



San Francisco Bay Area Rapid Transit

Office of the Inspector General Status Update on Recommendations

May 2026



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INSPECTOR GENERAL MESSAGE

I am presenting this report to provide an update on the implementation of recommendations issued by the Office of the Inspector General (OIG), including those that have remained open beyond expected timeframes. Using a risk-informed approach, we conducted targeted testing of select recommendations identified as implemented to determine whether corrective actions have been effectively implemented and sustained. This independent verification highlighted where management is making meaningful progress, as well as instances where actions may not be fully implemented or have not been maintained.

Overall, BART has made progress in addressing OIG recommendations. In several areas, management has taken action to strengthen internal controls, improve processes, and mitigate identified risks. Our follow-up work shows that many corrective actions remain in place, demonstrating that recommendations can be successfully integrated into operations.

Yet, progress has been uneven. Several recommendations remain open, including some that have been outstanding for multiple years. In some cases, corrective actions are still in progress without clearly defined timelines, limiting accountability and delaying resolution of underlying risks. Long-standing items, such as updates to the Employee Code of Conduct, continue to highlight challenges in completing key governance-related improvements.

Likewise, some previously implemented recommendations were not sustained and required reopening. This underscores a crucial point: implementation is not a one-time effort. Without ongoing monitoring and reinforcement, corrective actions may weaken over time, reducing their effectiveness and allowing risks to persist.

Taken together, these results indicate an opportunity to strengthen BART's approach to implementing and embedding corrective actions. To support this effort, we recommend that the BART Board of Directors direct the General Manager to ensure the timely implementation of OIG recommendations and to provide periodic reporting to the Board on the reasons for delay and expected timelines for completion.

Respectfully,

Claudette Bimoret

AT-A-GLANCE INSIGHTS



81% TESTED RECS
SUCCESSFULLY SUSTAINED



13 RECS
2+ YEARS OPEN



6 RECS
REOPENED



1 NEW REC
ISSUED

Ongoing Risk Exposure:

Higher costs - Control failures - Reputational impact

 Financial Risk <i>Avoidable Costs</i> RISK EXPOSURE excess spending - disallowed costs	 Operational Drag <i>Efficiency Loss</i> RISK EXPOSURE wasted staff time - compliance risk	 Control Erosion <i>Resilience Failure</i> RISK EXPOSURE confusion on requirements - performance risk	 Strategic Impact <i>Cumulative Weakness</i> RISK EXPOSURE poor program integrity - vendor distrust	 Public Trust <i>Confidence Loss</i> RISK EXPOSURE stewardship failures - low voter support
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Key Recommendations Open 2+ Years

Themes: no timeline | no implementation plan

Policy Open since 2022 4 years

Employee Code of Conduct updates

revisions continue to be in progress — no defined completion timeline established

Procurement Open since 2023 3+ years

Procurement controls for subconsultants

process drafted but not finalized or implemented — no timeline provided

Infrastructure Open since 2024 2+ years

Infrastructure planning for safety improvements

work underway — no formal timeline or cost estimate presented to the Board

Resources Open since 2024 2+ years

Span of control framework

corrective actions encouraged — no concrete directive

Board Recommendation: Direct the General Manager to ensure the timely implementation of OIG recommendations and to provide periodic reporting to the Board on the reasons for delay and expected timelines for completion.

RECOMMENDATION FOLLOW-UP

The Process

Why Follow-Up?

Following up on the status of recommendations supports public assurance that our work leads to meaningful improvements, strengthens accountability, and produces measurable results. It also provides independent verification that corrective actions have been implemented and are operating as intended. When recommendations remain unimplemented or are only partially addressed, BART continues to be exposed to underlying risks, including operational inefficiencies, control weaknesses, and financial loss.

Semiannual Recommendation Follow-Up: On a semiannual basis, we require BART management to provide updates on the status of open recommendations along with evidence supporting implementation as of the OIG's last reporting period. We review the updates and evidence to assess progress and determine whether corrective actions are sufficient.



This Report: In addition to our regular semiannual follow-up process, we conducted a targeted review of selected recommendations reported as implemented and assessed why older recommendations remain unimplemented. This independent assessment strengthens accountability and transparency by verifying whether corrective actions were effectively implemented, sustained over time, and responsive to the underlying risks identified.

Our analysis provides the BART Board of Directors and the public with a clear, evidence-based view of the status of OIG recommendations—what has been completed, what remains in progress, and what has not been addressed. It also identifies recommendations that have remained open for extended periods and highlights where delays, incomplete actions, or the absence of defined timelines continue to expose the District to operational, financial, and compliance risks.

