



OFFICE *of* INSPECTOR GENERAL
NATIONAL RAILROAD PASSENGER CORPORATION

CONGRESSIONAL BUDGET ESTIMATE

Fiscal Year 2026

Submitted to the Committees on Appropriations, U.S. Senate and
U.S. House of Representatives

May 30, 2025

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NATIONAL RAILROAD PASSENGER CORPORATION

OFFICE OF INSPECTOR GENERAL

FISCAL YEAR 2026 BUDGET SUBMISSION

INSPECTOR GENERAL'S OVERVIEW

We respectfully submit the National Railroad Passenger Corporation (Amtrak) Office of Inspector General's (OIG) fiscal year (FY) 2026 budget proposal. Consistent with the President's Budget, we are requesting \$31,100,000 to support our mission of providing effective and meaningful oversight of Amtrak (the company), which, in addition to executing its 24/7 train operations across the nation and parts of Canada, is now responsible for a multibillion-dollar Capital Delivery function to upgrade its infrastructure. In addition, the company is making three generational train procurements—NextGen Acela, Airo, and long-distance—the success of which will weigh heavily on achieving its goal of operational profitability by 2028. Our work has touched on all these areas, forecasting the current delays with Amtrak's NextGen Acela trains and identifying programmatic weaknesses and opportunities for marked improvements in its management of major programs throughout our body of work. More importantly, our work has driven significant improvements as the company addresses our recommendations with meaningful change.

The requested funds will enable us to accomplish our key responsibilities of conducting audits, investigations, and legal analyses, while also producing other reviews and reports consistent with our mission. In addition, the request includes \$370,000 for staff training and \$124,400 to support the Council of the Inspectors General on Integrity and Efficiency (CIGIE), as provided by the Inspector General Reform Act of 2008, Pub. L. No. 110-409. We affirm that this funding is sufficient to satisfy these requirements and submit the following comments pursuant to Section 406(g) of the Inspector General Act of 1978, as amended.

FY 2026 Oversight Landscape and Impact of OIG Work

With an influx of funding from the Infrastructure Investment and Jobs Act (IIJA), Amtrak finds itself in a position unprecedented since its creation in 1970. Not only is it charged with providing safe, efficient, and effective transportation to its customers, but it is advancing the largest capital portfolio in its history. With access to as much as \$66 billion from the IIJA, the company is modernizing its fleet as well as its tunnels, bridges, stations, and technology systems. At the same time, the company is pursuing an

ambitious goal of doubling annual ridership by FY 2040 by expanding service to reach as many as 160 new communities.

The volume of federal funds, the creation of a capital delivery function, and fluctuations in Amtrak's workforce present significant implementation risks and oversight challenges. While the company is pursuing this once-in-a-lifetime effort, it must still meet obligations that are difficult under the best of circumstances: running a safe, efficient passenger railroad, pursuing financial stability, and providing excellent service to its customers. The company recognizes the complexity of this moment and is taking steps to proceed, but the risks are significant and require robust, coordinated oversight by the Amtrak Board of Directors, the OIG, Congress, and other entities within the Executive Branch.

In recent years, congressional support has allowed us to responsibly improve our capacity and capabilities to better address these oversight challenges. Focusing on critical oversight areas, we hired auditors to focus on major programs oversight; hired investigators in Chicago, Miami, and New York to expand our investigative coverage; implemented new technology for our Digital Investigations Unit; improved our office technology for more seamless collaboration; and invested in equipment to enhance protections for our agents in the field. We also consolidated and added personnel to our Office of Data Analytics, which continues to offer valuable support to our audits, investigations, and other products.

We accomplished this even though funding for our oversight mission has not increased proportionately when compared with the investments in Amtrak's programs and operations, as depicted in Figure 1 below. Nevertheless, we acknowledge the present need for increased oversight relative to Amtrak's burgeoning infrastructure spending and generational procurements. If these generational oversight needs subside, however, we will remain strong stewards of the taxpayers' funds and adjust our staff accordingly.

