

# ACTIVITIES REPORT

## October 2020 – December 2020

### Office of the Inspector General

#### Fraud, Waste, and Abuse Investigations

The OIG investigates indications of fraud, waste, or abuse regarding BART's programs, operations, and suppliers. Employees, contractors, and citizens are encouraged to report their observations.

Every individual, regardless of religion, race, immigration or documentation status, or national origin, is safe to obtain assistance from the OIG.

#### Audits

The OIG conducts performance audits that contribute to public accountability and transparency by providing independent and objective analysis of the efficiency and effectiveness of BART programs, operations, and activities.



#### Message from the Inspector General

It has been a year like no other. Like so many of you, I started off 2020 looking forward to what the new year would bring. Well, it brought more than I think any of us could have imagined. Never did I think I would find myself rethinking how to do day-to-day business in the midst of developing my office's foundation. I had been the Inspector General less than a year when I found myself wondering how my office could accomplish its goals while also responding to the plea of public health officials to work remotely for the sake of others who do not have that option and for the greater good.

I am proud that my office rose to the challenge and made it work and work well. It is no surprise that we did because the greater good is what guides us in our work every day. It leads us to making the right moral and ethical choices even when it is hard. We never missed a beat in adapting to a remote work environment and kept our projects on track. We even learned a few tricks to help us be more effective. We are better for it.

We did have our share of setbacks when it came to gaining acceptance of our role as an independent function of BART. I am happy to report that we have made progress. Our working relationship with management has improved, and I believe that the road forward will be smoother. That is great news with which to start the new year.

I am excited to continue my journey into 2021 as your Inspector General. I wish you all a very Happy New Year. May it bring you good health and an abundance of good fortune. Cheers!

*Harriet Richardson*

## Accomplishments



It has been another productive quarter. There is no end in sight to the work we must do with new investigations coming in faster than we can complete the ones we have in progress. The workload is challenging and at times overwhelming with a staff of just two, yet we successfully managed our workload to move priority investigations and projects forward while also completing some lower risk investigations to control our case load. Our working relationship with BART management has improved and we are seeing that our role as an independent function is being better accepted. That has had a positive impact on our ability to achieve our accomplishments. This quarter we:



- Moved our districtwide risk assessment forward. Our consultant has now met with leadership from the departments with the most substantial roles within the District. We participated in the meetings as part of managing the project, which helped us better understand the District's vulnerabilities and get an indication as to the areas we might add to our audit plan.



- Completed a tour of BART tunnels as part of follow up to our M-Line Tunnel Lighting Project investigation. This allowed us to observe the functionality and condition of the tunnel lights in comparison to management's statements.



- Completed charters for the Audit Committee and the Office of the Inspector General. Both are expected to go to the Board of Directors for approval in January 2021. Our work on the Audit Committee charter was done in successful partnership with the Office of Performance and Budget and the Office of the Controller-Treasurer.



- Worked on an update of the District's Whistleblower Policy so that BART employees understand their obligation to report suspected or known instances of fraud to our office and that they are protected from retaliation when doing so.



- Completed a Request for Quotations and selected a consultant to assist our office in a fraud investigation. We are in the process of formalizing our selection so that we may officially award the contract to our selected consultant.



- Evaluated candidates for our new Principal Investigative Auditor and sent our scores to Human Resources to tally and then make a job offer to the highest-ranking candidate.



- Gave a presentation to Union Presidents to provide them with an overview of who we are and what we do and explain our statutory mandate to conduct both audits and investigations.



- Completed an investigation into BART's procedures for accessing unattended storerooms. We expect to release the report and present it to the Audit Ad-Hoc Committee in January 2021.



- Released four investigations and presented our results to the Audit Ad-Hoc Committee. We shared our conclusions regarding allegations of inflated computer pricing, unfair recruitment and staffing practices, and inappropriate use of promotional BART tickets.



