



San Francisco Bay Area Rapid Transit

Office of the Inspector General

FISCAL YEAR 2026

ANNUAL REPORT

— TO THE —
CALIFORNIA LEGISLATURE



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WHAT WE DO



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. Our work supports those two objectives, either directly or indirectly.

OUR ADDED VALUE



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.



MESSAGE FROM THE

Inspector General

Every audit, investigation, and recommendation we produce is intended to strengthen accountability, improve BART's performance, and ensure the public that their resources are managed responsibly.

Fiscal year 2026 was productive and defining for the Office of the Inspector General. We completed significant audits and investigations; identified opportunities to improve operations and internal controls; recovered public funds; and continued to monitor corrective actions. We also issued our first in-house audit report and our first recommendation status report evaluating whether corrective actions resulted in meaningful, lasting improvements.

This year also presented important challenges. Questions regarding our authority and independence reinforced why clear governance and strong oversight matter. Through constructive engagement with the BART Audit Committee and General Counsel, our authority was clarified. We emerged stronger and better positioned to serve the public, though there is still work to do as independence is never guaranteed.

Our success this year reflects the professionalism and dedication of our staff, as well as the cooperation of the many District employees who participated in our audits. Their shared commitment to improving BART helps turn oversight into meaningful change.

As we look ahead, we remain focused on delivering independent, evidence-based oversight that earns the confidence of those we serve.

Regards,

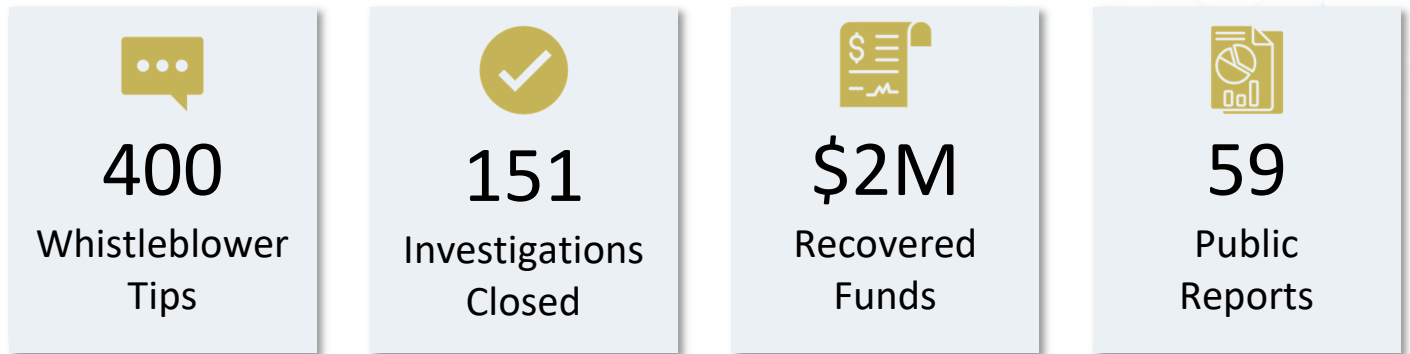
Claudette Biemeret
Inspector General

Investigations

Protecting Public Resources

Over the last seven years, the OIG has received hundreds of complaints alleging fraud, waste, abuse, misconduct, or retaliation. We've investigated matters across the District, recovered millions of dollars, issued numerous investigative reports, and referred matters for administrative, civil, or criminal action, if warranted.

Seven Years of Investigative Impact



In fiscal year 2026, we continued our mission to root out fraud, waste, and abuse. We received and evaluated 82 whistleblower tips submitted through our hotline program; 33 moved forward for investigation. We also completed 25 investigations, some tackling multiple allegations of conduct harmful to the District and, in some cases, for allegations received in prior fiscal years. In completing this important work, we focused on uncovering improper activities knowing that the greatest return on our efforts is often the misconduct that never occurs because we identify and address problems before they become losses.

FY26 Highlights



82 new tips

We received and evaluated 82 whistleblower reports, resulting in 33 fraud, waste, or abuse investigations.



25 investigations

We closed 25 investigations involving theft, project waste, conflict of interest, or timekeeping irregularities.



8 reports

We issued 8 investigation reports covering 31 separate allegations of fraud, waste, or abuse.



\$1.7M Recovered

We uncovered billing irregularities on a major capital project, which resulted in the recovery of \$1.7M in questioned costs.



Mixed Messaging

We found that transparency and communication gaps clouded the status of a major construction project.



Distorted Costs

We identified billing practices that hide true project costs and leave BART vulnerable to false claims.

Investigations

Case Outcomes & Top Categories

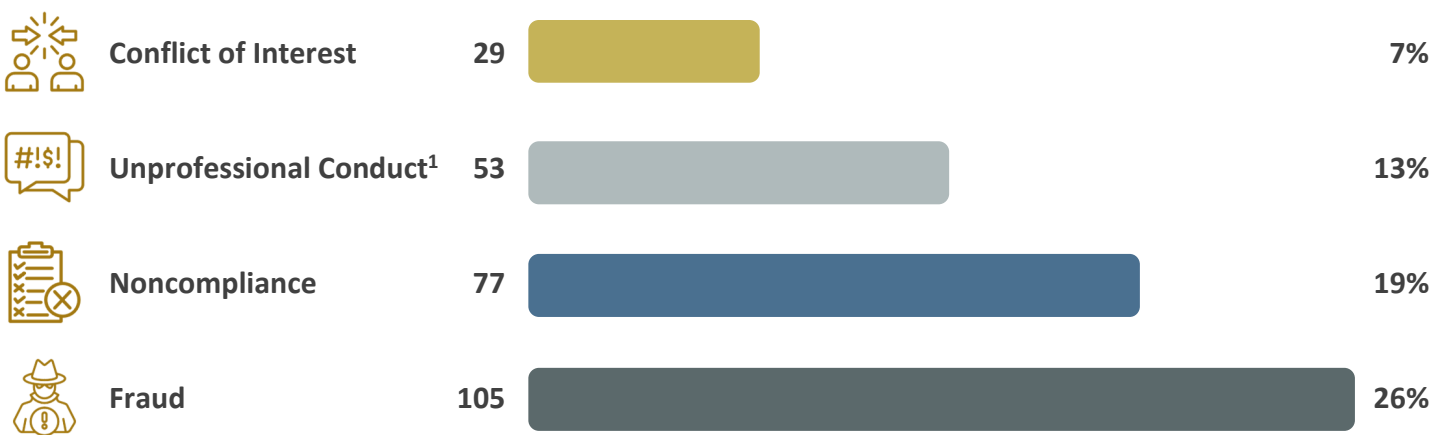
We completed 25 investigations in fiscal year 2026 involving a wide range of allegations, from improper confidentiality agreements and conflicts of interest in contract awards to an employee working another job while claiming to be on duty at BART. Every investigation presented unique facts and challenges, requiring a tailored, evidence-based approach rather than a one-size-fits-all solution.

Total Whistleblower Tip Outcomes

Active Investigations	Completed Investigations	Not Investigated
18	151	231
We were pursuing 18 allegations at fiscal year end, addressing issues such as retaliation, false claims, conflicts of interest, poor contract management, and time theft or loafing.	We completed 151 investigations with 56 substantiated, 70 not substantiated, and 25 inconclusive. In fiscal year 2026 alone, we completed 25 investigations.	We identified 231 allegations as providing insufficient information or being outside of our purview, thus declining or forwarding them to the appropriate office.

Top 4 Allegation Categories Out of 400 Whistleblower Tips

Fraud, noncompliance, unprofessional conduct, and conflict of interest remain the leading allegation types that we receive, accounting for 264 (66%) of 400 reported whistleblower tips.

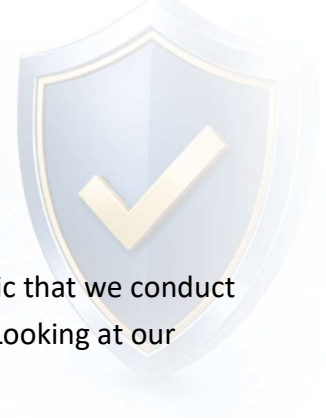


¹ We generally investigate unprofessional conduct only when it is not a personnel matter that falls within Human Resources’ purview or an equal employment opportunity matter that falls within the Office of Civil Rights’ purview.