Recommendation Dashboard: The dashboard on our website provides detailed, publicly accessible information on the OIG's recommendations and the District's reported implementation efforts. It includes the status of all recommendations and allows users to search by audit, investigation, or recommendation category, enhancing transparency and usability. The dashboard is available on our website at bart.gov/oig.

RECOMMENDATION FOLLOW-UP

Benefits

172 OIG Recommendations Issued;
Over \$15 Million in Potential Benefits - Nearly \$2 Million Realized

Our recommendations yield both financial and non-financial benefits for BART. While some benefits, such as improved controls, are not easily quantifiable, they reduce risks related to fraud, waste, and abuse. The realization of potential benefits depends on management decisions and actions and does not represent a guaranteed outcome. To date, we have identified **more than \$15 million** in potential benefits, of which **nearly \$2 million** has been realized.

One of the most significant outcomes was the successful implementation of a Chief Financial Officer (CFO) structure. BART’s adoption of a CFO structure marked a major step forward in strengthening financial governance. By consolidating financial functions under a single executive, BART aligned with industry best practices and improved oversight, coordination, and strategic decision-making.

Another key outcome was the implementation of a suspension and debarment policy, addressing a longstanding gap in BART’s vendor accountability framework. Prior to this, BART did not have a formal policy to exclude contractors for fraud, misconduct, or poor performance, an approach that differed from many peer transit agencies, where such policies are standard practice and considered essential to protecting public funds. The new policy strengthens BART’s ability to mitigate and prevent high-risk entities from continuing to do business with the District.

Recommendation Categories	
Internal Control Issues	55
Compliance	46
Potential Fraud	26
Transparency & Accountability	14
Efficiency & Effectiveness	13
Conflicts of Interest	10
Abuse of Position	5
Wasteful Practices	3
Total	172

FINANCIAL RESULTS

\$2M Realized Benefits

Tangible returns from OIG work.

FINANCIAL LEADERSHIP

CFO Structure

Unified oversight & accountability.

