



**Weaknesses in Amtrak's project management result in more than \$10 million in costs not recovered on reimbursable projects, OIG finds**

**For Immediate Release**

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WASHINGTON – Amtrak will not recover more than \$10 million on two of its reimbursable projects due to project management weaknesses, a new OIG report released on Oct. 25 found.

According to the report, Amtrak undertakes various projects for freight and commuter railroads and state departments of transportation on a cost-reimbursable basis. Such projects range from small equipment repairs to large infrastructure projects.

The OIG found weaknesses in assessing cost and benefits of potential projects, inconsistent management of business relationships with project partners, and inconsistent implementation of project management controls for two of the three projects reviewed. Such weaknesses contributed to disputes with project partners that led to cost overruns and project delays.

Amtrak's Engineering department has identified several project management standards such as accurately estimating, identifying, recording, tracking and billing for costs. However, in two projects the OIG reviewed, a positive train control project in Michigan and ongoing preventative and emergency maintenance work in support of Long Island Rail Road in New York, Amtrak will not recover more than \$10 million because it did not ensure project managers completed comprehensive cost estimates for the projects and identified and recorded costs so that the company could recover them, according to the report.

To address the report's findings, the OIG recommended Amtrak require business cases to evaluate the costs and benefits of a project before accepting reimbursable project requests; update its Engineering project management standards to specify key business partnering practices and hold project managers accountable for implementing them; and ensure that project managers implement the Engineering department's project management controls to effectively recover costs.

More details are available in the full report, located on the OIG's website:

<http://go.usa.gov/xpCE9>

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