the employee the opportunity to determine whether he or she seeks representation. Furthermore, this could call into question the BART IG’s independence and threaten the BART IG’s credibility. To the extent that management permits the union to control or influence the outcome of the BART IG’s work, such arrangement may constitute management interference and result in a scope limitation or external control mechanism, both of which pose significant, disclosable impairments to the BART IG’s ability to function independently.”

- Elaine M. Howle, California State Auditor-Retired



Questions?

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