VENDOR ACCOUNTABILITY

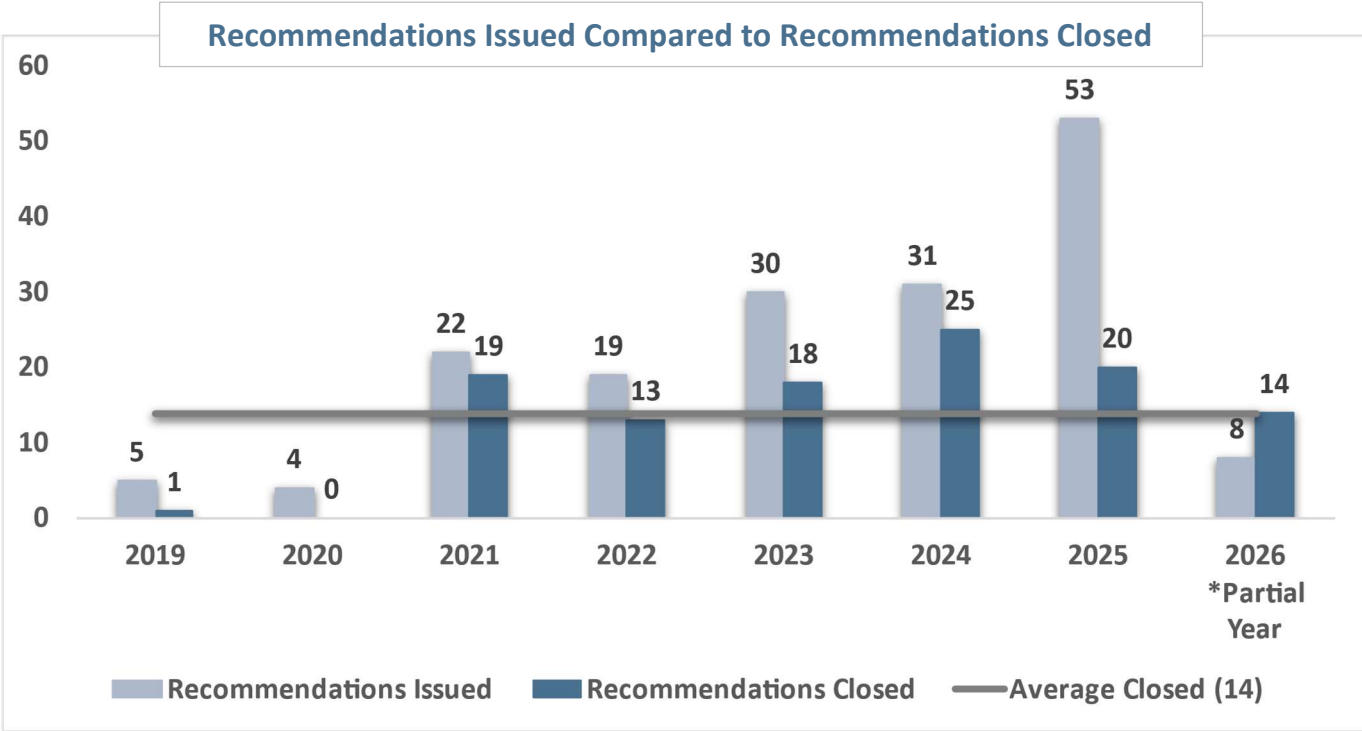
Suspension & Debarment

Protecting public funds by excluding bad actors.

RECOMMENDATION FOLLOW-UP

Trends

Growing Number of Open Recommendations: As shown in the figure below, the number of open recommendations has steadily increased, indicating a growing backlog of unaddressed corrective actions. Some lag between issuance and implementation is inherent to the oversight cycle. Nonetheless, our broader analysis shows that several recommendations have remained open for over two years, indicating delays in addressing underlying risks.



Recommendations Dropped, Externally Dependent, or Declined

Dropped	Pending DA Action	Unaccepted
5 We dropped five recommendations because they were no longer feasible or otherwise addressed, making them obsolete. These recommendations are closed.	2 Two recommendations are pending action by the San Mateo County District Attorney’s Office. They remain open while BART waits for the DA’s results.	10 BART declined eight recommendations and the Board of Directors declined two. In doing so, they accepted the associated risks, and the recommendations are closed.

OPEN RECOMMENDATIONS

SNAPSHOT

Metrics

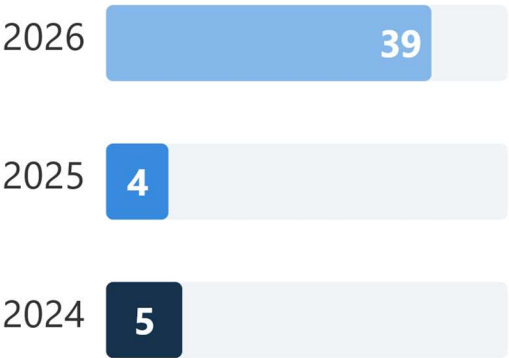
63 TOTAL OPEN RECOMMENDATIONS unresolved corrective actions	48 AUDIT RECOMMENDATIONS from performance audits	15 INVESTIGATION RECOMMENDATIONS from fraud, waste, or abuse reviews
13 OPEN MORE THAN 2 YEARS extended implementation delay	4 yrs., 8 mo. OLDEST OPEN RECOMMENDATION longest unresolved item	5 CODE OF CONDUCT RELATED ethics & governance exposure

Open recommendations have increased faster than recommendations closed, contributing to a growing backlog of unresolved corrective actions.

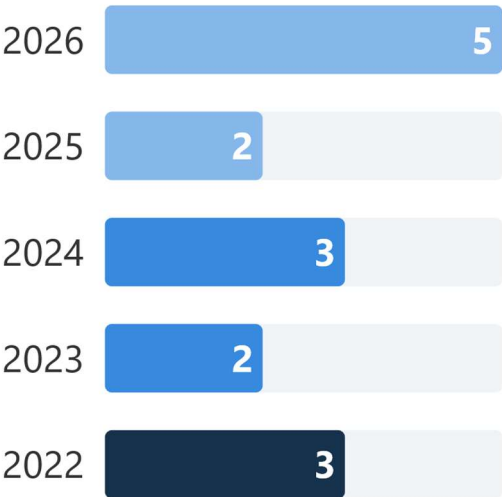
Extended implementation delays may increase exposure to operational, compliance, financial, and governance risks.

Distribution of Open Recommendations by Fiscal Year

Audits (48)



Investigations (15)



OPEN RECOMMENDATIONS

Aging Analysis - Investigations

While many open recommendations are recent, several recommendations, particularly from investigations, have remained open for multiple years. As implementation is delayed, the underlying risks remain unaddressed: control weaknesses, compliance gaps, and operational inefficiencies. Our follow-up identified several recommendations that remain open due to incomplete corrective actions or the absence of defined timelines and finalized implementation plans.



⚠️ Employee Code of Conduct Remains Outstanding ⚠️

Five open recommendations relate to updates to the Employee Code of Conduct, first identified in April 2022. These recommendations address how BART defines and communicates expectations related to employee conduct, including gratuities and conflicts of interest.

