



AMTRAK | Office of
Inspector General
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ANNUAL AUDIT, INSPECTION, AND EVALUATION PLAN

FISCAL YEAR 2013

OIG-AIE
Sept. 30, 2012





NATIONAL RAILROAD
PASSENGER CORPORATION



The Inspector General

INSPECTOR GENERAL'S MESSAGE

I am pleased to present the Amtrak Office of Inspector General's *Fiscal Year 2013 Annual Audit, Inspection, and Evaluation Plan*. This year promises to be another challenging and demanding one as we work to accomplish our core mission of conducting independent and objective audits, inspections, and evaluations, to promote economy, efficiency, and effectiveness in Amtrak's programs and operations; and to prevent and detect fraud, waste, abuse, and mismanagement. This plan (1) outlines the areas in which we intend to undertake audit, inspection, and evaluation work during this fiscal year; (2) summarizes our most recent reports; (3) discusses our ongoing work, and (4) identifies future work focus areas.

We are continually working to improve our planning process, and this document represents the first plan we have developed using our revamped planning process. Key changes to our process include expanded stakeholder input and adoption of a fiscal year planning cycle. As always, we welcome suggestions for areas on which to focus our audit, inspection and evaluation resources to generate the most value from our efforts. Please direct any questions or comments to me; Tom Howard, Deputy Inspector General; David Warren, Assistant Inspector General, Audits; or Calvin Evans, Assistant Inspector General, Inspections and Evaluations. We can all be reached at 202.906.4600.

A handwritten signature in black ink, appearing to read "Ted Alves". The signature is fluid and cursive, with a long, sweeping underline.

Ted Alves

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INTRODUCTION

During Fiscal Year (FY) 2013, we will focus our audit, inspection, and evaluation efforts in the following areas:

- Governance
- Acquisition and Procurement
- Information Technology
- Train Operations and Business Management
- Human Capital Management
- Safety and Security
- American Recovery and Reinvestment Act of 2009
- Asset Management

We identified these areas based on their importance to Amtrak in (1) achieving operational and financial excellence and (2) reducing risk. To do this, we obtained input from our staff, Amtrak's Board of Directors, and Amtrak management officials. We also considered areas of congressional interest based on hearings, discussion with congressional staff, and other information sources. Our overall goal will be to identify specific recommendations that will improve the economy, efficiency, and effectiveness of Amtrak's programs and operations; and better detect and prevent fraud, waste, and abuse.

For each of these areas, a brief overview of these elements is provided:

- its importance in reducing Amtrak's risks and achieving operational and financial well-being,
- recent Amtrak OIG reports,
- ongoing audits/inspections and evaluations,
- potential audits/inspections and evaluations topics for FY 2013, and
- potential areas of focus beyond FY 2013.

As resources become available to initiate new work during FY 2013, we will select them based on the risk criteria discussed above.

GOVERNANCE

Over the past 10 years, the subject of corporate governance and risk management has received increased attention. Corporate governance is defined as a system of internal control encompassing policies, processes, and people, which serves the needs of shareholders and other stakeholders, by directing and controlling management activities with good business savvy, objectivity, accountability, and integrity. Effective governance and risk management processes are essential in helping to avoid an event that could prove catastrophic to an organization's financial and operational health. Our governance audit/evaluation focus will be on enhancing the stewardship of company resources by evaluating senior leadership's processes, policies, and activities to identify areas where corporate risk can be reduced and governance can be improved.

Recently Issued Reports and Testimony (Governance)

Opportunities for Amtrak to Build on Its Initiatives to Improve Efficiency and Effectiveness
(Inspector General Testimony, OIG-T-2012-022, September 20, 2012)

Inspector General Ted Alves's testimony before the Committee on Transportation and Infrastructure, House of Representatives, focused on three areas:

First, initiatives Amtrak has underway to improve the efficiency and effectiveness of its operations and service. These initiatives include integrating operating departments within geographic regions to align them with Amtrak's strategic plan's new business lines and assigning accountability for achieving results.

Second, opportunities we have identified based on our recent work where Amtrak can build on those initiatives to reduce federal subsidies. Sustaining and effectively implementing these initiatives has the potential to significantly reduce Amtrak's reliance on federal support. Using a risk management approach to improve management controls is also needed to help Amtrak focus on improving financial results.

Third, future work we plan to undertake to identify additional opportunities for Amtrak to become more efficient and effective. Amtrak needs to continue to build on its operational improvement initiatives. In that context, we will continue to provide reports that are intended to identify opportunities for operational improvements and financial benefits.

Amtrak Corporate Governance: Implementing a Risk Management Framework is Essential to Achieving Amtrak's Strategic Goals (Audit Report OIG-A-2012-007, March 30, 2012)

Amtrak currently does not have a formal, coordinated, and systematic enterprise-wide risk management framework for identifying, analyzing, and managing risk. While Amtrak managers and executives do identify and mitigate risks, these efforts are, however, often ad-hoc and narrowly focused on operational or compliance risks within individual departments. Yet because the company has not established a risk-management process, these risks were not identified using a formal organization-wide methodology. In addition, because Amtrak did not have a comprehensive risk mitigation process, risk mitigation efforts may not be adequate to address root causes, and the Chief Executive Officer and Board of Directors may not be informed of the risk and mitigation plans. They said that once the Board has had an opportunity to understand the commitment this will take, guidance will be provided to management, and the company will provide the OIG with more detailed information about Amtrak's plan to implement enterprise risk management. We look forward to receiving the Board's response and will continue to monitor the status of the company's plan.

Claims Program: Use of Best Practices Would Strengthen Management Controls (Audit Report OIG-A-2012-016, August 14, 2012)

Comparing best practices with Amtrak's management controls showed that adopting some best practices can strengthen the management control environment over the claims program. In commenting on the draft report, the Vice President, General Counsel, stated that the Law Department and Claims Office agreed with all of our recommendations and have begun or planned to take corrective action. The actions Amtrak has taken and plans to take meet the intent of our recommendations.

Annual Financial Statement Audits: Observations for Improving Oversight of the Independent Public Accountant (Audit Report OIG-A-2012-017, September 27, 2012)

While Amtrak management carried out its responsibilities for overseeing the audit process in a generally effective manner, improvements can be made in the following areas as they relate to the Independent Public Accountant (IPA): (1) contract solicitation documents, (2) proposal evaluation, (3) contract administration, (4) audit facilitation, and (5) specific procurement guidance. We reviewed best practices of several organizations, including the Government Accountability Office, the American Institute of Certified Public Accountants, and large public accounting firms, and identified practices that the Board of Directors' Audit and Finance Committee and Amtrak management could consider for strengthening its oversight of the IPA.

