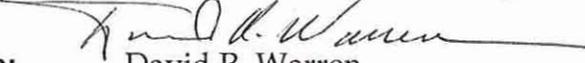




Memorandum

To: Gordon Hutchinson, Acting Chief Financial Officer

From: 
David R. Warren
Assistant Inspector General, Audits

Date: October 4, 2012

Subject: Change Orders on ARRA Projects

Amtrak received \$1.3 billion under the American Recovery and Reinvestment Act of 2009 (ARRA) for infrastructure and security improvements. There was approximately \$63 million in change orders on ARRA projects. This is to advise you that we are initiating a review to assess adequacy of the process to review and approve change orders.

Our specific objective is to determine whether the amounts paid to accomplish change order work were adequately supported. We request that your office arrange an entrance conference for us with the appropriate Amtrak officials at the earliest possible date. We will keep you advised of the status of our work and any material changes in our audit objectives.

Dorian Herring will be the auditor-in-charge for this assignment and will be assisted by Dave Burrell, Mary Ellen Moran, and John Weinle. If you have questions regarding this audit, please contact me at (202) 906-4742 (david.warren@amtrakoig.gov) or Michael Kennedy, Senior Director, Audits, at (202) 906-4308 (michael.kennedy@amtrakoig.gov).

cc: DJ Stadtler, Vice President, Operations
Jeff Martin, Chief Logistics Officer
William Coleman, Senior Director, Procurement
William Herrmann, Managing Deputy General Counsel
Jessica Scritchfield, Senior Director, Internal Controls/Audit