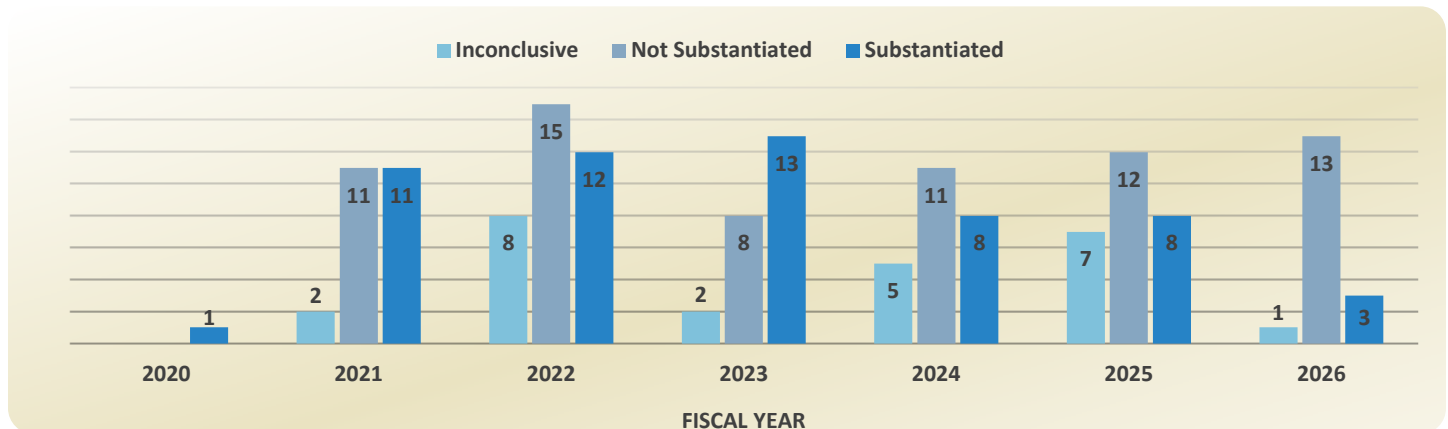
Investigations

Following Facts

We follow the facts to wherever they may lead, assuring governance officials and the public that we conduct our investigations without fear or favor, and with only the intent of uncovering the truth. Looking at our trends over the years supports that our work is balanced and factual.



Investigative Findings Based on Fiscal Year Complaint Received



Fiscal years 2020 and 2026 should be viewed as outlier years. Fiscal year 2020 reflects our inaugural year, with only one investigation recorded, while many fiscal year 2026 investigations remain open and will be reflected in future reports. Looking instead at the more stable data from fiscal years 2021 through 2025, investigative outcomes have remained remarkably consistent: an average of 10.4 substantiated investigations and 11.4 not-substantiated investigations per year, illustrating an almost even split in findings.

Investigative Findings by Top 4 Categories



The relative balance between substantiated and not substantiated allegations is evident in the top allegation categories of fraud, noncompliance, and conflicts of interest investigations.² Unprofessional conduct was the exception, as those complaints generally fall outside our jurisdiction and are referred or declined.

² Appendix I provides definitions on the OIG's common terminology.

Audit Activity

FY26 Project Status

Fiscal year 2026 was a milestone year for performance auditing. We completed audits of construction contract change orders and the Link21 Program, issued our first in-house audit on workers' compensation, and had eight audits at varying stages throughout the year.

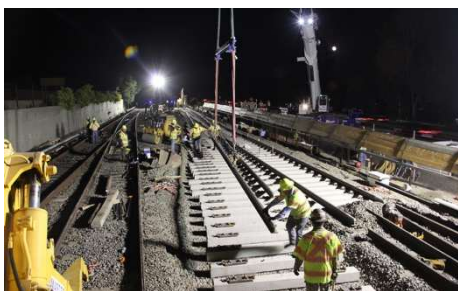
Audit	Status	Focus Area
Construction Contract Change Orders	 Issued November 2025 ^(a)	Change-order practices, compliance with regulations and laws, and opportunities to reduce fraud and waste risks.
Link21 Performance	 Issued December 2025 ^(b)	Link21 program's spending, contract-management, and alignment with policy and best practices.
Workers' Compensation Employee Survey	 Issued April 2026	Employee satisfaction with BART's workers' compensation program, and opportunities to strengthen its administration.
Inventory Management	 Issuing August 2026	Inventory management processes, data integrity, data access controls, procurement, and related costs.
Workers' Compensation Program Oversight	 Management Review	Compliance with policies, procedures, regulations, and laws; and adequacy of practices to control costs.
Workers' Compensation Financial Obligations	 Final Report Writing	BART's financial obligations for non-workers' compensation benefits while employees are out on industrial leave.
Major Service Disruptions Network	 Draft Review	Operational technology network outages in 2025 and the contributing information technology governance practices.
Major Service Disruptions Infrastructure	 Draft Report Writing	Major system malfunctions in calendar year 2025 related to failed rail-system infrastructure.
Non-Revenue Vehicles	 Risk Assessment	Program management and oversight, including vehicle assignment, use, maintenance, and replacement.
Benefits Administration	 Planning Phase	Controls over employee eligibility, payroll deductions, leave accruals, benefit calculations, and overpayment recovery.
Security Alarms	 Initiation Phase	Management of contracted alarm and security monitoring services, and cost control.

(a)(b) Updated from the information initially reported in the OIG's August 2026 Annual Report. The reports were issued in November and December 2025, during fiscal year 2026.

Audit Activity

FY26 Results

We issued 39 recommendations in fiscal year 2026 across three audits to strengthen stewardship of public funds, improve capital project oversight, and support employees through sound fiscal decision-making. BART accepted every recommendation when issued but, by fiscal year end, chose not to implement four, accepting the associated risks. See Appendix II for details on these and all open recommendations.



Construction Contract Change Orders

12

recommendations

10

accepted

Results: BART's change order practices generally comply with established policies and reflect an active commitment to continuous improvement. Notable steps to strengthen processes include a 2023 Rapid Improvement Event aimed at streamlining procedures and clarifying BART's internal roles. Yet, systemic and structural limitations reduced BART's ability to fully leverage data for risk management and oversight. These controls gaps point to opportunities to clarify responsibilities, modernize systems, and strengthen documentation practices.



Performance of the Link21 Program

24

recommendations

22

accepted

Results: Link21 is fundamentally on track, staff are doing work consistent with the program's goals and spending appears consistent with intended purposes. Still, there are opportunities to strengthen oversight and position Link21 to move into its next phases with stronger guardrails and assurance that public funds support well-managed, well-informed decisions. With the transfer of the Link21 Program to the Capitol Corridor Joint Powers and California State Transportation Agency, BART is not required to address 20 of the recommendations from this report.



Workers' Compensation Audit #1: Employee Survey Results

3

recommendations

3

accepted

Results: Survey results indicated that there is room to increase satisfaction with the workers' compensation program (WCP). Only 20% (16) of employees who filed workers' compensation claims were satisfied or very satisfied with the overall claims process, indicating opportunities to improve the program's ability to inform, support, and advocate for employees. Strategic communication, clear policies and procedures, and enhanced training will help employees better understand the process and access support.



COLLECTIVE IMPACT

39 opportunities to strengthen stewardship of public funds, improve capital project delivery, and better support the BART workforce.

Recommendations

Audits & Investigations

Recommendations are one of the most important tools for improvement. They convert evidence into action by helping management strengthen internal controls, reduce risk, and improve the way BART serves the public. We follow up on every recommendation because meaningful oversight is measured by the success of corrective actions that address the risks we identified in our audits and investigations.