As our work progressed, we shared our best practices suggestions with Amtrak management and the Board's Audit and Finance Committee; Amtrak has already implemented or is in the process of implementing many of them. In commenting on a draft of this report, the Chairman, Audit and Finance Committee, and the Acting CFO and Controller agreed with the recommendations and stated that management and the Audit and Finance Committee are committed to implementing the necessary best practices suggested by the OIG in order to strengthen the company's procedures related to the facilitation and oversight of the annual financial statement audit process.

On-Time-Performance Incentives: Inaccurate Invoices Were Paid Due to Weaknesses in Amtrak's Invoice-Review Process (Audit Report OIG-A-2012-004, February 15, 2012)

From May 2002 through June 2006, the Burlington Northern-Santa Fe (BNSF) Railway overbilled Amtrak \$9,151,451, almost 17 percent of the nearly \$55 million in on-time-performance (OTP) incentives invoiced and paid. These funds could potentially be recovered and put to better use. The overbillings went undetected because Amtrak did not have in place an adequate review process during that period.

Amtrak is, however, making progress in developing its capabilities for reviewing host railroad invoices and addressing our prior recommendations. We recommended and Amtrak's Acting Chief Financial Officer agreed to take action to recover the \$9,151,451 that Amtrak overpaid BNSF Railway in OTP incentives.

On-Time-Performance Incentives: Inaccurate Invoices were Paid (Audit Report OIG-A-2012-013, June 29, 2012)

We reported that Southern Pacific Transportation Company's invoices to Amtrak for on-time-performance payments from January 1997 through December 1999 contained certain errors. Amtrak's invoice-review process had detected about \$1 million in errors. However, we found additional errors that resulted in \$1,430,113 in overpayments, almost 60 percent of the nearly \$2.4 million in on-time-performance incentives invoiced for the audit period.

Amtrak is making progress in improving its invoice-review process. We recommended and Amtrak's Acting Chief Financial Officer agreed to take action to recover the \$1,430,113 that Amtrak overpaid Southern Pacific for on-time-performance incentives.

Amtrak Invoice Review: Undetected Errors Resulted in Overpayments (Audit Report OIG-A-2012-019, September 5, 2012)

Our review of Union Pacific's (UP) invoices to Amtrak for service costs and on-time-performance incentives found that amounts were not consistently accurate. In total, Amtrak overpaid UP about \$3.5 million. Amtrak is making progress in improving its invoice-review process. We recommended and Amtrak's Acting Chief Financial Officer agreed to take action to recover approximately \$3.5 million that Amtrak overpaid UP for on-time-performance incentives.

Amtrak Invoice Review: Inaccurate Invoices Were Paid, But Progress is Being Made to Improve the Invoice-Review Process (Audit Report OIG-A-2012-005, February 16, 2012)

We identified \$736,126 in net overbillings that CSX Transportation, Inc., invoiced to Amtrak for use of its tracks, facilities, and services. The invoice amounts contained errors because they were not calculated in accordance with the operating agreement between Amtrak and CSX Transportation, Inc., or were unsupported. Additionally, the overbillings went undetected because Amtrak did not have in place an adequate review process during that period.

Amtrak agreed with our recommendation and committed to tasking the Managing Deputy General Counsel, on behalf of Amtrak's Transportation and Finance departments, with pursuing any amounts that are recoverable under the law and within the terms of the operating agreement between Amtrak and CSX Transportation, Inc.

Ongoing Audits/Inspections and Evaluations (Governance)

- *Data Analytics.* Our office has initiated a multi-year data analytics project to assess the effectiveness of internal controls in Amtrak's various business processes such as Purchase to Payment, Materials Management, Payroll, Human Capital, and Claims. This project relies heavily on advanced data analytic technology to review the entire population of business transactions with the goal to identify opportunities to control risks and improve efficiency and effectiveness of business operations. We are planning to incrementally build and refine analytic tests such as duplicate payments and split payments to prevent, detect, and deter instances of fraud, waste, and abuse within the company. We are also developing a short-term and long-term plan to enhance the OIG's data analytics capabilities, resources, processes, and tools.

- *Railroad Audits: On-time Performance.* We are completing a series of internal control audits reviewing Amtrak's payments for on-time-performance incentives to host railroads, including Burlington Northern Santa Fe Railway (BNSF), Union Pacific Railroad Company, and Metro-North Commuter Railroad. The objectives are to determine whether host railroad on-time-performance incentives invoiced to Amtrak were accurate.
- *Railroad Audits: Non-On-time Performance.* Review of Amtrak's payments for service costs (excluding on-time-performance) to host railroads, including Southern Pacific Transportation Company, Union Pacific Railroad Company, and BNSF. Our objectives are to determine whether service costs invoiced to Amtrak for trains operating over its tracks were accurate.
- *Financial Statement Oversight.* This is an ongoing financial statement oversight audit reviewing the administration and facilitation of the contract for the independent public accountant performing the FY 2012 financial statement audits. The audit will also review the contractor's performance to ensure compliance with professional and governmental auditing standards.
- *Business Case Development.* This evaluation is reviewing the business cases for several of Amtrak's recent major procurements and business initiatives. Specifically, we are evaluating the process used to develop the business cases for these procurements and initiatives and comparing the process with best practices used at other large companies when making major business decisions.
- *Capital Program Management.* This audit is evaluating the adequacy of Amtrak's capital program management practices, to include policies and procedures for managing its capital programs in the areas of estimating, scheduling, overseeing, and closing out projects.

FY 2013 Potential Audits/Inspections and Evaluations (Governance)

Potential areas for review during FY 2013 include:

- *Financial Statement Oversight.* This audit will review Amtrak's administration and facilitation of the contract for the independent public accountant performing the FY 2013 financial statement audits. The audit will also review the contractor's performance to ensure compliance with professional and governmental auditing standards.

- *Management Challenges Report*. This report will present our assessment of the major management challenges facing Amtrak. This is our first such report and we plan to update our assessment of management challenges annually.
- *Selected Data Analytics Audits* in materials management and payroll business systems.

Potential Focus Areas beyond FY 2013 (Governance)

Potential topics for work beyond FY 2013 in the governance area include assessing Amtrak's progress in implementing our recommendation to establish a risk management framework for the company, reviewing Amtrak's continuity of operations plans, and continued work in reviewing management controls using data analytics. In addition, we will continue to oversee the work of the independent public accountant conducting Amtrak's financial statement audits, and will continue to develop management challenges reports.

