



Memorandum

To: Gerald Sokol
Executive Vice President and Chief Financial Officer

Alex B. Melnkovic
Executive Vice President and Chief Human Capital Officer

From: Stephen Lord
Assistant Inspector General, Audits

A handwritten signature in black ink that reads "Stephen Lord". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Date: October 31, 2016

Subject: Engagement Memo – Audit of the Short Term Incentive (STI) and Long Term Incentive (LTI) Payments (Project 001-2017)

In anticipation of the company making incentive payments to its employees by December 31, 2016, the Board of Directors has asked us to review the company's compliance with the requirements of the Short Term Incentive (STI) and Long Term Incentive (LTI) Plans. Our objectives are to assess the accuracy of (1) the company's Financial and Customer Service data used as the basis for determining STI and LTI goal achievement; and (2) the STI and LTI payments made to employees.

During the audit, we plan to interview company officials, and analyze documents and data used in determining the company's reported goal achievements and the process for calculating payments to employees. Our requests for documents and data will be made as our work progresses. We will work to minimize disruptions to the company but we also aim to complete our work before incentive payments are made to employees at year end.

Our work will be performed 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. To view this policy, see
<http://wiki.corp.nprc/display/APIM20/2.0+Inspector+General>.

We request that your office arrange an entrance conference for us with the appropriate company officials at the earliest possible date. We will keep you advised of the status of our work and any material changes to our audit objectives, should they occur.

Earl Hedges and Vijay Chheda will be the Senior Directors for this engagement. If you have any questions, please contact me at 202-906-4600 or Stephen.Lord@amtrakoig.gov.

cc: Leadership Team and Key Executives
Matthew L. Gagnon, Senior Director, Amtrak Controls
Melantha Paige, Senior Amtrak Controls Consultant