

National Railroad Passenger Corporation Office of Inspector General

10 G Street N.E. Washington, DC 20002

AMTRAK CORPORATE LODGING PRACTICES: IMPROVED BUSINESS PROCESS WOULD LEAD TO SUBSTANTIAL SAVINGS OCTOBER 29, 2013 CASE # CA-12-0237

Our investigation revealed that opportunities existed to improve Amtrak's lodging program cost effectiveness. During the last three fiscal years, Amtrak spent approximately \$69 million to provide overnight lodging for about 6400 employees. Amtrak outsources its lodging services to a lodging management firm, in an effort to gain leverage in negotiating hotel room rates and to manage Amtrak's lodging program. Our investigation found that some Amtrak managers who were responsible for arranging lodging for employees did not always follow the lodging management firm's recommendations on how to use industry best practices to realize significant savings. We reported the results of our investigation to Amtrak management who agreed to adopt the industry best practices recommended in the report. Amtrak management estimated that by doing so, the company could realize a cost avoidance of \$1.1 million.