**Figure 1. Amtrak OIG Funding Compared to Amtrak Funding
Fiscal Years 2019 through 2025**

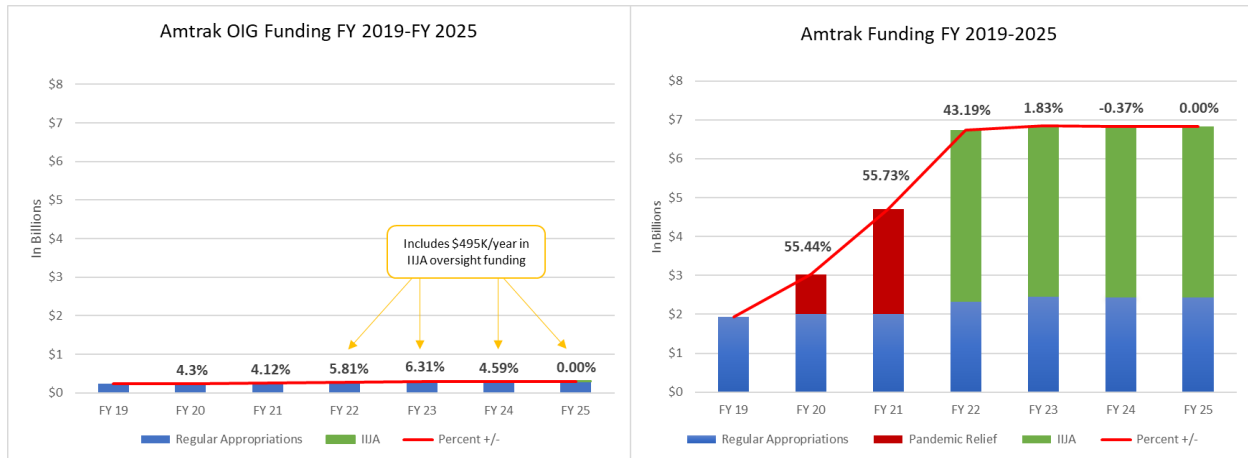


Figure 1. Amtrak OIG analysis of annual appropriation laws, pandemic relief laws, and the Infrastructure Investment and Jobs Act.

More importantly, our work, as reflected in our semiannual reports and through other metrics, is making a difference in helping Amtrak better perform its congressionally mandated programs and operations, which include assurances or warnings regarding Amtrak's stewardship of taxpayers' funds. To that end, Amtrak OIG remains committed to continuing our high-impact work by independently and objectively identifying risks and vulnerabilities that directly or potentially affect Amtrak's mission and its responsibilities to its partners and the travelling public. As a smaller OIG, we do this by selectively targeting our resources to Amtrak's most serious management and program challenges and developing recommendations to address them, which Amtrak typically accepts and implements. Similarly, we aggressively seek out fraud, waste, and abuse, and develop the facts to hold those who engage in criminal or unethical behavior accountable. That said, we believe that appropriately resourced oversight will continue to bring meaningful and credible transparency to Amtrak's unprecedented infrastructure programs and railroad operations, discerning financial scrutiny over federal funding of the same, and a focused and professional investigative mechanism to help deter, detect, and thwart criminal or ethical wrongdoing.

In the following paragraphs, we describe a few of the high-visibility challenges the company faces, the impact of our prior and ongoing work in these areas, and the significant oversight efforts these challenges demand. These challenges fall into four areas: (1) running a safe and secure railroad, (2) responsibly executing historic capital improvement plans, (3) continuing to operate an efficient transportation company, and (4) reducing the ever-present risk of fraud.

Running a Safe and Secure Passenger Railroad

Providing a safe and secure travel environment is the cornerstone of the company's viability. Amtrak's leadership and Board of Directors have challenged Amtrak to become the safest passenger railroad in the country,¹ and to make its primary focus the safety of its passengers and employees. Operating a passenger railroad has inherent risks, however, given the speed and complexity of modern rail operations, coupled with human factors affecting myriad decisions made by Amtrak personnel, host railroad personnel, the travelling public, and those in proximity to the tracks. Our work has reflected the improvements the company has made and the continued risks associated with train accidents, employee safety, station and facility security, and cybersecurity, as follows.

Reducing the risk of train accidents. Derailments and collisions can result in injuries and fatalities for passengers and employees. Since 2015, the NTSB investigated at least five accidents and found that the company's "weak safety culture" contributed to three of them.² Fortunately, the company has not experienced a non-strike related accident since the Joplin, Montana, derailment in September 2021.³ Nevertheless, transporting more than 32 million riders a year necessitates constant vigilance, and our audit work in this area noted the importance of Positive Train Control (PTC)—the company's automated safety system for slowing or stopping trains to prevent accidents.⁴

Train strikes, however, are a significant source of passenger rail fatalities across the country, and the company is no exception. For example, Amtrak trains were involved in approximately 800 train strikes from fiscal year 2020 through 2023, resulting in 594 deaths and 279 injuries, and approximately one in five of the company's passenger engineers may have been involved in such a strike in FY 2023. In a recent audit,⁵ we found that Amtrak has implemented measures to reduce risks across its network but could better identify and manage its risk of train strikes and more broadly adopt key

¹Amtrak, *System Safety Program Plan*, September 2023.