ACQUISITION AND PROCUREMENT

Over the next 30 years, Amtrak is planning to spend over \$150 billion to improve its infrastructure and equipment along the Northeast Corridor. The infrastructure improvements are designed to bring the Northeast Corridor to a state of good repair by 2025 and include repair or replacement of bridges, catenary, signals, and tracks. The equipment improvements include longer train sets to increase near-term capacity, additional high-speed train sets, and, ultimately, the next generation of high-speed rail.¹ In order to ensure a high probability of success for these programs, Amtrak must rely on its Procurement and Materials Management Department to acquire the goods and services necessary to achieve these objectives.

To promote economy and effectiveness in Amtrak's activities in planning for and overseeing the acquisition and procurement of goods and services, we will focus on two areas. First, audits of Amtrak's procurement policies, procedures, and practices. Second, audits of specific acquisitions and procurement actions across the main acquisition and procurement phases: planning, project selection, contract award, implementation, and closeout. Audits in these areas will identify opportunities for Amtrak to improve the use of its resources and identify cost savings that may ultimately reduce Amtrak's reliance on federal subsidies.

Recently Issued Reports (Acquisition and Procurement)

Incurred-Cost Contract Audit: Contract Modification Charge for Extended Indirect Overhead Costs Not Supported (Audit Report OIG-A-2012-006, February 17, 2012)

Our analysis of the documentation for the extended overhead claim showed that the claim was not adequately supported. As a result, Amtrak paid the contractor \$2,027,446 for charges that were not adequately supported. We recommended and Amtrak's Chief Logistics Officer agreed to work with the contractor to establish an appropriate claim amount for the extended indirect overhead that is supportable and verifiable; and based on the results of that review, recover any unsupported portion of the \$2,027,446 paid to the contractor under the extended overhead contract modification.

¹ Additional information pertaining to Amtrak's vision for the Northeast Corridor can be found in *The Amtrak Vision for the Northeast Corridor: 2012 Update Report*.

Incurring-Cost Contract Audit: Bridge Construction Modification Settlement Agreement Cost is Adequately Supported (Audit Report OIG-A-2012-002, November 7, 2011)

Our analysis of the documentation supporting the original \$5.3-million claim showed that a \$3.6-million settlement agreement amount was adequately supported. We questioned \$1,082,043 of the \$5,268,581 claim, but the resulting supported amount exceeded the \$3.6-million settlement amount. We made no recommendations in this report and Amtrak management agreed with the report conclusion.

Ongoing Audits/Inspections and Evaluations (Acquisition and Procurement)

- *Acela Car Purchase.* We are reviewing a proposal to manufacture 40 additional coach cars for the Acela trainsets. Given the high dollar value and Amtrak's plan to award a sole-source contract, we initiated a review of the proposal to help ensure that the proposed price was based on reasonable and supported cost information. The findings presented in the report will be intended to help support Amtrak in negotiating the contract price.
- *Audit on Capabilities, Capacity, and Training of Amtrak's Contracting Agents and Contracting Official's Technical Representatives.* We initiated an audit of the skills and training Amtrak provided to its contracting workforce. Our primary objectives were to assess the adequacy of Amtrak's (1) workforce planning program to develop the capabilities and capacity of its personnel responsible for acquisitions and contracts, and (2) training and qualifications requirements for acquisition and contract management personnel. We will also gain a general understanding of the key acquisition and procurement roles and responsibilities among Amtrak's major departments.
- *Amtrak's Competition Processes for Contract Award.* This audit will determine whether Amtrak is making maximum use of competition to procure goods and services at the best value and cost.
- *Selected Data Analytics* reviews of purchasing and payment business processes.

FY 2013 Potential Audits/Inspections and Evaluations Topics (Acquisition and Procurement)

- *Amtrak's Contract Management of New Fleet Purchases.* Amtrak is currently managing two major equipment procurements, together valued at over \$800 million. This audit will compare Amtrak's contract management and construction oversight practices with industry best practices and our previous recommendations contained in OIG Report E-09-04, dated July 21, 2009.
- *Amtrak's Management of its Supplier Base.* Amtrak relies on many suppliers and vendors to provide equipment, parts, and supplies needed to maintain and operate its rolling stock and infrastructure. This audit will review how well Amtrak is strategically managing the health of its supplier base during a period of increased globalization and consolidation within the industry.
- *Amtrak's Use of Payment Requests.* Amtrak policy states that the use of payment requests is restricted to low-dollar, non-recurring purchases. Recent discoveries suggest that payment requests may be widely used to circumvent established procurement procedures, in violation of policy. This audit will determine the extent to which payment request procedures are being followed and the impact to Amtrak when they are not.
- *Amtrak's controls over procurement and payment processes.* Using data analytic tools we will assess the adequacy of controls for various purchasing and payment processes. These audits will focus on identifying the extent to which cost savings can be achieved in these processes.

Potential Focus Areas beyond FY 2013 (Acquisition and Procurement)

Potential topics for work beyond FY 2013 in the acquisition and procurement area include reviewing procurement and payment processes using data analytics, reviewing Amtrak's management of its equipment parts and materials, conducting pre-award audits of any major procurements, and evaluating Amtrak's procedures for reviewing change orders before they are approved.

INFORMATION TECHNOLOGY

Passenger railroad businesses are labor- and capital-intensive. These businesses rely increasingly on modern information technology (IT) to improve labor and asset productivity and deliver safe and reliable customer service. Amtrak recognizes that many of its existing information systems and IT infrastructure in the areas of reservations and ticketing, supply chain, and operations are outdated, inefficient, and increasingly prone to failure. The increasing risk of failure in business-critical systems must be addressed to ensure the resiliency and continuity of operations. At the same time, addressing these issues will be costly. Amtrak is making large investments to improve its information systems.

Recently Issued Reports (Information Technology)

Strategic Asset Management Program: Opportunities to Improve Implementation and Lessons Learned (Audit Report OIG-E-2012-012, May 31, 2012)

In June 2011, Amtrak implemented its Strategic Asset Management (SAM) program's first segment, referred to as R1a. This program segment, at an estimated cost of more than \$193 million, is expected to help Amtrak transform and improve key business areas; implement best practices; integrate business processes; and provide timely information for financial reporting, management decision-making, and optimizing financial and operational performance. After being implemented, SAM experienced greater than expected implementation issues, causing business inefficiencies, including negative effects on daily business operations and relationships with business partners and vendors. Given the program's cost and importance, we initiated this evaluation to help identify ways to improve R1a implementation results, and avoid future information technology implementation issues.

