



Memorandum

To: Tracie Winbigler
Executive Vice President and Chief Financial Officer

From: Jim Morrison *JM*
Assistant Inspector General, Audits

Date: May 21, 2021

Subject: Engagement Memo—Assessing the Company’s Actions in Response to Erosion at the Del Mar Bluffs (Project Code 010-2021)

We are initiating an audit of the company’s response to the ongoing erosion of the bluffs in Del Mar, California over which the company operates daily *Pacific Surfliner* service. In February 2021, a seawall collapsed along the bluffs. This is just the most recent of such events which, over the past 20 years, have resulted in emergency repairs, rail service suspensions, and Federal Railroad Administration-imposed speed restrictions. Our objective will be to assess the extent to which the company is taking actions to monitor, evaluate, and mitigate risks associated with operating service on these tracks. We may expand our scope or modify our objective during the audit. We plan to interview company, federal, state, and local officials who share responsibility for maintaining the infrastructure and assessing the safety of the track. We will also review documents related to this situation. In addition, we plan to visit the Del Mar site, to the extent feasible under stakeholder coronavirus-related restrictions.

As we start this audit, please know that we remain sensitive to the impact that the coronavirus and subsequent recovery continue to have on the company’s business operations and its employees. We will conduct our outreach with the company as efficiently as possible and will work to minimize disruptions by coordinating meetings with staff in advance. Throughout the course of our audit, we will keep you advised of the status of our work and any material changes in our objective, should they occur.

We will perform our work in accordance with generally accepted government auditing standards. Our interactions with the company will be consistent with P/I 2.1.3, which sets forth the relationship between our office and the company. In particular, section 7.0

of the policy discusses coordination between company officials and our Office of Audits.

We request that your office arrange an entrance conference for us with the appropriate company officials at the earliest possible date. Todd Kowalski will be the audit manager for this engagement and reports to Leila Kahn, Senior Director, Audits. If you have any questions, please contact me at (202) 906-4742 or james.morrison@amtrakoig.gov; Eileen Larence, Deputy Assistant Inspector General, Audits, at (202) 906-4152 or eileen.larence@amtrakoig.gov; or Leila Kahn at (202) 577-8897 or leila.kahn@amtrakoig.gov.

cc: Stephen Gardner, President

Eleanor D. Acheson, Executive Vice President, General Counsel & Corporate Secretary

Roger Harris, Executive Vice President, Chief Marketing and Revenue Officer

Scot Naparstek, Executive Vice President, Chief Operating Officer

Dennis Newman, Executive Vice President, Planning & Strategy

Steve Predmore, Executive Vice President and Chief Safety Officer

Qiana Spain, Executive Vice President and Chief Human Resources Officer

Christian Zacariassen, Executive Vice President and Chief Information Officer

Gerhard Williams, Vice President, Chief Engineer

Shawn K. Gordon, Vice President, Transportation

Mark Richards, Senior Director, Risk Management and Controls