All Recommendations

123...	172	Issued
	158	Accepted
	96	Implemented
	35	In Progress
	25	Dropped
	14	Not Accepted
	2	With District Attorney

BART ACCEPTANCE RATE

92%

Recommendations That Last Matter Most

This year, we expanded our follow-up process by independently testing whether corrective actions remained in place. For the most part, they had, with 81 percent of recommendations tested having sustained implementation. But we did find that six previously implemented recommendations were no longer operating as intended. BART is on track to reimplement those recommendations.

We will continue to test recommendations on an annual basis, though on a smaller scale to balance the use of our resources. Nonetheless, our effort will ensure corrective actions remain in place after they are reported implemented.

81%

Tested
Recommendations
Sustained
Implementation

Recommendations

Tracking Impact Over Time

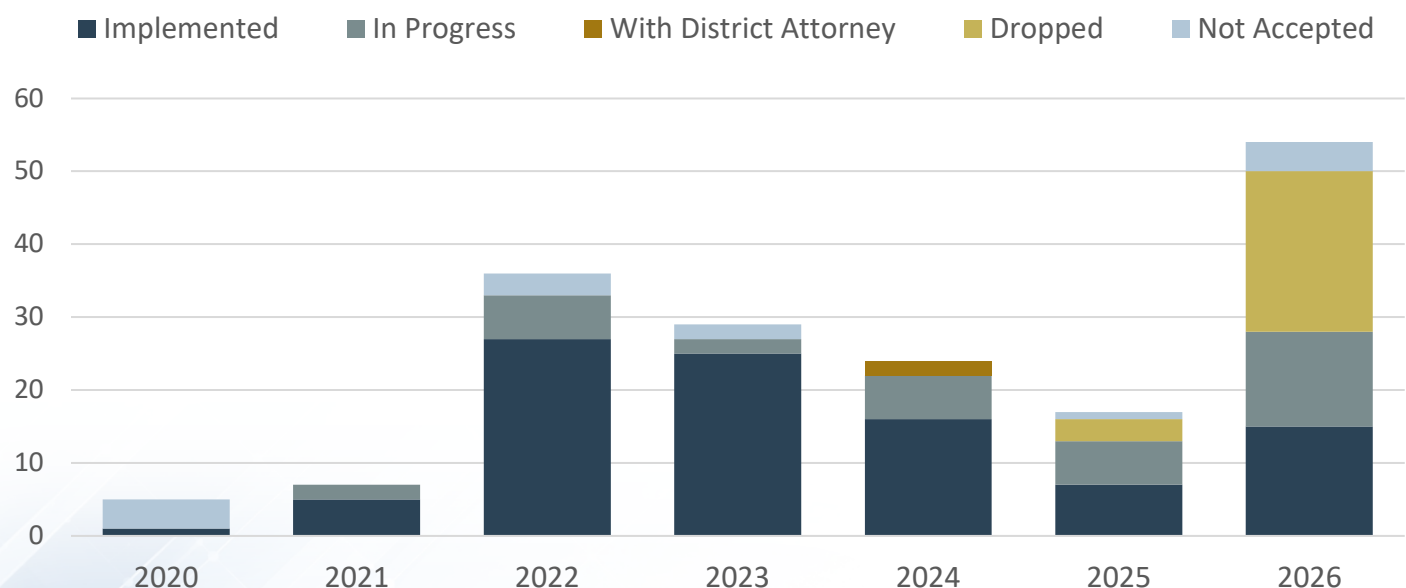
Audit & Investigation Recommendations

TOTAL	CHANGE FROM FY25	TOTAL AUDIT	TOTAL INVESTIGATION
172	+54	51	121

TABLE: Audit & Investigation Recommendations by Fiscal Year Issued

Category & Status	FY20	FY21	FY22	FY23	FY24	FY25	FY26	Total
Accepted	1	7	33	27	24	16	50	158
- Implemented	1	5	27	25	16	7	15	96
- In Progress	0	2	6	2	6	6	13	35
- With District Attorney	0	0	0	0	2	0	0	2
- Dropped	0	0	0	0	0	3	22	25
Not Accepted	4	0	3	2	0	1	4	14
Total	5	7	36	29	24	17	54	172

STACKED CHART: Audit & Investigation Recommendations by Fiscal Year Issued



Recommendations

Tracking Impact Over Time

Audits

TOTAL	CHANGE FROM FY25	IMPLEMENTED	IN PROGRESS
51	+39	9	18

Audit Recommendations by Fiscal Year Issued

Category & Status	FY23	FY24	FY25	FY26	Total
Accepted	2	5	5	35	47
- Implemented	2	2	1	4	9
- In Progress	0	3	4	11	18
- Dropped	0	0	0	20	20
Not Accepted	0	0	0	4	4
Total	2	5	5	39	51

Investigations

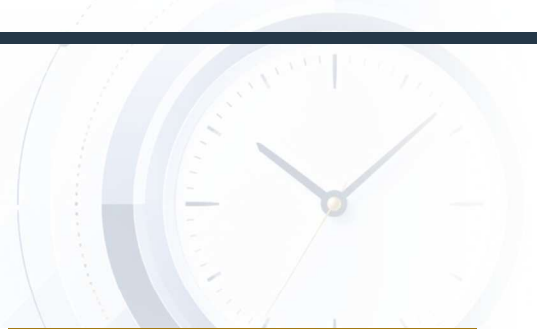
TOTAL	CHANGE FROM FY25	IMPLEMENTED	IN PROGRESS
121	+15	87	17

Investigation Recommendations by Fiscal Year Issued

Category & Status	FY20	FY21	FY22	FY23	FY24	FY25	FY26	Total
Accepted	1	7	33	25	19	11	15	111
- Implemented	1	5	27	23	14	6	11	87
- In Progress	0	2	6	2	3	2	2	17
- With District Attorney	0	0	0	0	2	0	0	2
- Dropped	0	0	0	0	0	3	2	5
Not Accepted	4	0	3	2	0	1	0	10
Total	5	7	36	27	19	12	15	121

Recommendations

Aging Analysis



35

**TOTAL IN PROGRESS
RECOMMENDATIONS**
pending corrective actions

18

**IN PROGRESS AUDIT
RECOMMENDATIONS**
from performance audits

17

**IN PROGRESS INVESTIGATORY
RECOMMENDATIONS**
from fraud, waste, or abuse reviews

Audit or Investigation	Age	# of Recs
No Evidence of Fraud but Employees Would Benefit from Training on Their Fiduciary Responsibilities	4 yrs. 10 mo.	1
Potential Conflict of Interest May Require Voiding a \$40 Million Construction Management Contract and Not Paying \$5.4 Million of Invoices	4 yrs. 2 mo.	3
Caution is Needed to Avoid Conflict of Interest Violations	3 yrs. 4 mo.	1
Summary of Nepotism Investigations	2 yrs. 3 mo.	2
BART Improperly Embedded a Best-Value Procurement into a Fixed-Price Construction Contract	2 yrs. 3 mo.	1
BART Can Benefit from Implementing Span of Control Analysis	2 yrs. 2 mo.	3
BART Would Benefit from Clearer Gift Giving Rules	1 yr. 4 mo.	2
BART Overtime Risks Can be Reduced by Strategic Improvements in Oversight and Management	1 yr.	4
Audit of Construction Contract Change Orders	7 mo.	8
Transparency & Communication Gaps in the BSVII Project	6 mo.	1
Summary of Investigations Volume 1 – 2026	5 mo.	1
Misunderstanding of the NASPO Program Led to BART Making Purchases Without Proper Contracts in Place	2 mo.	1
No Indication that Release of Personal & Private Information was Willful	2 mo.	1
Summary of Time Theft Investigations	2 mo.	1
Unattended Storeroom Access Procedure is Outdated	2 mo.	2
Workers' Compensation Audit Report #1: Employee Survey Results	2 mo.	3

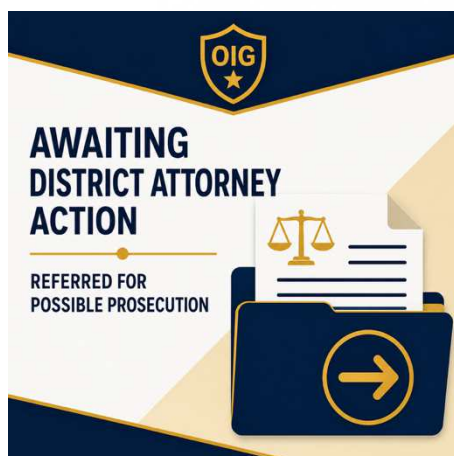
Recommendations

Closure Without Action



We drop recommendations when they are no longer feasible or they are otherwise addressed, making them obsolete. We dropped 20 recommendations from our Link21 Performance audit this year because the Capitol Corridor Joint Powers Authority assumed responsibility for the program's management, in coordination with the California State Transportation Agency. This brought the total dropped recommendations to 25 by fiscal year end.