We found that although program managers anticipated a certain level of implementation issues, the number, significance, cost, and time needed to address them have all been greater than anticipated. The fact that significant issues continue to surface indicates that the system is not yet stable. As a result, the company is still dealing with adverse effects on business operations and financial performance, more than a year after deployment.

This situation occurred primarily due to design and configuration shortfalls, insufficient requirements-gathering and testing, inadequate training, and underdeveloped user-support organization. Organizational silos and communication gaps also contributed to the implementation issues. The complexity of the design approach was an underlying contributor to the issues in each area.

The dedicated work of many business users and the SAM team has helped to address many implementation issues. Nonetheless, challenges remain, and the time frame and cost needed to stabilize the new system, realize its benefits, and transform business processes are uncertain.

Wireless Network Security: Internal Controls Can be Improved (Audit Report OIG-A-2012-003, December 7, 2011)

Amtrak has installed wireless networks to allow its employees and contractors to connect their laptop computers to Amtrak networks where wired networks are difficult and costly to implement. Our office conducted an audit of Amtrak's wireless network security program with the objectives to assess the adequacy of Amtrak's internal controls for wireless network security and its wireless network security policies. We found that while Amtrak has generally taken adequate measures to ensure that the company's wireless networks are secure and protect company information, some internal control weaknesses related to the wireless security program exist, along with some gaps in wireless security policies. These conditions occurred mainly due to weaknesses in oversight, policy enforcement, and the original security system design, as well as lack of routine policy updates. The security control weaknesses related to encryption, passwords, and naming convention leave Amtrak information at risk of unauthorized access, modification, or destruction. Management agreed with all of our findings and recommendations, and has started taking corrective action.

Ongoing Audits/Inspections and Evaluations (Information Technology)

- *Information Technology Infrastructure Initiative.* Amtrak started its latest IT outsourcing initiative, better known as Information Technology Infrastructure Initiative (ITII), in 2007, to improve service levels, lower current costs, and rationalize the service delivery model for asset ownership, workforce consolidation, and cross-vendor communication. After competitive sourcing, in early 2009 Amtrak awarded contracts worth a combined \$400 million over 5 years to IBM for providing data center and desktop support services, and AT&T for providing data and voice network services. The success of ITII is critical to Amtrak's efforts to reduce costs

and improve service quality. Therefore, Amtrak OIG is conducting an audit of ITII's performance in achieving its goals of improving the service quality, reliability, and availability of Amtrak's IT infrastructure while simultaneously lowering costs.

- *Data Analytics.* The IT audit team is playing a key role in leading the data analytics work that is being conducted in other focus areas. The team provides technical assistance as needed to other audit and investigative teams. The team will also develop short- and long-term plans to expand the use of data analytics capabilities within the OIG.

FY 2013 Potential Audits/Inspections and Evaluations Topics (Information Technology)

- *IT Project Management.* This audit will evaluate the effectiveness of the project management procedures being followed for IT projects in ensuring that they are delivered on time, within budget, and deliver their intended benefits.
- *Data Analytics.* The IT audit team will continue to provide data analytics support to work being conducted in other focus areas.

Potential Focus Areas beyond FY 2013 (Information Technology)

Potential topics for work beyond FY 2013 in the information technology area include a post-implementation audit of Amtrak's Strategic Asset Management program and a review of Amtrak's e-Ticketing program, in addition to continued data analytics support.

TRAIN OPERATIONS AND BUSINESS MANAGEMENT

Amtrak operates over 300 daily trains on over 21,000 miles of rails. It serves 528 stations in 46 states, 3 Canadian provinces, and the District of Columbia. In 2011, Amtrak moved more than 30 million intercity passengers. In addition to evaluating Amtrak's compliance with laws and federal regulations, we are continually looking for opportunities for Amtrak to improve the effectiveness and efficiency of its train operations and business management.

Recently Issued Reports/Testimony (Train Operations and Business Management)

Food and Beverage Service: Opportunities Exist to Build on Program Improvement Initiatives (Inspector General Testimony, OIG-T-2012-015, August 2, 2012)

Inspector General Ted Alves's testimony before the Committee on Transportation and Infrastructure, House of Representatives, focused on losses on food and beverage service—a long-standing issue at Amtrak. In FY 2011, Amtrak reported a direct operating loss of almost \$85 million. Long-distance routes accounted for about \$74 million (87 percent) of these losses. The testimony focused on three areas:

First, actions Amtrak has underway to address our prior recommendations to improve internal controls that have left food and beverage revenues and inventories vulnerable to fraud, waste, and abuse.

Second, preliminary observations from our ongoing food and beverage service audit that indicate that program improvement initiatives can be enhanced by consolidating the fragmented management structure, which is causing weaknesses in program accountability and planning. We believe Amtrak's initiatives could be enhanced with improved program management, to include consideration of different business models.

Third, best business practices work we plan to complete over the next 6 months to identify ways to help mitigate food and beverage operating losses. Over the next 6 months, our food and beverage work will focus on identifying ways to help mitigate the food and beverage service direct operating losses while at the same time continuing to provide high-quality service.

Mechanical Maintenance: Improved Practices Have Significantly Enhanced Acela Equipment Performance and Could Benefit Performance of Equipment Company-wide (Evaluation Report OIG-E-2012-008, May 21, 2012)

In our September 2005 report on Amtrak's mechanical maintenance operations (E-05-04), we made 34 recommendations to improve the effectiveness and efficiency of Amtrak's mechanical maintenance program. One of our major recommendations was that Amtrak adopt a more modern maintenance philosophy based on reliability-centered maintenance (RCM). This follow-up evaluation was intended to document the progress that has been made over the last 6 years and identify continued opportunities to improve the efficiency and effectiveness of Amtrak's mechanical maintenance operations.

Since our previous report, Amtrak has made significant progress in improving its mechanical maintenance processes and procedures. However, improvements in equipment performance have been uneven. Acela, which represents about 10 percent of Amtrak's total fleet of equipment and was the first fleet where RCM was implemented, has seen significant improvements in reliability and availability. In contrast, similar metrics have remained the same or declined slightly for the remainder of Amtrak's equipment.