While management has taken steps toward implementation, the updates have not been finalized. Over multiple reporting periods, management has consistently indicated that revisions remain in progress, and no estimated timeline for completion has been provided.

The continued delay limits the District's ability to provide clear, consistent guidance and increases the risk of inconsistent practices and potential non-compliance with ethics requirements.



Delayed Implementation of Procurement Controls

A February 2023 recommendation to implement a standardized form requiring justification for subconsultant additions remains open. While a draft form has been developed, management has not provided a timeline for implementation.

Although initial steps have been taken, the form has not been finalized or integrated into contract management processes. Without implementation of this control, risks remain related to transparency, fairness, and oversight in subcontracting practices.



Lack of Defined Timeline for Infrastructure Work

A March 2024 recommendation requires BART to provide the Board with a timeline and cost estimate for completing lighting improvements. While work is ongoing, a formal plan, timeline, or cost estimate has not been provided.

Although efforts are underway, the absence of documented planning information limits visibility into the scope, timing, and cost of the work and reduces the Board's ability to effectively oversee progress.

OPEN RECOMMENDATIONS

Aging Analysis - Audits

Most of our audit recommendations are recent – 39 (76%) were issued in fiscal year 2026 alone – so it is not surprising that they are still in progress. That said, the five recommendations from our April 2024 span of control audit remain unresolved. Management’s proposed corrective action relies on a mass communication that encourages action by staff rather than concrete steps to ensure organizational charts clearly define employee responsibilities. Without that clarity, opportunities to rebalance workloads and control costs will likely remain unrealized.

Span of Control Audit

Why Org Charts Matter Especially in Crisis Conditions

Resource Allocation & Gap Identification

Accurate org charts clarify critical roles, reveal realignment opportunities, and identify redundancies.



Managing Risk & Continuity Planning



Visualizing dependencies helps mitigate operational risk, identify bottlenecks, and prepare for staffing changes.

Transparency & Stakeholder Trust

A visible structure supports clear, defensible decisions when engaging unions, boards, or the public.



Strategic Budgeting



Org charts guide smarter workforce investments by linking structure to service impact, even under financial constraints.

BART is managing billions in public resources without comprehensive organizational mapping, risking inefficiencies, control gaps, and diminished public trust.

While detailed organizational charts are always valuable for strategic decision-making, the need is especially urgent now. Comprehensive charts, spanning executive leadership down to departments and cost centers, that clearly link positions to budgeted functions and staffing levels will tie authority, resources, and accountability together in a single, coherent view – or blueprint.

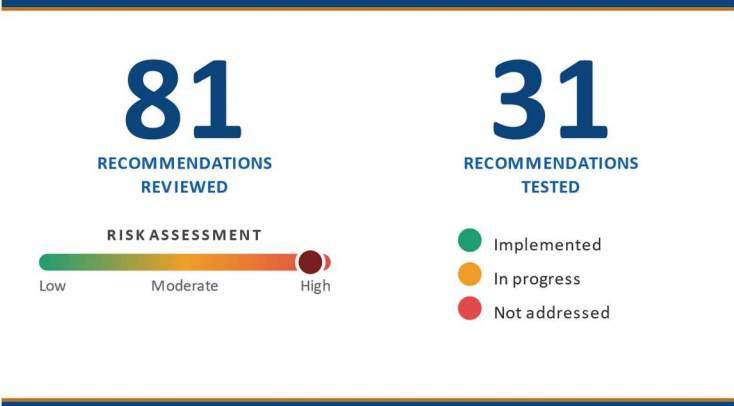
Absent this clarity, BART faces increased risk of misaligned staffing, inefficient allocation of resources, and unchecked organizational growth. It also limits management’s ability to identify redundancies, rebalance workloads, and make informed budget decisions.

This lack of transparent organizational mapping reduces visibility for the Board and the public, weakening accountability and increasing the risk that significant financial and operational decisions are made without a clear understanding of their full impact.

CLOSED RECOMMENDATIONS

Results of Testing

Selection of Recommendations to Test



Risk Assessment: We reviewed the 81 recommendations that were implemented by BART management and assessed risk to determine where to focus our resources. Based on this risk assessment, we selected 31 recommendations to test. Selected recommendations address risks related to information technology, recruitment, procurement, timekeeping, conflict of interest, personally identifiable information, and inventory.

While testing, we noted instances where BART issued workplans under expired contracts and, in one instance, under the incorrect contract. We intend to evaluate the workplan review and approval process in our future audit work.

81% of Recommendations Remain Implemented

Results of Testing: Overall, 81% of recommendations we tested remain implemented. We reopened six recommendations based on testing results that showed either recommendations were no longer implemented or only partially implemented. Each reopened recommendation is listed below with descriptions of our testing, results, and the District’s response. We will resume follow-up on these recommendations during our semiannual recommendation follow-up process.