25 Dropped



In 2024, a fraud investigation led to a referral to the San Mateo County District Attorney's Office. The investigation involved an employee who had been reporting time worked, including overtime, while being at their residence or otherwise away from the District: a financial loss to BART from unearned salary and benefits as well as lost work productivity. Criminal action is pending on the San Mateo County District Attorney's case.

2 Awaiting DA Action



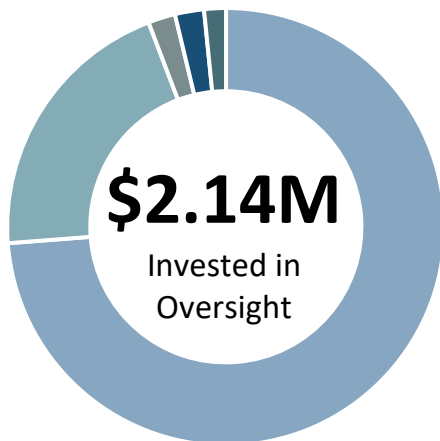
BART has declined to implement 14 of our recommendations, 4 issued in fiscal year 2026. In doing so, they accepted the risks that prompted the need for corrective action. This year, BART declined to ensure campaign contribution limits align with state regulations and to clarify policy for contracts that do not require Board approval. Also, due to capacity restrictions, they could not accept expanding oversight of contractor performance and change orders.

14 Not Accepted

Recommendations dropped or awaiting action by the District Attorney (or any external agency) should not be viewed as unaddressed. Their resolution depends on factors outside BART's control, or the underlying risks are no longer applicable. This makes it impossible or unnecessary for BART to implement the recommendation. We categorize these recommendations as accepted and closed. However, we do not count them among implemented recommendations as that would distort performance.

Budget: Investing in Oversight

FY26 Expenditures & Value



FY26 OIG Expenditures by Oversight Category

OIG Workforce	\$1,579,280	74%
Consultant Services	\$437,084	20%
Engagement & Administration	\$45,909	2%
Technology Solutions	\$43,129	2%
Professional Development	\$34,164	2%

\$437,084 Investment in Specialized Expertise for Broader Public Benefit

We used consultants to preserve our independence, retain subject-matter experts, and expand our capacity.

Consultant Project	Invested This Year	Invested Prior Years	Total Invested
Major Service Disruptions Audit	\$189,043	-	\$189,043
Inventory Management Audit	\$127,682	\$53,504	\$181,186
Witness Retaliation Investigation	\$67,826	-	\$67,826
Benefits Administration Audit	\$27,759	-	\$27,759
Attorney Representation	\$17,344	-	\$17,344
Construction Contract CO Audit	\$3,846	\$166,918	\$170,764
Link21 Performance Audit	\$3,584	\$267,456	\$271,040

\$1,579,280 OIG Workforce	\$45,909 Engagement & Administration	\$43,129 Technology Solutions	\$34,164 Professional Development
Every dollar invested in our team supports independent oversight. OIG staff conduct audits and investigations, manage consultants, communicate results, maintain our public website, and ensure effective, transparent operations.	These investments strengthen our connection with employees and the public while supporting day-to-day operations. Funding covered essential office operations, new employee outreach materials, and our first resident survey.	Digital oversight solutions that support efficiency and transparency. These are investments in our hotline, research and analytical tools, case and audit management systems, and communication platforms that strengthen oversight and public reporting.	Investing in our people ensures better oversight. Required training, specialized education, certifications, and professional memberships keep our staff current on emerging risks, best practices, and government auditing standards.

Budget: Investing in Oversight

Sustaining Independent Assurance

During the year, extended audit timelines and the unexpected need to retain outside legal counsel required us to adjust our priorities. Rather than overcommit resources, we postponed select projects until we had greater budget certainty.

As those efforts now move forward, our proposed fiscal year 2027 budget remains largely unchanged. We took a minor, \$30,000 budget reduction for fiscal year 2027 due to BART's financial crisis. With our remaining budget of \$2,670,000, we will further invest in setting the standard for public integrity.

\$2.67M OIG Fiscal Year 2027 Budget Priorities

OIG Workforce		Consultant Services	
\$2,030,184		\$476,101	
	Investigate fraud, waste, and abuse allegations; complete the workers' compensation, non-revenue vehicles, and security alarm contracts audits; and monitor progress with recommendations to drive lasting improvements.		Complete specialized audits of benefits administration and major system service disruptions, and launch a high-risk audit identified through our Fiscal Year 27-29 Audit Plan based on organizational risk and available resources.
Technology Solutions		Engagement & Administration	
\$60,285		\$55,930	
	Strengthen oversight through secure digital solutions that support hotline operations, investigations, audits, research, analytics, and public reporting.		Turn community feedback into action by analyzing resident survey results, using them to strengthen outreach and focus oversight; and reporting results publicly.
Professional Development			
\$46,800			
	Invest in staff expertise through continuing education, professional certifications, and industry collaboration to address emerging risks and comply with professional standards.		

OIG News

FY26 Highlights - Reports & Independent Reviews

During the year, we responded to an external evaluation of the OIG's independence, provided greater visibility into the status of recommendations, and prepared for independent peer reviews that will assess the quality of our audit and investigative work. These efforts reinforced our commitment to continuous improvement and maintaining the public's confidence that our work is objective, evidence-based, and reliable.



Grand Jury Report

In May 2026, the Contra Costa County Civil Grand Jury released *BART OIG: Independence Delayed, Independence Denied*. The report included twenty-one findings and eight recommendations focused on strengthening our independence, clarifying our authority and access to BART personnel and information, formalizing responsibility for tracking recommendations, and establishing a governing charter.

Many of the report's recommendations align with issues we previously identified as important to ensuring effective independent oversight. We appreciate the Grand Jury's attention to these matters and will continue working with the Board of Directors and District leadership to protect our independence and accountability framework.



Rec Status Report

In May 2026, we issued our first comprehensive Status Update on Recommendations Report, leveraging our oversight to evaluate whether corrective actions have been effectively implemented. We reviewed long-standing recommendations and independently tested selected actions that management had reported as complete.

This work recognizes that lasting improvement depends not only on agreeing with recommendations, but also on ensuring corrective actions remain effective over time. Beginning next year, the OIG will conduct annual, risk-based validation of selected recommendations to provide the Board, management, and the public with greater confidence that improvements are being sustained.



Quality Reviews

Independent review is an essential component of professional accountability. After completing our first internally conducted performance audit, we scheduled an external peer review in August 2026 to examine our audit quality-management framework. We are also coordinating a similar external peer review to examine our investigative function. Limited peer review team availability has prevented us from accomplishing this goal sooner.

These independent assessments evaluate our compliance with applicable professional standards, identify opportunities for improvement, and provide assurance that our work is performed with the quality, objectivity, and rigor expected of an Inspector General's Office.

OIG News

FY26 Highlights - Investing in People & Public Engagement

Throughout the year, we strengthened our capacity by expanding our team, seeking public input to better understand community priorities for independent oversight, and investing in professional development. These efforts help ensure that our work remains responsive to emerging risks, informed by stakeholder perspectives, and supported by the expertise necessary to deliver high-quality audits and investigations.