To determine why the performance of the Acela trainsets has improved so much more than the conventional (non-high-speed) fleets, we examined the differences in the maintenance practices employed. Based on our review, Acela's greater improvements in reliability and availability can be attributed to four major factors:

- RCM principles have been more fully implemented with Acela.
- Amtrak established strong management accountability for improving Acela equipment performance.
- More management and technical support is devoted to Acela maintenance.
- The workforce maintaining the Acela equipment is, on average, more qualified, better trained, and better incentivized.

Improving the reliability and availability of the conventional fleets to a comparable level as that achieved with the Acela trainsets would result in significant financial benefits to Amtrak and significant passenger experience benefits to its customers. Therefore, we recommended that the Vice President for Operations develop goals for improving the performance of Amtrak's conventional fleet that support

Amtrak's strategic plan; provide direction, support, and resources to achieve these goals; and hold the Chief Mechanical Officer (CMO) accountable for meeting the goals.

Further, we recommended that, in addressing those goals, the VP for Operations and the CMO establish and implement an agreed-upon plan for improving the performance of the conventional fleets that includes adopting the Acela maintenance practices, as appropriate. Amtrak agreed with and has committed to taking actions responsive to our recommendations.

Passenger Rail Investment and Improvement Act [PRIIA] of 2008: Amtrak Has Made Good Progress, but Continued Commitment Needed to Fully Address Provisions (Audit Report OIG-A-2012-001, October 26, 2011)

This report examined Amtrak's progress in addressing the PRIIA provisions assigned to it. Amtrak has embraced PRIIA and has made significant strides in meeting the act's provisions. This was a significant accomplishment, given the magnitude of the issues addressed under PRIIA. While most of the provisions have been met or are in the process of being met, opportunities remain, consistent with PRIIA, to increase revenues, minimize federal subsidies, and improve performance. For example:

- Placing greater emphasis on reducing more of Amtrak's debt, specifically long-term leases with early buyout options, is one such key opportunity.
- Amtrak's initial set of performance improvement plans for its long-distance routes is too focused on initiatives that are out of its control or depend on significant investment of federal subsidies during a time of austere budgets.
- Amtrak does not have a specific process for submitting requests to the Surface Transportation Board to investigate substandard rates of on-time performance. Such a process is a prerequisite for determining if and when to request an investigation, and would enhance the likelihood of success if Amtrak pursued this option.
- Amtrak has not analyzed the costs or benefits that could be realized by operating more special trains. Amtrak may be missing an opportunity to generate additional profit by operating more special trains, which could reduce the need for federal subsidies.

We made recommendations in each of these areas. In commenting on a draft of this report, Amtrak's Chief Financial Officer stated that the report provided useful information upon which Amtrak management can take action and agreed with the report's recommendations.

Food and Beverage Service: Initiatives to Help Reduce Direct Operating Losses Can Be Enhanced by Overall Plan (Audit Report OIG-A-2012-020, September 7, 2012)

We identified two areas where food and beverage program management could be improved— accountability for program results and program-wide planning. These management weaknesses stem from a fragmented program management structure. Two departments share responsibility for food and beverage service, but neither has a goal to reduce direct operating losses. On July 19, 2012, the Vice President, Operations, announced the establishment of a Chief of Customer Service position within the Transportation Department, and that Marketing and Product Development's food and beverage service activities would be transferred to Operations as of October 1, 2012. We recommended that Amtrak develop a 5-year plan for reducing its direct operating losses on food and beverage service. The plan should include specific initiatives and annual operating loss reduction goals while retaining needed services. Amtrak concurred with our recommendation.

Ongoing Audits/Inspections and Evaluations (Train Operations and Business Management)

None

FY 2013 Potential Audits/Inspections and Evaluations Topics (Train Operations and Business Management)

- *Food and Beverage Service.* We will focus on identifying ways to help mitigate the food and beverage direct operating losses by examining best practices used by other public- and private-sector entities that provide food and beverage services to passengers, such as foreign passenger railroads, cruise lines, and airlines.
- *PRIIA Implementation Progress Follow-up.* We previously reported on Amtrak's progress in implementing the provisions of the Passenger Rail Investment and Improvement Act of 2008 (see above). The act requires a follow-up review to be completed by October 2013.

- *Planning for Fielding of New Equipment.* Amtrak is currently in the process of procuring 130 new long distance cars and 70 electric locomotives. To properly maintain and operate this equipment once it is delivered will require significant planning and preparation in many areas, such as operations training, maintenance training, spare parts procurement and storage, special tool procurements, and potential facility modifications. This evaluation will review Amtrak's plans for fielding this equipment and compare it with industry best practices.

Potential Focus Areas beyond FY 2013 (Train Operations and Business Management)

Potential topics for work beyond FY 2013 in the train operations and business management area include auditing Amtrak's procedures for reviewing host railroad invoices, evaluating Amtrak's attempts to in-source mechanical maintenance work into its heavy maintenance facilities, reviewing how Amtrak schedules and manages its train crews, and reviewing the amount of non-reimbursable work Amtrak is required to do for third parties.

HUMAN CAPITAL MANAGEMENT

Amtrak employs approximately 18,000 agreement-covered (union) employees and approximately 3,000 non-agreement-covered (management) employees, located throughout the United States. The company faces many of the same challenges and opportunities faced by most other companies of its size in efficiently and effectively managing this large, diverse workforce. Being a service organization and the only intercity passenger rail operator in the United States, the effective development and management of its talented employees are critical to its success. Our work will focus on identifying opportunities for Amtrak to improve the efficiency and effectiveness of its human capital management policies and practices.

Recently Issued Reports (Human Capital Management)

Human Capital Management: Weaknesses in Hiring Practices Result in Waste and Operational Risk (Audit Report OIG-A-2012-14, July 19, 2012)

Significant management control weaknesses existed in Amtrak's hiring practices in general, particularly in its use of background investigation information. These weaknesses have led to the waste of resources and the hiring of employees with past performance or other concerns that create risks to Amtrak's operations, employees, and passengers. A review of hiring practices for 50 cases, with an emphasis on the use of background information, showed that the practices did not effectively help ensure that newly hired employees were qualified, honest, reliable, and did not pose a security threat. We recommended that the Chief Human Capital Officer revise Amtrak policies to require recruiters to review background investigations and applications prior to employment and to verify that nothing in the background investigation disqualifies the applicant from employment. We also recommended that the Chief Human Capital Officer establish requirements for background investigations, conduct training for employees involved in the hiring process, and award a contract to ensure that the investigations are completed in a timely manner and readily identify hiring concerns.

