SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
INDEPENDENT OFFICE OF THE INSPECTOR GENERAL

$62K RECOVERED FROM UNPAID PARKING PERMIT FEES

INVESTIGATION RESULTS

An auto-manufacturing corporation agreed to pay BART $62k for its use of parking spaces to store predelivery vehicles at a BART parking garage in May and June 2024. We determined that the District was due the payment because the corporation did not notify BART of its intent to expand its use of the BART parking garage, resulting in an underpayment of parking permit fees. Our conclusion is based on interviews with BART officials and our extensive review of BART records, emails, and the permit agreement and amendments.

In response to our preliminary investigation results, BART officials increased monitoring of the BART parking garage and engaged the corporation to recover the underpayment and execute an amendment to the permit agreement. During their discussions, BART officials informed the corporation that we had obtained video evidence of the corporation's use of parking spaces in May and June 2024, and that we noted that the corporation did not submit payments for those months. Having considered this information, the corporation agreed to pay for their use of the BART parking garage during the two months in question.

BART and the corporation agreed to and accepted a second amendment to the contract on March 3, 2025, which includes a provision for a one-time retroactive payment of $62,580 for the parking spaces that the contractor used in May and June 2024.

RELEVANT LAW

The BART Code of Ordinances (§ 17-203 to 17-206) places limitations on parking at BART facilities for periods beyond 24-hours, and the California False Claims Act (CFCA) (Government Code § 12650 – 12656) holds people and entities liable for knowingly withholding money owed to a municipality.

WHY THIS INVESTIGATION MATTERS

BART's infrastructure and parking lots are a public resource and private use of them demands fair market reimbursement to the District and its riders. Failure to collect revenue and fees for the use of District property is a missed opportunity for alternative, non-public funding sources.

Ensuring vendors, contractors, and BART officials alike adhere to contract terms provides assurance to the public that those contracting with the District fulfill their obligations to the public.

ALLEGATION IN BRIEF

We received an allegation of misuse of District property and launched an investigation to determine whether there was an appropriate agreement in place for the use of BART's parking garages. While we determined agreements were in place, we found that there was a failure to adhere to the terms of one agreement and to pay a proper remittance to the District for the use of its property.

RECOMMENDATIONS

There are no recommendations associated with this report as the underpayments are being recovered.

OIG Reporting Requirement & Disclosure Practices

We are providing this report to comply with California Public Utilities Code § 28841, which requires that we keep BART administration, the Board of Directors, and the public informed of our fraud, waste, or abuse investigation findings and recommendations.

We identify those involved in our investigations in only limited circumstances. This avoids violating privacy and confidentiality rights granted by law and creating unwarranted actions against those involved with our investigation. The decision to provide names is made on a case-by-case basis and considers all elements of an investigation. This practice does not prevent individuals from requesting documents under the California Public Records Act (CPRA). However, such disclosures may be restricted or limited by law. The case described in this report is associated with case number 237-2024.

Background & Investigation

On September 14, 2023, BART entered into a permit agreement with an auto-manufacturing corporation for the use of the fifth floor of a BART parking garage until August 31, 2024. Payment terms required the corporation to pay $105 per space, per month for the use of the 260 spaces on the fifth floor of the garage, or $27,300 a month. Although the agreement identifies the number of parking spaces the corporation may use, payment terms are based on use of the entire fifth floor of the garage regardless of how many spaces used, per day, in any given month. BART relied on its Community Service Officers (CSO) to monitor the garage.

The BART parking garage permit agreement was part of BART staff's effort to make use of underused BART parking garages during the COVID-19 pandemic, and it offered the corporation a solution for storing its inventory that exceeded its available space. BART also entered into a permit agreement with the corporation for the use of a second parking lot. Payment terms required the corporation to pay $105 per space, per month for the use of up to 900 spaces at the second parking lot, or up to $94,500 per month. District staff reported that since June 2021, BART has received $4M in parking fees under the two permit agreements.

From March to July 2024, we conducted random site observations at the BART parking garage and found that the corporation used more than its allotted 260 spaces on the fifth floor in March, May, and June. When presented with our preliminary findings, the corporation called attention to an existing amended agreement increasing the number of parking spaces they could use to 558 (260 spaces on the fifth floor and 298 spaces on the fourth floor) from January 10, 2024, to March 31, 2024. As with the original agreement, payment terms were based on use of the entire fifth and fourth floors regardless of how many spaces were used in any given month. Total cost for the fourth floor was $31,290 using the $105, per-space, per-month formula. The amendment also allowed the corporation to extend the use of 558 spaces beyond March 31, 2024, by written notice to the District. The corporation did not provide that notice, resulting in an underpayment for the use of the fourth floor in May 2024 and June 2024 in the amount of $62,580. In mail exchanges with BART, the corporation acknowledged internal miscommunication on the use of the BART parking garage. BART officials negotiated with the corporation on a second amended agreement that included a provision to recoup the $62,580. Both parties accepted the terms.

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