San Francisco Bay Area Rapid Transit

Office of the Inspector General
Fiscal Year 2026 Semiannual Report

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Message from the Inspector General

Independent oversight is essential to accountability, transparency, and responsible stewardship of public resources. Our credibility rests on independence, in both structure and practice, so our work remains objective, trusted, and free from interference. With that standard as our guide, during the first six months of fiscal year 2026 we advanced our strategic goals by focusing on high-risk areas across BART and carrying out work designed to strengthen internal controls, improve decision-making, and support sound governance. To date, our work has resulted in recovering almost $2 million for the District.

This period reflects our continued focus on results and follow-through as we advanced major audits; addressed allegations of fraud, waste, or abuse; and monitored recommendations to ensure that corrective actions properly address our findings. Looking ahead, we will expand our focus on recommendation follow-up to ensure corrective actions extend beyond report issuance and into practice. Through additional review and verification efforts, we will ensure our recommendations lead to accountability and lasting improvement.

Accountability should exist wherever authority is exercised, and effective oversight requires the ability to ask difficult questions at every level of an organization. We are duty bound to do so. Our commitment to the public has been, and remains, to move forward with audits and investigations in line with the laws that govern OIGs and the accepted professional standards that guide those efforts.

Effective oversight also depends on public awareness and access. We are expanding our efforts to engage more directly with the public and BART stakeholders, with a focus on increased understanding of who we are, what we do, and how our work serves the public interest.

We look forward to continuing our work on the public's behalf by listening, observing, and speaking up when it matters.

Claudette Biemeret

What We Do

We investigate indications of fraud, waste, or abuse of 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.

Value Added

We provide critical independent oversight of BART's programs, activities, and operations to assure the public that their tax dollars and rider fares are used in the manner intended. We leverage BART's efforts by applying our unique skills to ensuring that BART does its job well, spends wisely, and does what is right, for everyone.

OIG Core Values

Whistleblower Complaints

FY26 Midyear Highlights

Our fraud, waste, or abuse investigations resulted in noteworthy accomplishments and significant issues being addressed in the first half of fiscal year 2026.

12 Closed Investigations: We completed 12 investigations that addressed recurring risks tied to financial integrity, policy compliance, and oversight, often involving time and attendance issues, improper use of resources, and contracting vulnerabilities.

40 New Complaints: We received and evaluated 40 new whistleblower complaints, which is proving to be our new mid-year average, and opened 13 investigations into allegations of fraud, waste, or abuse – six of which we completed within the same period as received.

$1.7M Recovered: We determined contractors submitted $1.7 million in invoices for work that may not have been properly supported or verified under established procedures. Following our investigation, BART reached $1.7 million in combined settlements with the contractors.

$57.6k Recovered: We reported on EMS vendor false billing. The vendor often failed to staff two licensed EMTs as required under their contract with BART but billed BART for two EMTs regardless, resulting in $57,655 in improper payments. Our investigation led to the recovery of those public dollars and improved vendor oversight.

BSVII Oversight Gaps: We determined that communication and transparency gaps created governance risks for the BSVII project (BART to Silicon Valley Project Phase II) as it moves toward final design and construction. To address this, we recommended clearer public transparency and stronger communication with the BART Board.

Case Statistics All Years

complaints received	**358**
under investigation	**10**
investigated	**139**
forwarded	**76**
declined	**133**
substantiated	**55**
not/unsubstantiated	**60**
inconclusive	**24**

$1.98 Million Total Recovery Efforts to Date

Trends

Top Allegation Categories & Outcomes

Fraud, noncompliance, unprofessional conduct, and conflict of interest remain the leading allegation types that we receive, accounting for 66% (235) of 358 reported complaints. Notably, fraud remains the most prevalent issue. The remaining 34% (123) 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

93 Cases (26%): Time theft & contractor false claims are the most common types.

Status	Count
✅ Investigated	53
✓ Substantiated	26
❌ Not Substantiated	18
?? Inconclusive	9
🔍 Under Investigation	5
⛔ Forwarded/Declined	35

NONCOMPLIANCE

64 Cases (18%): Policy circumvention & unfair competition are the most common types.

Status	Count
✅ Investigated	33
✓ Substantiated	14
❌ Not Substantiated	16
?? Inconclusive	3
🔍 Under Investigation	2
⛔ Forwarded/Declined	29

UNPROFESSIONAL CONDUCT

52 Cases (15%): Harassment & inappropriate behavior are the most common types.

Status	Count
✅ Investigated*	8
✓ Substantiated	2
❌ Not Substantiated	4
?? Inconclusive	2
🔍 Under Investigation	2
⛔ Forwarded/Declined	42

CONFLICT OF INTEREST

26 Cases (7%): 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	7

*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: We obtained status updates from the District on efforts to implement recommendations from our fraud, waste, or abuse investigations. Since July 1, 2025, management has implemented 10 recommendations, including six issued during the first half of FY26. Three of the implemented recommendations involved recoveries totaling $78,905.