Amtrak management, with some exceptions, agreed with our recommendations, and its comments were generally responsive to the intent of our recommendations.

Human Capital Management: Controls Over the Use of Temporary Management Assignments Need Improvement (Evaluation Report OIG-E-2012-009, March 28, 2012)

Amtrak employs about 3,000 management and 18,000 union workers, and often uses union employees to temporarily fill management positions. We initiated this evaluation after receiving a complaint from a union employee who had worked in a temporary management assignment (TMA) position.

We found that Amtrak inconsistently managed Transportation employees in TMA positions between August 2001 and May 2008. Further, weak controls over implementation of the TMA policy enabled some field managers to circumvent the policy. Amtrak also did not adjust the rates of pay for employees who were properly recorded in TMA positions after the labor negotiations concluded in 2008. Because the 2001 TMA pay rates were not updated until July 1, 2009, retroactive union wages exceeded the rate of pay for TMA positions beginning July 1, 2005. Consequently, during this period, employees in TMA positions received less pay than they would have received if they had remained in their union positions.

To address the pay issues stemming from weaknesses in the management of TMA employees and avoid these problems in the future, we made several recommendations to the Chief Financial Officer and Chief Human Capital Officer. Amtrak generally agreed with our recommendations, and is taking action to strengthen controls over TMA employees going forward. However, management determined that it would not take action to recover compensation or address past pay inequities for some employees who worked in TMA positions.

Human Capital Management: Lack of Priority Has Slowed OIG-Recommended Actions to Improve Human Capital Management, Training, and Employee Development Practices (Evaluation Report E-11-04, July 8, 2011)

This report presented the results of a follow-up review of our 2009 evaluations of human capital management (E-09-03, May 15, 2009) and training and employee development (E-09-06, October 26, 2009). We found that 2 years after we issued 24 recommendations for improving Amtrak's human capital management practices and 19 months after issuing 27 recommendations to improve training and employee development practices, Amtrak had made only limited progress in implementing the recommendations. Further, in several cases, the planned actions identified to correct significant deficiencies were not responsive to the recommendations and would not address the underlying problems; and in some cases, progress was exaggerated. As a result, Amtrak continued to suffer from outdated human capital management, training, and employee development processes that hindered its

ability to perform effectively. In addition, Amtrak is increasingly at risk of encountering skills shortages, as highly experienced, long-time employees retire.

To address this situation, we recommended that Amtrak's President and CEO (1) make improved human capital management, training, and employee development a clearly articulated priority for the Chief Human Capital Officer, as well as for all executives and managers at Amtrak; and (2) direct the Chief Human Capital Officer to revise the Human Capital Action Plan to include actions that are responsive to our recommendations and with reasonable implementation time frames. Amtrak's President and CEO agreed with our recommendations and has tasked the new Chief Human Capital Officer with developing an action plan to address our findings and recommendations.

Ongoing Audits/Inspections and Evaluations (Human Capital Management)

- *Management of Overtime.* We are reviewing Amtrak's management policies, procedures, and practices to assess whether they result in the efficient and effective use of overtime.

FY 2013 Potential Audits/Inspections and Evaluations Topics (Human Capital Management)

During FY 2013, we plan to focus on the following areas:

- *Management of Overtime.* As a follow-up to our ongoing work in this area, we will focus on identifying ways to help reduce the use of overtime by reviewing a sample of capital projects with high overtime use to identify the reasons for the overtime, and examine best practices used by other entities to reduce the use of overtime.
- *Management of Seasonal Hires.* At times, Amtrak must hire workers to complete a one-time or seasonal project. If these workers are not hired on a temporary basis, Amtrak could be overstaffed once the project is completed. The objective of this audit would be to review Amtrak's procedures in managing manpower for temporary work situations.
- Data analytics reviews of selected human capital business system processes.

Potential Focus Areas beyond FY 2013 (Human Capital Management)

Potential topics for work beyond FY 2013 in the human capital management area include continued focus in areas related to Amtrak's management of overtime and employee absenteeism, a review of Amtrak's management of its employee healthcare programs, a follow-up evaluation of our previous work on human capital management and employee development, and selected data analytics reviews.

SAFETY AND SECURITY

Since 2005, the Department of Homeland Security Transit Security Grant Program has provided more than \$97 million in grant funding to Amtrak to protect critical infrastructure. The Amtrak Police Department has used this grant funding for planning and assessments, infrastructure protection, training and public awareness, and exercises. Our work in FY 2013 and beyond will focus on Amtrak's efforts to improve the efficiency and effectiveness of Amtrak's safety and security policies and practices.

Recently Issued Reports (Safety and Security)

Railroad Safety: Amtrak is Not Adequately Addressing Rising Drug and Alcohol Use by Employees in Safety-Sensitive Positions (Evaluation Report OIG-E-2012-023, September 27, 2012)

In January 1987, in Chase, Maryland, a Conrail engineer ran three signals, causing a collision with an Amtrak train, killing 16 people and injuring 147. The subsequent investigation determined that the engineer was under the influence of marijuana. Following this accident, a federal regulation was put into place requiring railroads, including Amtrak, to maintain a program to control the use of drugs and alcohol by employees in safety-sensitive positions. We initiated this evaluation to determine whether Amtrak is ensuring that these employees are complying with federal regulations governing the use of drugs and alcohol. Specifically, we evaluated (1) the extent to which Amtrak's random testing shows that these employees are using drugs and alcohol, and (2) whether Amtrak is exercising due diligence in controlling the use of drugs and alcohol by these employees.

Amtrak's employees in safety-sensitive positions are testing positive for drugs and alcohol more frequently than their peers in the railroad industry. Our analysis of Amtrak's random drug and alcohol test results shows that these employees have been testing positive for drugs and alcohol at a rate that has been generally trending upward since 2006, and this rate has exceeded the industry average for the past 5 years. In 2011, Amtrak had 17 positive tests for drugs or alcohol, which resulted in a combined positive test rate that was about 51 percent above the industry average, its worst rate since 2007.

Amtrak is not exercising due diligence to control the use of drugs and alcohol by these employees. Until we presented Amtrak's key senior management with our preliminary results, they were unaware of the extent of drug and alcohol use by these employees. Further, senior management is not actively engaged in the

program, nor have they demonstrated that controlling drugs and alcohol is a clear priority at Amtrak, thereby making it difficult to manage the risk that drug and alcohol use poses to its employees, passengers, and the public. Amtrak also did not adequately address, for several years, FRA's concerns about Amtrak's program to physically observe these employees for signs and symptoms of drug and alcohol use.