Welcoming Orsolya Kovesdi

In April 2026, we welcomed Orsolya ("Orsi") Kovesdi as an Investigative Auditor. Orsi brings more than 18 years of auditing experience across the public and private sectors, including nearly five years managing the City of Oakland's whistleblower program and confidential hotline.

She is a Certified Internal Auditor (CIA) and holds a Master of Business Administration in Finance. Her experience in fraud investigations, internal controls, and whistleblower programs strengthens our ability to detect and address fraud, waste, abuse, and other improper governmental activities.



Resident Survey

To better understand public awareness of the OIG and the community's priorities for independent oversight, we conducted our first resident survey during the reporting period. We sought input on public familiarity with our office, confidence in our work, and issues respondents believe warrant independent review.

The results, which we will release separately after we complete our analysis, will help inform future audit planning, outreach efforts, and education initiatives while strengthening our understanding of the communities we serve.



Knowledge Building

Maintaining professional expertise is essential as fraud risks, investigative techniques, and auditing standards continue to evolve. During the year, OIG staff attended the 37th Annual ACFE Global Fraud Conference where they received training on emerging fraud schemes, investigative technologies, artificial intelligence, data analytics, and leading practices in fraud prevention and detection. The OIG team also attended the Association of Inspectors General Training Conference, where Inspector General, Claudette Biemeret, and Deputy Inspector General, Jorge Oseguera presented on their respective journeys upholding independence.

Knowledge gained through these trainings has been and will continue to be incorporated into our audits, investigations, and advisory work, helping ensure our oversight remains current, effective, and responsive to evolving risks.

.....

**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



510-464-6100

OFFICE OF THE INSPECTOR GENERAL TEAM

Claudette Biemeret, Inspector General

P: 510.464.6141 E: cbiemer@bart.gov

Jorge Oseguera, Deputy Inspector General

P: 510.464-6257 E: jorge.oseguera@bart.gov

Jessica Spikes, IG Program Coordinator

P: 510.464.6569 E: jessica.spikes@bart.gov

Jeffrey Dubsick, IG Investigative Auditor

P: 510.817.5937 E: jeffrey.dubsick@bart.gov

Jordan Sweeney, IG Investigative Auditor

P: 510.464.6132 E: jordan.sweeney@bart.gov

Orsolya Kovesdi, IG Investigative Auditor

P: 510.987.5201 E: mailto:orsolya.kovesdi@bart.gov

OFFICE OF THE INSPECTOR GENERAL

2150 Webster Street, 4th Floor, Oakland, CA 94612

P: 510.464.7111

E: inspectorgeneral@bart.gov

W: bart.gov/oig

T: [@oigsfbart](https://twitter.com/oigsfbart)

REPORTS

Office of the Inspector General's reports are available at
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: FY26 In Progress, Dropped, & Not Accepted Recommendations

Recommendation Status and Activity

This appendix provides a snapshot of OIG recommendations that remained in progress as of June 30, 2026, including management's latest reported corrective actions and estimated implementation dates, when provided. It also identifies recommendations that were dropped or not accepted during the fiscal year, providing transparency into significant changes in recommendation status.

Estimated implementation dates are reported by management and may change. The OIG independently reviews supporting documentation and determines whether corrective actions are sufficient to consider a recommendation implemented.

During fiscal year 2026, the OIG issued 54 recommendations, 39 from audits and 15 from investigations of fraud, waste, or abuse. The OIG also dropped 20 audit recommendations issued during the fiscal year after responsibility for the Link21 Program shifted from BART to the Capitol Corridor Joint Powers Authority and California State Transportation Agency, making the recommendations no longer relevant or feasible for BART to implement.

Complete information on OIG recommendations, including historical information on recommendations implemented, dropped, or not accepted in prior fiscal years, is available at www.bart.gov/oig.

Unattended Storeroom Access Procedure is Outdated Issued January 2021

REC NO: 1

REOPENED: MAY 2026 | 2 MONTHS

MANAGEMENT TARGET DATE: DECEMBER 2026

Recommended Action

Update the *Issues – During Unattended Stores Hours* procedure to align with current practices, positions, and automated systems.

Latest Management Update – July 2026

Procurement will assess and implement opportunities to strengthen storeroom physical security and access controls to prevent unauthorized entry and ensure compliance with the Unattended Storeroom Access Policy. In collaboration with key stakeholders, Procurement will support consistent policy enforcement and promote sustained compliance through the following actions:

- Communicate the Unattended Storeroom Access Policy to stakeholders and leadership.
- Reinforce storeroom access requirements and protocols with Logistics staff.
- Evaluate and pursue implementation of key card access control solutions to enhance security.
- Notify and collaborate with stakeholder leadership to address access violations and resolve incidents involving unaccounted-for materials resulting from policy noncompliance.

Unattended Storeroom Access Procedure is Outdated
Issued January 2021

REC NO: 2

REOPENED: MAY 2026 | 2 MONTHS

MANAGEMENT TARGET DATE: DECEMBER 2026

Recommended Action

Provide employees with the updated *Issues – During Unattended Stores Hours* procedure and enforce its use. Follow appropriate performance evaluation actions when employees fail to follow the procedure.

Latest Management Update – July 2026

Procurement will assess and implement opportunities to strengthen storeroom physical security and access controls to prevent unauthorized entry and ensure compliance with the Unattended Storeroom Access Policy. In collaboration with key stakeholders, Procurement will support consistent policy enforcement and promote sustained compliance through the following actions:

- Communicate the Unattended Storeroom Access Policy to stakeholders and leadership.
- Reinforce storeroom access requirements and protocols with Logistics staff.
- Evaluate and pursue implementation of key card access control solutions to enhance security.
- Notify and collaborate with stakeholder leadership to address access violations and resolve incidents involving unaccounted-for materials resulting from policy noncompliance.

No Evidence of Fraud but Employees Would Benefit from Training on Their Fiduciary Responsibilities
Issued August 2021

REC NO: 2

OPEN SINCE: AUGUST 2021 | 4+ YEARS

MANAGEMENT TARGET DATE: DECEMBER 2026

Recommended Action

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.

Latest Management Update – July 2026

The training materials are currently under review, and a subsequent step will involve narrating the training deck for its upload to BART's training application, Pathlore.

**Misunderstanding of the NASPO Program Led to BART Making Purchases Without Proper Contracts in Place
Issued August 2021**

REC NO: 1

REOPENED: MAY 2026 | 2 MONTHS

MANAGEMENT TARGET DATE: SEPTEMBER 2026

Recommended Action

Provide training and education on the rules concerning the NASPO ValuePoint cooperative purchasing program to staff with a role in making, reviewing, and approving purchases.

Latest Management Update – July 2026

Procurement is currently collaborating with Human Resources to develop a Pathlore training module for employees who create purchase requisitions and issue purchase orders throughout the District.

**Potential Conflict of Interest May Require Voiding a \$40 Million Construction Management Contract and Not Paying \$5.4 Million of Invoices
Issued April 2022**

REC NO: 3

OPEN SINCE: APRIL 2022 | 4+ YEARS

MANAGEMENT TARGET DATE: JANUARY 2027

Recommended Action

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.

Latest Management Update – July 2026

The updated Employee Code of Conduct (ECOC) is under internal review to ensure the proposed revisions are consistent with current collective bargaining agreements and other Human Resource policies. We anticipate that the amendments will be completed later this Fall, and we plan to transmit the updated ECOC to the Audit Committee for review in January 2027.

REC NO: 6

OPEN SINCE: APRIL 2022 | 4+ YEARS

MANAGEMENT TARGET DATE: JANUARY 2027

Recommended Action

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 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.

Latest Management Update – July 2026

The updated Employee Code of Conduct (ECOC) is under internal review to ensure the proposed revisions are consistent with current collective bargaining agreements and other Human Resource policies. We anticipate that the amendments will be completed later this Fall, and we plan to transmit the updated ECOC to the Audit Committee for review in January 2027.