BART has implemented some of our more significant recommendations, e.g., adoption of a suspension and disbarment policy and recovery of funds lost to false time reporting or vendor claims. These are big wins for the public and important steps for accountability. Yet other recommendations remain open, in some cases for years:

- *4.5 Years Open:* In August 2021, we recommended developing training to assist employees in their fiduciary responsibility in reviewing and approving invoices. The intent, in part, was to help employees identify common invoice errors and methods by which vendors might attempt to or could submit false information. This remains unimplemented, and we continue to see issues with vendor billings.
- *3.8 Years Open:* In April 2022, we recommended BART update the Employee Code of Conduct to reflect applicable regulations and clearly define conflicts of interest and reporting requirements. This remains unimplemented, increasing the risk of inconsistent interpretation and reporting.

Head to the OIG News section to learn more about our upcoming report on the status of recommendations.

Investigation Recs

all years

total issued	**118**
accepted	**104**
not accepted	**10**
implemented	**91**
in progress	**13**
dropped	**4**

aged recommendations

< 1 year	**5**
1 to 3 years	**5**
> 3 years	**3**

Performance Highlights

Major Progress

Inventory Management: We are close to getting our inventory management audit across the finish line. Our report is in review and will soon be presented to BART management for review and response. This will put us in position to release the report in March 2026. Our audit focuses on inventory controls, tracking practices, and opportunities to strengthen accountability and efficiency.

Workers' Compensation: We are awaiting data needed to assess potential cost avoidance and to complete this audit. We aim to identify opportunities to improve workers' compensation program consistency, reduce BART's financial exposure, and strengthen a safety culture that supports employee wellbeing and responsible use of public funds. We expect to release the report in April.

Non-Revenue Vehicle: BART updated its take-home vehicle policy in response to our investigations into complaints alleging misuse of BART work trucks. As a result, we expanded the scope of our audit to include all non-revenue vehicles. After completing audit planning, we paused the work to focus on higher-priority projects and will resume the audit in March 2026.

Service Disruptions: We remain committed to completing our audit of the 2025 major service disruptions. We will complement BART's technical analysis by assessing broader contributors to those disruptions, and our work will help answer questions raised by BART Board Directors regarding patterns, risks, data quality, staffing, and decision-making.

An overview video explaining the public value of this audit is available on our website: bit.ly/3ZmTFCP

Current Audits

- inventory management
- workers' compensation
- non-revenue vehicles
- service disruptions

Updates

Recently Completed Audits

New Releases: We successfully wrapped up two major audits at the end of 2025 that focused on high-risk capital and construction activities.

- *Construction Contract Change Orders Audit:* We assessed the controls and oversight used to manage change order activity. BART generally follows its policies and shows a commitment to improvement, but structural gaps and system limits keep BART from using its data to spot risk and strengthen oversight.

  We released our report on November 6, 2025, with 12 recommendations to improve controls in this area over construction contract change orders. Management agreed to our recommendations.

- *Link21 Expenditures Audit*: We examined whether spending and contract management align with BART policy and best practices. Link21 is on track, but tighter controls and stronger administrative discipline would set it up for long-term success.

  We released our report on December 19, 2025, with 24 recommendations for stronger guardrails and assurance that public funds support well-managed, well-informed decisions on the Link21 Program. Management agreed to our recommendations.

Audit Recs

all years

total recommendations	**48**
accepted	**48**
implemented	**2**
in progress	**46**

aged recommendations

< 1 year	**41**
1 to 3 years	**5**
> 3 years	**0**

1.8 Years Open: In April 2024, we recommended BART maintain updated organization charts to clarify roles, reveal realignment opportunities, and identify redundancies, and for proper budget and resource allocation and risk management. This recommendation remains unimplemented.

Expenditures & Value

Strategic Use of Resources

$2.7 Million Budget: We continue to strategically allocate our budget to support independent oversight activities aligned with the District's highest-risk areas and our state mandate. We prioritized funding for audits, investigations, and specialized expertise necessary to address complex and emerging risks, and to strengthen our internal capacity and operational effectiveness.

As of midyear, we expended approximately 35% of our annual budget, reflecting the planned pacing of oversight work. While employee pay and benefits represent the largest share of expenditures, professional service contracts for audit and investigation work account for the next largest, with spending increasing as our work ramps up during the second half of the fiscal year.

Oversight Value & Impact: The value of our independent oversight extends far beyond direct cost recovery and avoidance. Through audits, investigations, and proactive engagement, we prevent misuse of public funds and promote corrective action before issues escalate.

To date, we have identified potential financial benefits exceeding $15 million and achieved almost $2 million in realized recoveries. These measurable outcomes represent only a portion of our overall impact. Like an iceberg, most of the value of our efforts are below the surface. Our work deters fraud and waste, and aids in the intangible value of public trust through strengthened accountability and continued transparency.