² National Transportation Safety Board. *Amtrak Train Collision with Maintenance-of-Way Equipment, Chester, Pennsylvania, April 3, 2016, NTSB 17/02*. November 14, 2017.

³ NTSB determined that this derailment occurred because of a combination of conditions that affected the host railroad track.

⁴ *Safety and Security: Amtrak Expects Positive Train Control will be Interoperable with Other Railroads but Could Better Measure System Reliability* (OIG-A-2021-004), December 11, 2020; *Progress Made Implementing Positive Train Control, but Additional Actions Needed to Ensure Timely Completion of Remaining Tasks* (OIG-A-2017-001), October 6, 2016; and *Safety and Security: Progress Made in Implementing Positive Train Control, but Significant Challenges Remain* (OIG-A-2015-013), June 19, 2015.

⁵ *Safety and Security: Company is Taking Steps to Address its Risk of Train Strikes but Does Not Have a Comprehensive Risk Management Process* (OIG-A-2025-003), April 14, 2025.

practices to improve risk management. Additionally, our auditors found that the company could improve the accuracy of the train strike data it is required to report to the Federal Railroad Administration.

Reducing employee accidents and injuries. No less important than the safety of passengers is the safety of Amtrak's approximately 22,000 employees.⁶ Our April 2021 and October 2020 reports found that the company's implementation of its Safety Management System was consistent with federal requirements, and we remain committed to monitoring and reporting on these efforts, as necessary, to ensure its SMS is functioning as intended.⁷

We believe that a key factor in the company's broader efforts to improve its safety depends on transforming its culture. In 2020, we recommended that the company conduct a survey of its safety culture and use the results to assess its progress. The company agreed with these recommendations and has implemented them. As of December 2023, the company had conducted two employee surveys to evaluate its safety culture. From these results, the company developed a plan to address some challenges and a roadmap for future assessments and actions to continually improve safety culture, and it has communicated these actions to company employees. While these are positive efforts, the company continues to face challenges in this area. For example, our investigators recently uncovered instances of employees putting themselves at risk by walking or driving next to live tracks without requesting the required pause in operations to ensure safety.⁸ In addition, our investigators found that an employee violated company policies by falsely reporting that federally required safety inspections had been completed for the stairs on three train cars. As a result, cars that should have been taken out of service were put into service the following morning.⁹

Improving safety and security at Amtrak stations and facilities. Amtrak operates at more than 500 stations in 46 states, the District of Columbia, and 3 Canadian provinces.

⁶ Amtrak, *General and Legislative Annual Report & FY 2025 Grant Request*, March 14, 2024.

⁷ *Safety and Security: The Company Has Made Significant Progress Implementing New Safety Program* (OIG-A-2021-008), April 8, 2021; and *Safety and Security: The Company Can Take Steps to Evaluate Its Current Safety Culture* (Interim Audit Report OIG-A-2021-001), October 2, 2020.

⁸ *Opportunities to Reduce the Risks of Track Safety Violations* (OIG-WS-2024-320), February 28, 2024. In addition to our recent investigation, the NTSB's investigation into a 2016 accident (Accident Report NTSB/RAR-17/02 PB2018-100263) near Chester, Pennsylvania, in which two maintenance-of-way workers were killed and 39 people were injured when Amtrak Train 89 collided with a backhoe on the tracks, revealed more than two dozen unsafe conditions, many involving safety rule violations and risky behaviors by workers.

⁹ *Employee Terminated for Falsely Reporting that Required Safety Inspections were Completed* (OIG-WS-2024-339), August 8, 2024.