- Received and evaluated 14 new complaints:
  - Six cases accepted as investigations: one completed and pending release
  - Two cases declined due to insufficient information
  - Two cases identified as a duplicate of an existing case
  - Four cases forwarded to other departments: two the wrong number and two personnel issues

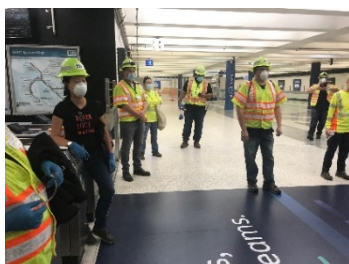
## Major Activities

### Risk Assessment Well Underway – Audit Plan Coming Soon

We last reported to you that management halted our districtwide risk assessment saying that certain topics within it did not fall under our purview. We are pleased to report that we resolved that misunderstanding and have been successful in moving the risk assessment forward with cooperation from BART management and employees who have been actively participating in the meetings that are key to informing the risk assessment. Our consultant, TAP International, has now met with leadership from the 12 departments we identified as having the most substantial impact on BART administration and operations. In all, TAP held 24 meetings. We sat in on those meetings to oversee the project and ask additional questions, and in the process, we gained a great deal of insight into BART’s functions and its vulnerabilities. TAP is currently finalizing their analysis and is on track to release their final report in early 2021. The risk assessment will inform our audit plan, which will map out our performance audits for the next two to three years.



Our districtwide risk assessment will inform our audit plan for the next two to three years.



BART Operations led a tour of BART tunnels, allowing Inspector General Harriet Richardson and Board Directors Bevan Dufty, Mark Foley, Janice Li, and John McPartland to observe tunnel lighting.

### Tour into BART Tunnels

One of the more interesting aspects of investigations and audits is getting to learn how things work. As follow up to our M-Line Tunnel Lighting Project investigation, we participated in a late-night tour of BART tunnels to observe the functionality of the lights proposed for use in the tunnels in comparison to management’s and the complainant’s statements regarding those lights. Physical observations are often an important component of investigations to prove or disprove allegations made in complaints we receive. We are not yet ready to share details of our follow-up work because our follow-up investigation is still in progress. We will present our investigation results in a future report after we receive the information we need and have provided management an opportunity to review and respond to our follow-up findings.

### Charters Headed to the Board of Directors

The Audit Ad Hoc Committee voted to sending the new charters for the Audit Committee and the Office of the Inspector General (OIG) to the BART Board of Directors for approval. We are pleased the Committee accepted both charters and appreciate the Office of the Controller-Treasurer and the Office of Performance and Budget for working with us on the Audit Committee Charter. We modeled our own charter after other Offices of Inspectors General to capture the best practices of those agencies. The new charters specify the function and authority of the Audit Committee and the OIG and define their responsibilities. Both are scheduled to go the Board on January 14, 2021.



Charters for the Audit Committee and Office of the Inspector General are headed to the BART Board of Directors for approval.

## Major Activities

### Updated BART's Whistleblower Policy

We updated BART's Whistleblower policy to add the roles of the Office of Civil Rights, Office of the Independent Police Auditor, and Office of the Inspector General all of which have a responsibility in handling complaints against the District. We also strengthened the policy by changing the title to indicate it is also an antiretaliation policy, by aligning the definition of misconduct with the California Government Code, and by stating that consultants and contractors are also expected to comply with applicable laws, regulations, and District policies and procedures. We are working to determine who should handle complaints about our office and personnel and will incorporate that information into the updated policy before presenting it to the Audit Ad-Hoc Committee for discussion.



Updated Whistleblower Policy clarifies the roles and responsibilities of BART's oversight functions.



We are working on a fraud investigation and bringing in a consultant in early 2021 to assist with our analysis.