To manage the risks associated with its increasing rate of drug and alcohol use and to meet the federal requirement for exercising due diligence, we recommended that Amtrak increase the rate at which it randomly tests its employees in safety-sensitive positions, routinely review testing data, demonstrate that senior management is engaged in the drug and alcohol program, ensure that the physical observation program meets or exceeds Federal Railroad Administration program guidance, and ensure that its these employees' supervisors are adequately trained in identifying signs and symptoms of drug and alcohol use and that their training is properly recorded.

Amtrak's President and CEO concurred with all of our recommendations and established time frames in which Amtrak will implement the recommendations. We consider his comments responsive to our recommendations and plan to follow up on the company's implementation.

Ongoing Audits/Inspections and Evaluations (Safety and Security)

- *Positive Train Control Evaluation.* The Rail Safety Improvement Act of 2008 requires the implementation of positive train control (PTC) systems by December 31, 2015, on all routes that carry passenger rail traffic. PTC systems are designed to prevent accidents, including train-to-train collisions, derailments resulting from trains exceeding safe speeds, unauthorized incursions into work zones, and movement of trains through switches left in the wrong position. The objective of this evaluation is to assess Amtrak's efforts to implement positive train control across the national system by the end of 2015. To accomplish this, we are identifying and analyzing the risks and challenges associated with implementing three different PTC systems, focusing on cost, schedule, and performance issues.

FY 2013 Potential Audits/Inspections and Evaluations Topics (Safety and Security)

- *Safe-2-Safer.* The Safe-2-Safer Program is an enterprise-wide safety and culture improvement effort designed to transform Amtrak into a behavior-based

organization that systematically reduces risk at all work locations. Amtrak is planning to expand the program in order to leverage the program's existing infrastructure and systems to drive similar behavior changes to improve customer service and business performance. The objective of this evaluation would be to review the program's performance to date and identify lessons learned to help facilitate the success of its planned expansion.

Potential Focus Areas beyond FY 2013 (Safety and Security)

Potential topics for work beyond FY 2013 in the safety and security area include a high-level review of Amtrak's efforts to improve security and more focused reviews in specific security areas.

AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

The American Recovery and Reinvestment Act of 2009 (ARRA) authorized the Federal Railroad Administration to provide \$1.3 billion to Amtrak through a grant agreement. This agreement allocated about \$850 million for capital projects for the repair, rehabilitation, or upgrade of railroad assets or infrastructure, and about \$450 million for capital security projects, including life safety improvements. Our work is aimed at providing Congress with information on Amtrak's use of ARRA funds, to include validating costs incurred and the associated benefit to Amtrak. In addition, our work will review Amtrak's management of projects, with a focus on improving project economy, efficiency, and effectiveness.

Recently Issued Reports (American Recovery and Reinvestment Act of 2009):

American Recovery and Reinvestment Act: Infrastructure Improvements Achieved but Less than Planned (Audit Report 908-2010, June 22, 2011)

Although ARRA funding enabled Amtrak's Engineering Department to make some infrastructure improvements, such improvements will be fewer in number than originally planned and budgeted. Between March 2009 and November 2010, ARRA funding was reprogrammed nine times, resulting in the Engineering Department's removing 34 projects, leaving 37 assigned to a contractor. Specifically, 21 projects (with an estimated budget of \$55.7 million) were canceled, and 13 projects (with an estimated budget of \$19.5 million) were transferred to the capital budget. These changes occurred primarily because the original grant language drove project selection toward projects that could be completed by the February 17, 2011, ARRA funding deadline, and the substitution of higher-priority projects by Amtrak senior management and the Engineering Department. Amtrak spent about \$1.4 million on canceled contractor projects. We recommended that the Chief Engineer give canceled ARRA projects priority when making future infrastructure-improvement-project-selection decisions, and provide written justification to support the funding of higher-priority projects. In commenting on a draft of this report, the Chief Engineer stated that he intends to give priority to canceled projects.

Fewer Security Improvements than Anticipated Will Be Made and Majority of Projects Are Not Complete (Audit Report 914-2010, June 16, 2011)

ARRA funding enabled the Amtrak Police Department (APD) to make some security improvements, but the improvements will be fewer than originally planned and budgeted. Between April 2009 and November 2010, ARRA funding for police and security projects was cut by more than half, from \$196 million to \$95 million. This

decrease caused 33 projects to be canceled, and the budget and scope of work for 16 additional projects was reduced. Funding was reduced primarily because the grant language drove project selection toward those that could be completed by the February 17, 2011, deadline, and in some cases bids were significantly higher than budgeted amounts. Amtrak spent about \$1.7 million on canceled APD projects. To the extent that these projects are not funded in the future, these funds are at risk of being wasted. To avoid wasting \$1.7 million spent on canceled projects, we recommended that the Vice President/Chief of Police give canceled ARRA projects priority when making future security improvement project-selection decisions. The Vice President/Chief of Police has implemented our recommendation.

American Recovery and Reinvestment Act: Some Questioned Invoice Charges and Minimal Benefit from Duplicative Invoice-Review Process (Audit Report OIG-A-2012-021, September 21, 2012)

Most of the invoiced costs were adequately supported and allowable for about \$35.7 million of the \$158.8 million of invoiced costs that we reviewed. However, we questioned about \$1.2 million of the costs (3 percent) because they were not adequately supported or allowable. We also found that Amtrak put in place a duplicative and costly process to review contractor invoices that added little value. This duplicative review process cost an additional \$2.2 million. We recommended that Amtrak (1) recover over \$1.2 million in questioned costs identified in this report, (2) direct the program manager to review other ARRA projects with significant rental charges to determine if all contract terms and conditions were met, and (3) establish a policy that would prohibit the contracting for invoice review services that would duplicate other contract-review services.

Ongoing Audits/Inspections and Evaluations (American Recovery and Reinvestment Act of 2009)

None

FY 2013 Potential Audit Topics (American Recovery and Reinvestment Act of 2009)

- *Inventory Controls over Equipment Purchased for Use on ARRA Projects.* Our objective is to assess the adequacy of the inventory controls over equipment such as laptop computers, cell phones, and tools purchased with ARRA funds.

- *Process Used to Review and Approve Contract Change Orders on ARRA Projects.* Our objective is to assess the adequacy of the process used to review and approve approximately \$63 million in change orders approved on ARRA-funded projects.