Potential Conflict of Interest May Require Voiding a \$40 Million Construction Management Contract and Not Paying \$5.4 Million of Invoices
Issued April 2022

REC NO: 7

REOPENED: MAY 2026 | 2 MONTHS

MANAGEMENT TARGET DATE: **AUGUST 2026**

Recommended Action

Develop and require employees to participate in training to ensure their understanding of the Employee Code of Conduct and the conflict-of-interest prohibitions in Government Code § 1090, et. seq. and FTA regulations. This training should occur at least biennially to ensure employees have an ongoing understanding of the requirements.

Latest Management Update – July 2026

Implementation of the revised biennial Form 700 training requirement is pending receipt of an updated list of designated filers, including applicable job classifications and titles. Finalization of this list is dependent upon approval by the Fair Political Practices Commission (FPPC) and the Board. Upon completion of these approvals, the Form 700 training program will be updated and launched on a recurring two-year cycle.

Summary of Time Theft Investigations
Issued April 2022

REC NO: 1

REOPENED: MAY 2026 | 2 MONTHS

MANAGEMENT TARGET DATE: **NOVEMBER 2026**

Recommended Action

To allow for proper oversight of timekeeping, BART should require supervisors to enter the information that SEIU employees are required to provide when conducting union business - location, area of the activity, estimated time needed, and specific nature of the union business involved - into the timekeeping comment field, when they manually clock out SEIU union representatives who leave their worksites during their work shifts to conduct union business. This is in addition to ensuring supervisors enter the appropriate union code into the timekeeping system when they make time adjustments to account for union business time.

Latest Management Update – July 2026

Labor Relations sent a memo to management providing clarification on the use of union time reporting codes and supporting comments. By November 30, 2026, Labor Relations will begin conducting periodic audits to ensure compliance with the Letter of Understanding.

Caution is Needed to Avoid Conflict of Interest Violations
Issued February 2023

REC NO: 4 | **OPEN SINCE: FEBRUARY 2023 | 3+ YEARS**

MANAGEMENT TARGET DATE: JANUARY 2027

Recommended Action

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.

Latest Management Update – July 2026

The updated Employee Code of Conduct (ECOC) is under internal review to ensure the proposed revisions are consistent with current collective bargaining agreements and other Human Resource policies. We anticipate that the amendments will be completed later this Fall, and we plan to transmit the updated ECOC to the Audit Committee for review in January 2027.

No Indication that Release of Personal & Private Information was Willful
Issued June 2023

REC NO: 3 | **REOPENED: MAY 2026 | 2 MONTHS**

MANAGEMENT TARGET DATE: SEPTEMBER 2026

Recommended Action

Require employees who support NextRequest to upload files into folders that are labeled by their department or division to assist reviewers in determining whether information should be redacted or withheld from release.

Latest Management Update – July 2026

In addition to requiring staff to upload documents to the designated folder, a notification has been added instructing staff to include a note in the timeline when submitting materials that may contain sensitive or confidential information or require redaction. Furthermore, once documents are uploaded, Legal staff will review and classify each item into one of four categories: non-responsive, requires redaction, redacted, or ready for release. The District Secretary Office (DSO) is exploring additional IT solutions that will enhance its ability to identify information that may require redaction.

Summary of Nepotism Investigations Issued March 2024

REC NO: 5

OPEN SINCE: MARCH 2024 | 2+ YEARS

MANAGEMENT TARGET DATE: **DECEMBER 2026**

Recommended Action

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.

Latest Management Update – July 2026

The District intends to send the revised nepotism policy to the Board of Directors for approval on September 24, 2026. Labor Relations will then communicate the policy requirements, collect disclosures of known familial relationships, and document any necessary mitigating controls.

REC NO: 6

OPEN SINCE: MARCH 2024 | 2+ YEARS

MANAGEMENT TARGET DATE: **SEPTEMBER 2026**

Recommended Action

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.

Latest Management Update – July 2026

The District intends to send the revised nepotism policy to the Board of Directors for approval on September 24, 2026. The policy will describe the District's processes for ensuring employees do not supervise their relatives as defined by the policy or have control over their work area.

BART Improperly Embedded a Best-Value Procurement into a Fixed-Price Construction Contract Issued March 2024

REC NO: 3

OPEN SINCE: MARCH 2024 | 2+ YEARS

MANAGEMENT TARGET DATE: **AUGUST 2026**

Recommended Action

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.

Latest Management Update – July 2026

Operations is updating the memo to reflect the most recent lighting work completed. The memo is expected to be provided to the BART Board of Directors on August 14, 2026, with a copy to the OIG.

OIG Note: The OIG inadvertently stated in its *May 2026 Status Update on Recommendations* report that the lights associated with this investigative recommendation would be used on handrails, which is not the intended use. The report has been updated accordingly.

BART Can Benefit from Implementing Span of Control Analysis
Issued April 2024

REC NO: 1

OPEN SINCE: APRIL 2024 | 2+ YEARS

MANAGEMENT TARGET DATE: JULY 2026

Recommended Action

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.

Latest Management Update – July 2026

The Human Resources Department issued a District Announcement on 7/8/2026 with instructions for maintaining the accuracy of a department's position data, actions to take if any discrepancies are found, and overall requirements for efficiently managing the span of control within supervisory positions. The instructions reflect District expectations and the tools and processes used by Human Resources to keep HRIS data current and accurate. The Human Resources Department will include this information in the New Supervisor Orientation and will also reissue this same District Announcement, targeted only to supervisory employees and higher, on a semi-annual basis, so that this communication can reach newly promoted supervisors and managers. The Human Resources Department has also drafted a "Position Data Management Procedure," which details the required steps that must be taken by managers/supervisors and the Human Resources Department to ensure HRIS position data remains accurate and up to date. Both the District Announcement and the Position Data Management Procedure have been posted in the Documents, Policies, and Procedures section of MyBART, under the Human Resources area.

**The OIG considered this recommendation as implemented in the tables within the report.*

REC NO: 2

OPEN SINCE: APRIL 2024 | 2+ YEARS

MANAGEMENT TARGET DATE: JULY 2026

Recommended Action

The BART General Manager should set expectations that executive offices maintain up-to-date organization charts that include consideration of workloads created by contract management responsibilities, making transparent where accountability and the workload for contract management activities resides.

Latest Management Update – July 2026

The Human Resources Department issued a District Announcement on 7/8/2026 describing the General Manager's expectations. All District Announcements, which must be approved by the General Manager's Office prior to posting, are considered requirements set by the General Manager. The District Announcement also describes processes for using span of control as a management tool by encouraging managers to reach out to the Classification & Compensation Division of Human Resources whenever they seek to assess their organizational frameworks and make changes to spans of control. As part of these assessments, all documentation regarding job analysis performed on positions within the department in question will be maintained in the Human Resources Department. This job analysis would include evaluation of span of control as well as duties and responsibilities associated with contract management.

**The OIG considered this recommendation as implemented in the tables within the report.*

BART Can Benefit from Implementing Span of Control Analysis

Issued April 2024

REC NO: 3

OPEN SINCE: APRIL 2024 | 2+ YEARS

MANAGEMENT TARGET DATE: SEPTEMBER 2026

Recommended Action

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.

Latest Management Update – July 2026

In addition to the District Announcement that the Human Resources Department issued on 7/8/2026, the District uses its 2019 Classification and Compensation Study to inform spans of control. Managers and supervisors are required to reach out to the Classification & Compensation Division of Human Resources for guidance on determining appropriate spans of control. This information is housed on MyBART with other District policies and documents.

REC NO: 4

OPEN SINCE: APRIL 2024 | 2+ YEARS

MANAGEMENT TARGET DATE: SEPTEMBER 2026

Recommended Action

The BART General Manager should adopt span of control as a management tool.

Latest Management Update – July 2026

The Human Resources Department issued a District Announcement on 7/8/2026 describing expectations to use span of control as a management tool. Further, as described in responses to recommendations two, three, and four, guidance is established to reflect use of that tool and requirements for working with the Classification & Compensation Division of Human Resources for guidance on determining appropriate spans of control.

REC NO: 5

OPEN SINCE: APRIL 2024 | 2+ YEARS

MANAGEMENT TARGET DATE: SEPTEMBER 2026

Recommended Action

The BART General Manager should establish policies stipulating the conditions supporting span of control ratios of one supervisor to one employee.