Spending Details

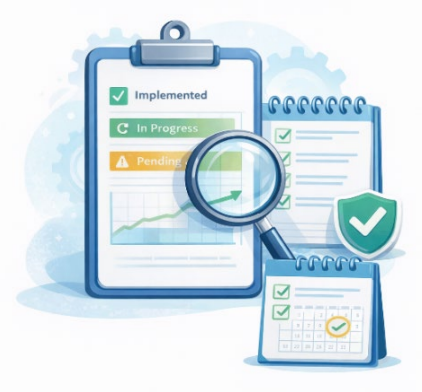
employee pay & benefits	**$746,344**
professional service contracts	**$140,485**
continuing education	**$18,466**
office admin. & supplies	**$3,180**

OIG Budget Allocation

workforce pay & benefits	**$1.72M**
consultants professional services	**$850k**
employee development training & memberships	**$43k**
office administration supplies & marketing	**$10.4k**

Monitoring Activities

Reporting Change & Rec Updates

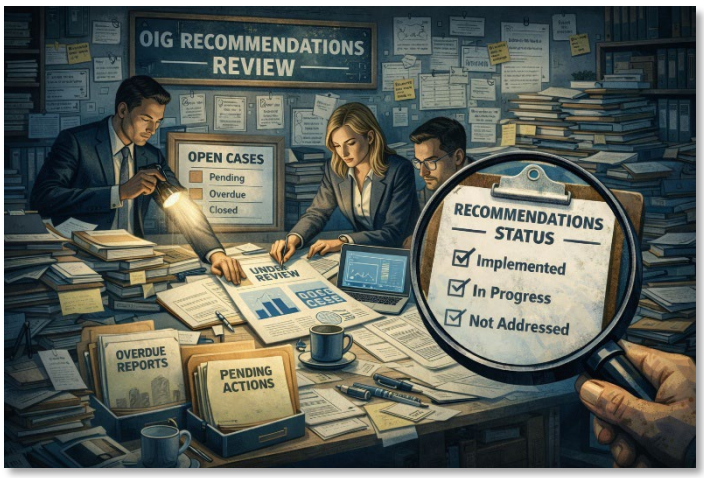


Recommendation Dashboard: The dashboard on our website offers detailed information about our recommendations and the District's stated efforts to implement them. It replaces the appendices we included in prior reports for ease of use given the volume of recommendations we have issued over the last five and a half years. It provides public access to all of our recommendations, including management's implementation status, and allows users to search by audit, investigation, or recommendation category. The dashboard is available on our website at bart.gov/oig.

Recommendation Status Report

Recommendation Follow-Up Review: During the next reporting period, we will conduct a targeted review of recommendation implementation efforts by testing selected recommendations reported as implemented and evaluating why older recommendations remain unimplemented. This independent assessment supports implementation effectiveness, accountability, and transparency by verifying whether corrective actions were implemented and whether they addressed the underlying risks and concerns we identified.

Our deep dive into the status of recommendations will also provide the Board and the public with a clear understanding of where things stand by assessing what has been completed, what remains in progress, and what has not yet been addressed. We intend to issue our report in the coming months.



This effort supports public assurance that our work leads to meaningful improvements, strengthens accountability, and produces measurable results. After all, we are here for the people.

Engagement & Quality

Hands On Learning

AIG Training Conference Participation & Presentation: OIG leadership and staff attended the 2025 Association of Inspectors General (AIG) Annual Training Conference, which provided opportunities for professional development, collaboration, and knowledge sharing with oversight professionals nationwide and globally. Inspector General Claudette Biemeret and Deputy Inspector General Jorge Oseguera represented BART OIG as conference presenters. Their session explored the challenges of building and sustaining independent oversight in government, drawing on professional experience and reinforcing the importance of independence, accountability, and public trust.

BSVII Site Visit: As part of our ongoing oversight activities, members of the OIG team conducted a site visit to the BART Silicon Valley Phase II (BSVII) project. The visit provided firsthand observation of construction progress and valuable context related to upcoming project milestones, including tunnel-boring activities. It also supported an active investigation, helping the OIG gain a clearer understanding of project conditions and issues relevant to the case. Site visits enhance the OIG's ability to conduct informed oversight of complex capital projects.

Strengthening the OIG

Investigative Auditor Recruitment: We are hiring an OIG Investigative Auditor to focus specifically on our whistleblower complaints. This role will boost our capacity to complete timely, high-quality investigations and address allegations of fraud, waste, or abuse. Recruitment is underway, and we expect to onboard our new hire before the end of the fiscal year.

Peer Review Update: Our external peer review has been postponed due to circumstances beyond our control. The oversight community remains significantly backlogged, as hundreds of federal, state, and local oversight agencies are seeking these quality assurance reviews. In the interim, we have strengthened our quality management framework and will continue to reevaluate and refine our procedures to better balance efficiency and effectiveness.

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

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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.

Appendix I: Definitions

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 not 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.