### Consultant Selected to Assist in Fraud Investigation

We selected a consultant to assist us in conducting a fraud investigation. We evaluated proposals from six consultants using a weighted scoring model. Our selected vendor has the analytical and technical expertise necessary to assist in the fraud investigation. We are currently working with BART's procurement team to complete the required contract and officially award it to the consultant. Our Assistant Inspector General is managing the project and has already started work on the investigation. This is the first step of many to address the complaints we have received that allege fraud within the District and require resources that exceed our office's current staffing capacity.

### Informed Union Leadership on our Role

The General Manager invited us to give a presentation at his regular meeting with the Union Presidents to provide them with an overview of our role and effectively communicate it with their members. We gave an overview of who we are, what we do, and how we came to be. We also discussed that investigations and audits have the same goal, though different methodologies, and shared the concepts of independence, integrity, objectivity, confidentiality, professionalism, and ethics. We appreciate the General Manager's invite and the opportunity to provide Union leadership with information about our office and responsibilities.



Presented an overview of our office to Union Presidents.



Presented four [reports](#) and completed a new investigation.

### Fraud, Waste, & Abuse Investigations

We shared the results of our investigations into standard computer pricing, recruitment and staffing practices, and use of BART promotional passes to the Audit Ad-Hoc Committee as planned. We also completed a new investigation of BART's procedures for allowing access into unattended storerooms. We will present the results of that investigation to the Audit Ad-Hoc Committee in January 2021.

## Next Steps

### Onboard New Principal Investigative Auditor

We completed our evaluation of candidates for a new Principal Investigative Auditor and sent our individual ratings to Human Resources to tally the score for the highest-ranking candidate. We expect Human Resources to be able to make a job offer in January 2021 so that we may introduce our new staff member in our next activities report. We are excited to have the added help and are looking forward to the talent, experience, and skills our new hire will bring to our office. With our new addition, we are on track to launch more investigations, making 2021 a highly productive year.



Our new employee is on the way.



In coordination with BART General Counsel and Labor Relations, we will meet with Union leaders to further explain our role and responsibilities.

### Continue to Inform Union Leadership

Union Presidents would like clarification on how their members' representation rights intersect with our investigations and audits. We will be meeting with them to discuss our legal obligations and further explain our processes and standards, and our role as an Office of the Inspector General. BART's Labor Relations and General Counsel will assist in our discussions. Our goal is to avoid any hindrances to our investigations while still ensuring employees maintain their rights as required by law.

### Investigation Caseload Management

Since we announced to employees that our new Whistleblower Hotline is in place, more complaints are coming our way. A major task for our office is to balance our workload so that we promptly address high-risk cases and avoid an excessive case backlog, while still completing other projects and administrative work. We currently have 13 cases in various stages of investigation and will prioritize open cases once our new Principal Investigative Auditor is onboard. There are themes to the types of allegations we are receiving from complainants that we believe we can further address through performance audits and will use that information along with the risk assessment to inform our audit plan.



We are working to stay ahead of our caseload and launch high-risk investigations.



Whistleblowers are protected from retaliation.

### Education & Whistleblower Protection

Two issues with hotlines are receiving complaints that fall outside our purview or lack of enough information for us to launch an investigation. A key future project for our office is developing educational material so people know what type of concerns to bring to our attention and understand the confidentiality under which we work. The latter will help ensure that complainants are comfortable providing their contact information, which will allow us to reach out to them to get more information. We also want people to know that they are protected from retaliation. Several people told us they fear retaliation for talking to us or reporting their concerns. We keep in close communication with our complainants regarding any treatment that may be retaliation.