Latest Management Update – July 2026

The General Manager has established requirements within the Classification & Compensation Division of Human Resources that a one-on-one ratio is acceptable in certain circumstances, including but not limited to situations in which the work is highly technical or specialized or when the work demands intense collaboration. This also requires alignment with classifications informed by the District's 2019 Classification and Compensation Study.

BART Would Benefit from Clearer Gift Giving Rules
Issued February 2025

REC NO: 1

OPEN SINCE: FEBRUARY 2025 | 1+ YEARS

MANAGEMENT TARGET DATE: JANUARY 2027

Recommended Action

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.

Latest Management Update – July 2026

The updated Employee Code of Conduct (ECOC) is under internal review to ensure the proposed revisions are consistent with current collective bargaining agreements and other Human Resource policies. We anticipate that the amendments will be completed later this Fall, and we plan to transmit the updated ECOC to the Audit Committee for review in January 2027.

REC NO: 2

OPEN SINCE: FEBRUARY 2025 | 1+ YEARS

MANAGEMENT TARGET DATE: JANUARY 2027

Recommended Action

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.

Latest Management Update – July 2026

The updated Employee Code of Conduct (ECOC) is under internal review to ensure the proposed revisions are consistent with current collective bargaining agreements and other Human Resource policies. We anticipate that the amendments will be completed later this Fall, and we plan to transmit the updated ECOC to the Audit Committee for review in January 2027.

Transparency & Communication Gaps in the BSVII Project
Issued December 2025

REC NO: 1

OPEN SINCE: DECEMBER 2025 | 6 MONTHS

MANAGEMENT TARGET DATE: DECEMBER 2026

Recommended Action

Provide detailed recurring public presentations to the BART Board of Directors on the status of the BSVII project. These updates should, at a minimum, include BART's review and approval progress under the Design Criteria Manual; any identified safety, standards-compliance, or design-risk concerns; and design and construction status.

Latest Management Update – July 2026

The Office of Infrastructure Delivery (OID) will present BSVII Project updates to the BART Board of Directors at least twice a year. Updates will include the OID's progress with ensuring compliance with the Design Criteria Manual, information on BART's acceptance of VTA variances, and project status.

BART Overtime Risks Can be Reduced by Strategic Improvements in Oversight and Management
Issued June 2025

REC NO: 2

OPEN SINCE: JUNE 2025 | 1 YEAR

MANAGEMENT TARGET DATE: DECEMBER 2027

Recommended Action

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.

Latest Management Update – July 2026

The Office of the Chief Information Officer (OCIO) has developed updated Overtime Dashboards to provide Department Directors and their direct reports access to the most recent information on staff overtime usage and patterns. Training on these dashboards has been provided to the BPD and Operations Executive Office. OCIO, working with the Office of the Chief Financial Officer (OCFO), will provide training on the dashboards to Department Directors and other managers.

REC NO: 3

OPEN SINCE: JUNE 2025 | 1 YEAR

MANAGEMENT TARGET DATE: AUGUST 2026

Recommended Action

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.

Latest Management Update – July 2026

The System Safety Department conducted a review of industrial injury and overtime data covering the past 2 years. During this period, a total of 968 recordable industrial injury cases were identified. Of these cases, 109 involved employees who had also worked overtime. No employees reported experiencing fatigue while performing their duties and based on the nature and circumstances of the incidents, the review did not identify a correlation between working overtime and the occurrence of industrial injuries. A memorandum summarizing the findings will be provided to the BART Board of Directors.

REC NO: 4

OPEN SINCE: JUNE 2025 | 1 YEAR

MANAGEMENT TARGET DATE: JUNE 2027

Recommended Action

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.

Latest Management Update – July 2026

Management is developing a report to identify timesheet approvers and the number of timesheets they approve each pay period to determine whether refinements to the approval process are needed.

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

Issued June 2025

REC NO: 5

OPEN SINCE: JUNE 2025 | 1 YEAR

MANAGEMENT TARGET DATE: **DECEMBER 2026**

Recommended Action

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.

Latest Management Update – July 2026

Management is developing and will test and launch a fraud prevention training before December 31, 2026.

Audit of Construction Contract Change Orders

Issued November 2025

REC NO: 1

STATUS: **NOT ACCEPTED**

Recommended Action

Expand its role to provide independent oversight of contractor performance and change orders. The designated function should independently review change orders, monitor contractor performance, and seek to detect fraud, waste, and abuse through periodic audits and monitoring of trends. The oversight should align with Federal Transit Administration best practices by ensuring contract enforcement is separate from project execution and using data analytics to detect vendor performance trends and anomalies. This process should function separately from the existing change order approval workflow the Office of Infrastructure Delivery uses to route and approve change orders internally. This separate process would allow Internal Audit to review change orders in parallel without adding to the review timeline of each orders' approval.

Latest Management Update – July 2026

Management, through Project Management and Agreement Management, is responsible for contract administration, contractor oversight, performance monitoring, and enforcement of contract requirements. Internal Audit may periodically assess the effectiveness of those management controls through targeted audits, but it cannot serve as a continuous oversight function or become involved in operational monitoring activities. Maintaining this distinction is important to preserve Internal Audit's independence and objectivity. However, Internal Audit will continue to review change orders as part of the defined Resident Engineer's Manual process. Specific contractor oversight controls, or fraud risk management practices may be audited as part of future risk-base.

Audit of Construction Contract Change Orders
Issued November 2025

REC NO: 2 **STATUS: NOT ACCEPTED**

Recommended Action

Update the Resident Engineer's Manual to define the expansion of an independent monitoring role of the Internal Audit Division.

Latest Management Update – July 2026

Staffing and resource capacity limitations make it impracticable for Internal Audit to expand its monitoring of change orders, though it is something they see the value in and would take on the work if not prohibitive to do so. See response to Recommendation 1 for more information on Internal Audit's current activities. However, Internal Audit has issued guidance on change-order processing, which will be incorporated into the Resident Engineer's Manual.

REC NO: 5 **OPEN SINCE: November 2025 | 7 MONTHS** **MANAGEMENT TARGET DATE: SEPTEMBER 2026**

Recommended Action

Work with the Information Technology Department and the appropriate vendors to add fields that allow WongCMS and PeopleSoft to distinguish between change orders, allowances, and options.

Latest Management Update – July 2026

The Office of Infrastructure Delivery (OID) is collaborating with the Office of the Chief Information Officer (OCIO) to incorporate fields in the construction management tools, database, and software that differentiate between change orders, allowances, and options in contractual language.

REC NO: 6 **OPEN SINCE: NOVEMBER 2025 | 7 MONTHS** **MANAGEMENT TARGET DATE: OCTOBER 2026**

Recommended Action

Update the Resident Engineer's Manual to include an information and data governance policy that requires key data fields including but not limited to the amount, type of change, and status, to be accurate and updated, and a review of all files to ensure they are retained in a centralized and consistent manner.

Latest Management Update – July 2026

The Office of Infrastructure Delivery (OID) is updating its Resident Engineer's Manual to include information and data governance requirements. The updates will describe the data fields to be kept updated and accurate (e.g., amount, type of change, and status) on files stored on the OID's SharePoint sites. These requirements will also apply once the OID replaces SharePoint with a project management system. The OID intends to review files regularly to ensure compliance with the requirements.

Audit of Construction Contract Change Orders

Issued November 2025

REC NO: 7	OPEN SINCE: NOVEMBER 2025 7 MONTHS	MANAGEMENT TARGET DATE: JUNE 2027
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Recommended Action

If WongCMS is replaced with another system, ensure that access to WongCMS is maintained in some form such as preserving a read-only copy of the system, importing the data into the new system, or some other form of accessible information storage aligned with BART's record retention policy.

Latest Management Update – July 2026

The Office of Infrastructure Delivery (OID) has transitioned away from WongCMS and obtained a copy of the WongCMS database. The OID is currently working with the consultants to make the database and related files accessible and user-friendly. The OID will preserve all records in accordance with BART's Records Retention Policy.