Potential Focus Areas beyond FY 2013 (American Recovery and Reinvestment Act of 2009)

We are not currently planning to perform any new work related to the American Recovery and Reinvestment Act of 2009 beyond FY 2013.

ASSET MANAGEMENT

Amtrak owns over 2,000 pieces of rail equipment, with a replacement value of over \$12 billion. In addition, the company owns over 1,300 facilities; 1,186 bridges; 17 tunnels; and over 600 miles of right-of-way; along with the associated signals, catenary, and track, valued at a total of over \$17 billion. Optimizing the utilization of these assets will help Amtrak achieve its corporate goals and improve its overall financial health. Our work will focus on identifying opportunities for Amtrak to improve the utilization and management of its physical assets.

Recently Issued Reports (Asset Management)

Acela Car Purchase: Future Revenue Estimates Were Initially Overstated (Evaluation Report OIG-E-2012-010, March 28, 2012)

Acela Express trains provide high-speed, intercity rail transportation on the Northeast Corridor between Washington, D.C.; New York City; and Boston, making 188 trips between these cities during a normal week. Amtrak expects the demand for Acela trains to continue to increase, with about 47.8 million potential riders between FY 2012 and FY 2023 generating about \$7.8 billion in potential revenue.

Amtrak is concerned that it will not be able to meet this demand with Acela's current passenger capacity and, therefore, plans to increase the business class capacity of each train by 50 percent by adding two new business class cars to each train in FY 2015. As of January 12, 2012, Amtrak expected that it would cost about \$350 million to procure the 40 new cars, upgrade maintenance facilities to accommodate the longer trains, and acquire spare parts for the new cars. In preparing the business case for the procurement of the new cars, Amtrak estimated that these cars would enable it to capture about \$1.05 billion more in revenue than it could with the current Acela trainsets between FY 2015 and FY 2023.

According to our analysis, Amtrak's methodology significantly overestimated the number of trains that would be sold out in the future, thereby underestimating the number of potential passengers that could be accommodated by the current Acela trainsets. This resulted in Amtrak's overstating the revenue that would be captured by the new cars by about \$425 million.

We discussed our methodology and preliminary findings with Amtrak officials, and Amtrak recalculated its revenue estimate in a manner similar to ours. We recommended that Amtrak develop a standard framework for explicitly

incorporating capacity constraints into future revenue estimates and update its planning documents to reflect the revised Acela estimate. Management agreed with our recommendations and committed to implementing them.

Evaluation of Amtrak's FY 2010 Fleet Strategy: A Commendable High-Level Plan That Needs Deeper Analysis and Planning Integration (Evaluation Report E-11-02, March 31, 2011)

In February 2010, as part of its FY 2011 Grant and Legislative Request, Amtrak published a fleet strategy outlining the need to spend \$23 billion over the next 30 years to replace aging equipment and to provide the fleet necessary to meet future ridership demand. In May 2010, the former Ranking Member of the Senate Appropriations Committee, Subcommittee on Transportation, Housing and Urban Development, and Related Agencies, requested that we conduct a comprehensive review of the strategy.

We found that Amtrak did a commendable job of using a holistic approach to create a comprehensive fleet strategy that was greatly needed. Its approach is a reasonable first step and may be appropriate for determining a high-level estimate of future equipment needs. However, our evaluation identified seven areas in which Amtrak could improve the reasonableness or validity of its data and assumptions by conducting additional and more detailed analyses.

This additional analysis may support decisions that could reduce the funding requirements by hundreds of millions, if not billions, of dollars. For example, we estimate that if Amtrak were able to replace all of its single-level cars with a seat-equivalent number of multi-level cars, the benefits could amount to \$679 million over the economic life of the equipment.

Amtrak's President and CEO stated that management agreed with all of our recommendations. He noted that Amtrak addressed some of our recommendations in the recently published FY 2011 Fleet Strategy Plan and planned to address the remaining recommendations in future strategy updates.

Ongoing Audits/Inspections and Evaluations (Asset Management)

- *Fleet Strategy.* We are continuing our oversight of Amtrak's fleet procurement plans by reviewing the revised fleet strategy that was published in March 2012 to assess the degree to which the recommendations from our previous report were incorporated.

FY 2013 Potential Audits/Inspections and Evaluations Topics (Asset Management)

- *Rolling Stock Fleet Utilization.* Amtrak carries about 75,000 riders per day on up to 300 daily trains utilizing an active fleet of over 1,400 cars and 350 locomotives. To capture additional demand on trains with high ridership, Amtrak is proposing new fleet purchases. If Amtrak could better allocate its existing fleet to match its demand, it could reduce the new fleet purchases required. This evaluation would review Amtrak's current fleet allocation and utilization practices and compare them with best practices at other transportation companies.
- *Management of Vehicles and Construction Equipment.* Amtrak owns or leases about 2,300 vehicles and about 1,600 pieces of construction equipment. This evaluation would review how Amtrak manages and controls these vehicles and equipment, compare Amtrak's practices with industry best practices, and identify ways that Amtrak could save money by more efficient management of these assets.
- *Amtrak's Management of Real Property.* We plan an audit to determine the effectiveness of Amtrak's policies and procedures for ensuring complete and accurate real property inventories and whether opportunities exist to reduce costs and/or increase revenues from the use of such properties.

Potential Focus Areas beyond FY 2013 (Asset Management)

Potential topics for work beyond FY 2013 in the asset management area include evaluating the infrastructure cost estimates in the Northeast Corridor future plan, and conducting a study of best practices in scheduling infrastructure maintenance and rehabilitation work on an active rail line.

OIG MISSION AND CONTACT INFORMATION

Amtrak OIG's Mission	<p>The Amtrak OIG goals and perceptions of how best it can affect Amtrak's mission, as spelled out in the Inspector General Act of 1978, as amended:</p> <ul style="list-style-type: none">• Conduct and supervise independent and objective audits, inspections, evaluations, and investigations relating to Amtrak programs and operations• Promote economy, effectiveness, and efficiency within Amtrak and the OIG• Prevent and detect fraud, waste, and abuse in Amtrak programs and operations• Make recommendations regarding existing and proposed legislation and regulations relating to Amtrak's programs and operations
Obtaining Copies of OIG Reports and Testimony	Available at our website: www.amtrakoig.gov
To Report Fraud, Waste, and Abuse	<p>Report suspicious or illegal activities to the OIG Hotline (you can remain anonymous):</p> <p>Web: www.amtrakoig.gov/hotline Phone: 800-468-5469</p>
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