**Office of the  
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**Providing Independent  
Oversight of the District's  
Use of Revenue**

**Stop Fraud, Waste, and Abuse  
Report What You See to the OIG**



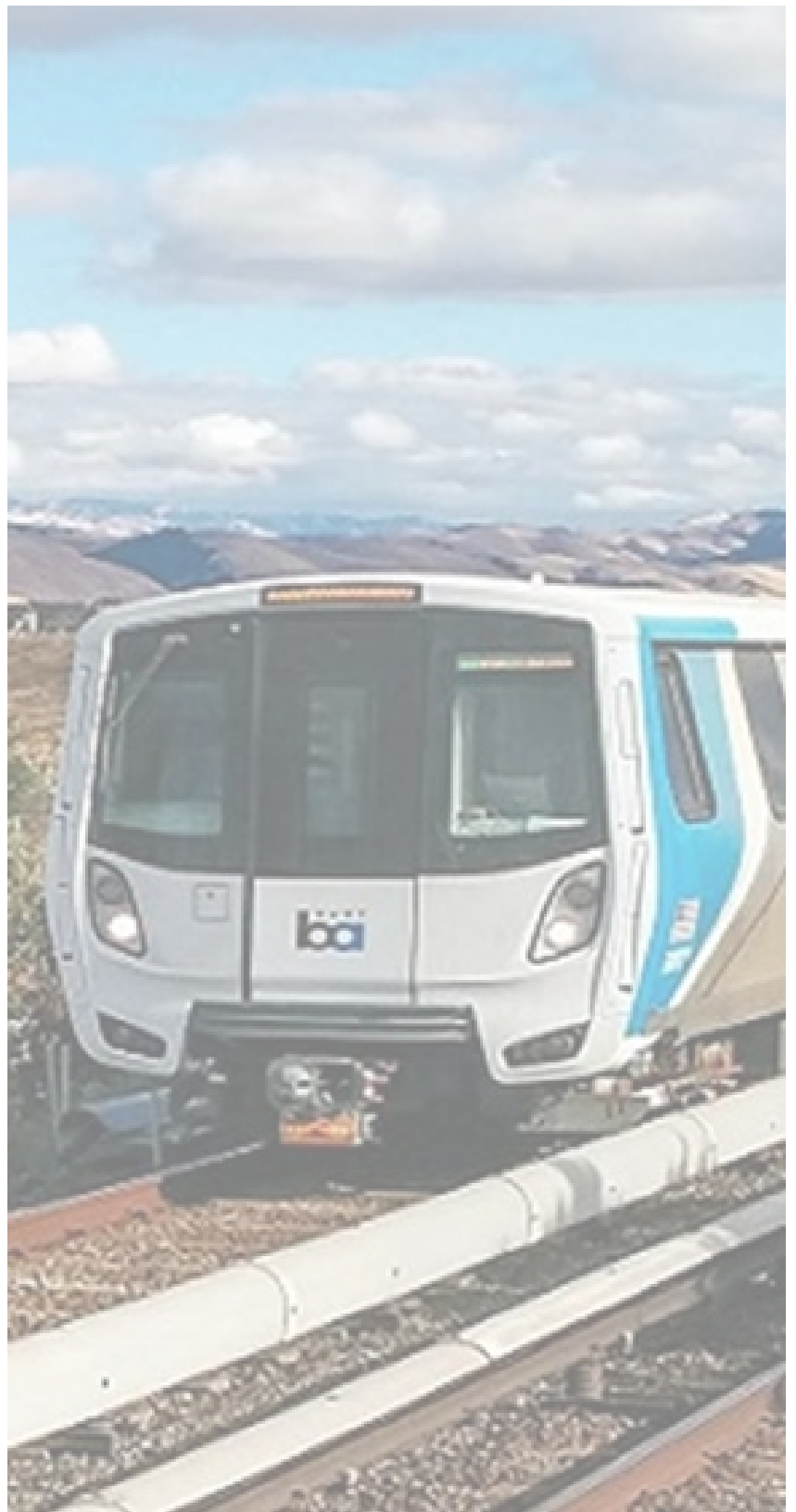
**24/7 Fraud, Waste, & Abuse  
Whistleblower Hotline**



[www.bart.gov/OIGhotline](http://www.bart.gov/OIGhotline)



510-464-6100



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