REC NO: 8	OPEN SINCE: NOVEMBER 2025 7 MONTHS	MANAGEMENT TARGET DATE: OCTOBER 2026
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Recommended Action

Issue formal Standard Operating Procedures stipulating (a) a single repository for all conformed change orders, (b) mandatory routing of all change orders to the Office of Civil Rights for real-time visibility, particularly for any change order with subcontractors, and (c) uniform naming and version-control standards so that conformed copies are consistently labeled and date stamped.

Latest Management Update – July 2026

The Office of Infrastructure Delivery (OID) is updating its Resident Engineer's Manual to strengthen requirements for saving conformed change orders to SharePoint, ensuring all change orders are routed to the Office of Civil Rights in real-time, and describing naming and version-control standards for consistent record keeping.

REC NO: 9	OPEN SINCE: NOVEMBER 2025 7 MONTHS	MANAGEMENT TARGET DATE: SEPTEMBER 2026
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Recommended Action

Provide the Office of Civil Rights staff with read-only access to systems such as WongCMS, SharePoint, or any platform that captures change order information and supporting records so they can access the same information as construction teams.

Latest Management Update – July 2026

Group, read only access was provided to the Office of Civil Rights; awaiting confirmation that access was successful.

REC NO: 10	OPEN SINCE: NOVEMBER 2025 7 MONTHS	MANAGEMENT TARGET DATE: SEPTEMBER 2026
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Recommended Action

Update existing procedures for reviewing all applicable change orders given the procedural enhancements made under recommendation 3.1 and 3.2. *[Recommendations 8 and 9 in this table]*

Audit of Construction Contract Change Orders
Issued November 2025

Latest Management Update – July 2026

The Office of Civil Rights will update its policies and procedures once recommendation 3.1 and 3.2 enhancements are realized. *[Recommendations 8 and 9 in this table]*

REC NO: 11

OPEN SINCE: NOVEMBER 2025 | 7 MONTHS

MANAGEMENT TARGET DATE: DECEMBER 2026

Recommended Action

Review recent projects to evaluate whether investing more in upfront subsurface investigations or enhanced quality control in the planning and design phases could cost effectively reduce change orders from unforeseen conditions and errors or omissions.

Latest Management Update – July 2026

The Office of Infrastructure Delivery (OID) plans to review all fiscal year 2026 projects to determine whether improvements to current subsurface investigations and quality-control planning and design processes could reduce the need for change orders and use that analysis to inform future projects. Any resulting changes will be documented in the Resident Engineer's Manual, if any.

REC NO: 12

OPEN SINCE: NOVEMBER 2025 | 7 MONTHS

MANAGEMENT TARGET DATE: DECEMBER 2026

Recommended Action

Review recent errors and omissions identified through change orders to determine common themes or recurring issues in the planning and design phases, assessing whether additional quality assurance or review processes would reduce these issues in future projects.

Latest Management Update – July 2026

The Office of Infrastructure Delivery (OID) plans to review all fiscal year 2026 errors and omissions to identify common themes or recurring issues in the planning and design phases. Results will be used to modify or enhance current quality control processes and will be incorporated into the Resident Engineer's Manual, if any.

Performance Audit of the Link21 Program
Issued December 2025

REC NO: 1

STATUS: NOT ACCEPTED

Recommended Action

We recommend an amendment to future Annual Budget Resolutions to clarify the intent of the Board resolution. We also recommend Link21 program management 1) require a cost or price analysis of all sole source contracts to verify the reasonableness of proposed costs, and 2) all contractors be required to submit specific deliverables at least monthly, evidencing the work performed.

Latest Management Update – July 2026

The General Counsel's Office has consistently interpreted the Annual Budget Resolution language to mean Board authority is not required as long as spending remains under \$100K per fiscal year. The Board of Directors consistently receives periodic reports from the Procurement department of all contracts under \$100,000.

BART's Procurement department requires a cost or price analysis for all sole source contracts to verify the reasonableness of proposed costs, as it did for such contracts for Link21. In addition, in partnership with the Project Management team, BART Procurement will work to ensure the Scope of Work for each project requires contractors to provide specific monthly deliverables to document work performed and support accountability.

OIG Note: The OIG edited management's response for brevity. Though management notes current processes for conducting a cost or price analysis, this was not sufficiently evident in the documentation reviewed during the audit. The OIG requested, but did not receive, information of management's acceptance of the risks associated with not implementing this recommendation.

REC NO: 3

STATUS: NOT ACCEPTED

Recommended Action

We recommend that BART revise its policy for the contribution limit to follow FPCC's requirement of limiting the contribution to \$500, not \$1,000, when a contractor's proposal is being considered by the Board.

Latest Management Update – July 2026

The BART General Counsel submitted a memo to the Board on 10/2/2025. The Board President declined to place it on the agenda as an item to revise the applicable Board Rule governing campaign contributions. The Board President may be open to considering it later this year, or alternatively, it may be taken up by the 2027 Board President.

OIG Note: The OIG requested, but did not receive, information of management's acceptance of the risks associated with not implementing this recommendation.

Performance Audit of the Link21 Program
Issued December 2025

REC NO: 4-20; 22-24

STATUS: DROPPED

Latest Management Update – July 2026

Responsibility for the Link21 Program has transitioned to the Capitol Corridor Joint Powers Authority and California State Transportation Agency; therefore, BART is no longer responsible for implementing this recommendation. Any future Link21 activities will be administered by those agencies in accordance with applicable requirements.

Summary of Investigations Volume 1 – 2026
Issued January 2026

REC NO: 2

OPEN SINCE: JANUARY 2026 | 5 MONTHS

MANAGEMENT TARGET DATE: DECEMBER 2026

Recommended Action

Establish Webclock policies and procedures describing how the system is to be used and by whom and confirm that 300 employees who currently have access meet that criterion.

Latest Management Update – July 2026

Management is currently evaluating access to the Webclock system, including who has access, when it is used, and how it is utilized. Upon completion of this assessment, management will determine whether any additional controls or corrective measures are necessary and implement them as appropriate. Standard Operating Procedures will be produced describing Webclock use and controls for managing its use.

Workers' Compensation Audit Report #1: Employee Survey Results
Issued April 2026

REC NO: 1

OPEN SINCE: APRIL 2026 | 2 MONTHS

MANAGEMENT TARGET DATE: FEBRUARY 2027

Recommended Action

Develop a communication strategy focusing on key areas of risk to reduce confusion, build trust, and effectively support employees.

Latest Management Update – July 2026

A clear and accessible informational poster on Workers' Compensation will be developed to present key information in a way that is easy for employees to understand and access. The poster will outline the steps for submitting a claim and reporting fraud. It will be accessible online via MyBART and will also be printed for display on employee bulletin boards and in lunchrooms. Furthermore, this information will be included in orientation packets for new employees to promote early awareness and comprehension.

Workers' Compensation Audit Report #1: Employee Survey Results
Issued April 2026

REC NO: 2

OPEN SINCE: APRIL 2026 | 2 MONTHS

MANAGEMENT TARGET DATE: APRIL 2027

Recommended Action

Formally document workers' compensation policies and procedures to establish guidelines and document expectations.

Latest Management Update – July 2026

The District's existing Workers' Compensation procedures will be evaluated and revised as needed to ensure they are clear, consistent, and in line with current practices. A centralized database will be created in MyBART to electronically store all pertinent documents, providing employees and supervisors with convenient access to the most up-to-date information at all times.

REC NO: 3

OPEN SINCE: APRIL 2026 | 2 MONTHS

MANAGEMENT TARGET DATE: JULY 2027

Recommended Action

Implement targeted, ongoing training for supervisors and managers to ensure consistent understanding of the Workers' Compensation Program.

Latest Management Update – July 2026

Existing training programs will be evaluated and updated as needed to ensure content remains current, relevant, and effective. Training will continue to be offered during new employee orientation, onboarding for new supervisors and managers, and in the event of an injury, if applicable. Periodic reminder communications will be distributed to highlight key processes, responsibilities, and expectations.