

NATIONAL RAILROAD PASSENGER CORPORATION

OFFICE OF THE INSPECTOR GENERAL

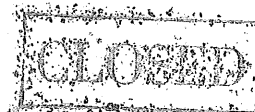
INVESTIGATIVE COSING REPORT

TITLE: Mismanagement

CASE NUMBER: 06-155

DATE OF REPORT: January 13, 2010

REPORT PREPARED BY: [REDACTED] 733U



BACKGROUND

The Office of Inspector General ("OIG") Office of Investigations ("OI") received an allegation that [REDACTED] – Marketing, may have abused his position by engaging in a potential conflict of interest situation involving Mac America Travel, Incorporated ("Mac America"), a travel agency located in New York, NY. Specifically, the information alleged that [REDACTED] provided Mac America with a "sweetheart" deal, in addition to a 10% sales commission because of [REDACTED]'s prior business relationship with Mac America's [REDACTED], [REDACTED].

SUMMARY OF INVESTIGATION

1. Agents conducted interviews with a variety of Amtrak personnel that either have direct contact and/or knowledge of Mac America's account and/or its Fare Order Request ("FOR"). Everyone interviewed, whether peripherally or directly involved with Mac America or its FOR, was aware that [REDACTED] and [REDACTED] had a prior relationship, that Mac America was [at one time] [REDACTED]'s account, and/or that [REDACTED] was responsible for bringing Mac America to Amtrak.
2. Agents interviewed [REDACTED] regarding the allegation. He confirmed that he and [REDACTED] had a prior relationship, that [REDACTED] was responsible for initiating Amtrak's relationship with his company, Mac America, and that when he had a problem with his company's contract, he typically contacted [REDACTED] for resolution.
3. Agents interviewed [REDACTED] regarding the allegation. [REDACTED] confirmed that he and [REDACTED] had a prior relationship and that he was responsible for bringing Mac America on board as an Amtrak travel agent. He denied engaging in any favoritism on behalf of Mac America.
4. Effective February 2009, [REDACTED] advised Amtrak that Mac America was discontinuing the direct sale of Amtrak discounted tickets and requested that it be allowed to cancel its FOR. [REDACTED] further indicated that Mac America would continue to assist JTB in its (JTB's) efforts to promote and sell Amtrak tickets. Initially, [REDACTED] requested that Amtrak allow JTB to fulfill Mac America's contractual obligations through the end of its contract period (March 2009) to no avail. Amtrak created a new FOR with JTB.

NATIONAL RAILROAD PASSENGER CORPORATION
60 Massachusetts Avenue, NE, Washington, DC 20002
tel (202) 906-3960, fax (202) 906-2850

Memo



Date January 4, 2010

To [REDACTED]

From Emmett Frémaux

Department Marketing & Product Development

Subject OIG Referral

Message First, my apologies for the delayed response to your original memo. Upon receipt of the second (copy) memo last week, I have implemented your recommendation to review and reinforce the importance of adhering to Amtrak's Ethical Conduct and Conflict of Interest Policy with the Marketing Sales & Promotional group.

I felt that this was also an opportunity to remind the entire Marketing & Product Development Department team to review the above policy. Consequently, this will be an agenda topic at my first 2010 staff meeting with my direct reports, followed by a memo for general distribution to the entire Marketing & Product Management team regarding the Ethical Conduct and Conflicts of Interest Policy.