For two recommendations, we received limited responses from the District, preventing our assessment of implementation effectiveness. We concluded these recommendations were implemented based on the limited responses, however, their effectiveness remains uncertain.

	Information Technology (2)	100%
	Recruitment (4)	100%
	Procurement (14)	93%
	Timekeeping (5)	80%
	Conflict of Interest (2)	50%
	Personally Identifiable Information (2)	50%
	Inventory (2)	0%

REOPENED RECOMMENDATIONS

Report: Misunderstanding of the NASPO Program Led to BART Making Purchases Without Proper Contracts in Place

Issued: August 13, 2021

- Risk: unauthorized spending + waste
- Categories: cost savings + compliance

Recommendation #1: 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.

This recommendation was issued in August 2021 and originally implemented in December 2021.

Unimplemented: According to training records provided by staff, training was provided in 2021. However, recurring training was never assigned to employees.

District Response: According to the District, Procurement is currently working with Human Resources to develop a Pathlore training module for employees who generate purchase requisitions and dispatch purchase orders across the district.

Report: Summary of Time Theft Investigations Issued: April 8, 2022

- Risks: cost overruns + time theft + staffing gaps
- Categories: compliance + continuity + budgeting

Recommendation #1: 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.

This recommendation was issued in April 2022 and originally implemented in January 2024.

Partially Unimplemented: We reviewed calendar year 2025 timesheets and comments for a sample of SEIU union stewards for compliance with the applicable Letter of Understanding. We found issues with a large number of entries including lack of or incorrect time reporting codes and lack of or missing information in comments.

District Response: According to the District, Labor Relations has drafted a memo to management to address these items and provide further clarification. The District anticipates full implementation within three payroll cycles of issuing the memo.

REOPENED RECOMMENDATIONS

Report: Unattended Storeroom Access Procedure is Outdated

Issued: January 6, 2021

→ Risks: delays + waste + theft + loss

→ Categories: cost reduction + work enhancement

Recommendation #1: Update the *Issues – During Unattended Stores Hours* procedure to align with current practices, positions, and automated systems.

This recommendation was issued in January 2021 and originally implemented in July 2021.

Unimplemented: As part of an ongoing performance audit, management identified issues with employees following procedures when storerooms are unattended.

District Response: According to the District, Procurement has scheduled a meeting for the week of May 11, 2026, with Rolling Stock and Shops and Maintenance and Engineering management, whose staff access storerooms, to develop a collaborative solution to address this item.

Report: Unattended Storeroom Access Procedure is Outdated

Issued: January 6, 2021

→ Risks: delays + waste + theft + loss

→ Categories: cost reduction + work enhancement

Recommendation #2: Provide employees with the updated *Issued – During Unattended Stores Hours* procedure and enforce its use. Follow appropriate performance evaluation actions when employees fail to follow the procedure.

This recommendation was issued in January 2021 and originally implemented in July 2021.

Unimplemented: As part of an ongoing performance audit, management identified issues with employees following procedures when storerooms are unattended.

District Response: According to the District, Procurement has scheduled a meeting for the week of May 11, 2026, with Rolling Stock and Shops and Maintenance and Engineering management, whose staff access storerooms, to develop a collaborative solution to address this item.

REOPENED RECOMMENDATIONS

Report: Potential Conflict of Interest May Require Voiding a \$40 Million Construction Management Contract and Not Paying \$5.4 Million of Invoices Issued: April 8, 2022

→ Risks: unfair competition + favoritism
→ Categories: compliance + ethics + fairness

Recommendation #7: 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.

This recommendation was issued in April 2022 and originally implemented in April 2022.

Unimplemented: According to training records provided by staff, nearly all employees completed this training in 2022. However, recurring training was never assigned to employees and very few employees have completed the training since 2022.

District Response: According to the District, the District Secretary's Office is working with Human Resources to switch from a one-time to a recurring training. They are working to have automatic tracking and minimize confusion among employees.

Report: No Indication that Release of Personal & Private Information was Willful Issued: June 20, 2023

→ Risks: damaged reputation + litigation
→ Categories: compliance + transparency

Recommendation #3: 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.

This recommendation was issued in June 2023 and originally implemented in July 2023.

Unimplemented: We requested screenshots of department folders for a sample of PRAs. Staff responded that department folders were not used for any PRAs in the sample.

District Response: According to the District, the District Secretary's Office is working on an update to staff instructions so that department folders are utilized. Processes for staff uploads and email extractions may differ due to system upload limitations.

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