The company has varying degrees of ownership of these stations, however, with sole responsibility for fewer than one-third of them. This complicates its ability to improve safety and security. Regardless of ownership, passengers need assurance that their travel is indeed safe. In 2020, we reported that rail organizations across the world place a premium on customer perceptions of safety because if customers do not feel safe and the organization's reputation suffers, customers could switch to a different mode of transportation, subsequently impacting ridership and revenue.¹⁰

Our work continues to identify challenges regarding the physical security of Amtrak's stations, as well as the yards and storage facilities where its employees work. Company officials have told us about crimes against passengers and employees at stations and facilities, as well as difficulties managing the vulnerable populations that frequent these stations. For example, we identified security risks to employees at one facility that were so significant that onsite managers told us they regularly approached and detained dangerous and sometimes armed trespassers until first responders arrived, including an incident that involved a trespasser throwing a hammer at an employee.¹¹ Most recently, we identified security vulnerabilities at 9 of the 10 inventory storage facilities we visited, exposing company inventory to greater risk of loss or theft.¹² In response to our work, the company is implementing additional processes and safeguards to better protect passengers, employees, and company assets, including consolidating control over its private security contractors.¹³

Amtrak's security responsibilities are growing. Recently, the company became responsible for the day-to-day management and operations of Union Station in Washington D.C., including the area between the station and Columbus Circle. Given its proximity to the U.S. Capitol complex and other key national infrastructure such as the U.S. Supreme Court and the Library of Congress, this historic landmark poses inherent security challenges.

Recognizing the importance of these issues, we have planned additional work to evaluate the overall physical security at the company's major stations and yards. Our investigators also help promote safe operations by coordinating with the Amtrak Police Department and the company's critical incident response team following significant

¹⁰ *Safety and Security: Management of the Police Department Has Recently Improved, but Foundational Decisions Are Needed on its Role and Priorities* (OIG-A-2020-012), July 1, 2020.

¹¹ *Safety and Security: Observations on Security at the *REDACTED* Facility*, (OIG-MAR-2023-006), May 9, 2023.

¹² *Asset Management: Company Has Opportunities to More Effectively Manage and Safeguard Maintenance-of-Equipment Inventory*, (OIG-A-2024-004), February 22, 2024.

¹³ *Safety and Security: Company Faces Impediments Identifying and Managing Private Security Contractors*, (OIG-MAR-2023-009), June 23, 2023.

incidents, such as derailments, shootings, or crimes committed on Amtrak trains or property. Continued company focus—and robust oversight by the OIG, the Amtrak Board of Directors, Congress, and others—will be integral to reducing safety and security risks across the company.

Reducing cybersecurity risks. Like many organizations, the company faces significant threats from malicious cyber actors—both internal and external—to its information and operational technology systems. This is complicated by the fact that in FY 2023, the company had more than 340 different information technology (IT) systems that processed its business data or operational technology systems that supported its train operations. Additionally, cybersecurity breaches in the nation’s infrastructure have increased, such as the one in 2021 that affected one of the largest refined petroleum pipelines in the United States.

Cyberattacks on Amtrak infrastructure could result in serious risks for human safety, the environment, train operations, and ultimately the U.S. economy. We have previously reported on challenges related to the company’s efforts to identify and track operational technology assets for its critical train control systems, increasing the risk of cyberattacks that could disrupt train operations.¹⁴ More recently, we assessed how the company protects information systems and data from insider threats and made recommendations to better secure these systems.¹⁵ Our investigators have also uncovered instances where employees or contractors misused or took advantage of their system access and either deliberately or inadvertently exposed sensitive company information.¹⁶ To keep pace with the ever-evolving cybersecurity landscape, our office assessed the company’s disaster recovery processes for systems supporting its train operations and has planned work that will assess the extent to which the company has implemented effective governance processes and security controls for cloud computing.¹⁷

¹⁴ *Information Technology: Better Identifying and Tracking Operational Technology Assets Across the Company Would Improve Cybersecurity* (OIG-A-2023-002), November 7, 2022.

¹⁵ *Technology: Results of Audit Assessing Company Controls to Protect Information Systems and Data from Insider Threats* (OIG-A-2024-001), December 11, 2023.

¹⁶ *Former Contractor Violated Policy by Wrongfully Uploading Sensitive and Proprietary Company Data* (OIG-WS-2020-328), June 2, 2020; *Employee Counseled for Improperly Sharing Access to Company Files* (OIG-WS-2023-326), March 3, 2023; and *System Engineer Counseled for Installing Unauthorized Software* (OIG-WS-2023-322), March 31, 2023.

¹⁷ *Technology: Results of Audit Assessing the Company’s Disaster Recovery Practices for Its Operational Technology Systems* (OIG-A-2025-003), January 31, 2025; and *Annual Audit Plan 2025* (OIG-AP-2025), February 7, 2025.

Responsibly Executing Historic Capital Plans

The IIJA is the largest capital investment in the company's history. It provides \$22 billion exclusively to the company to bring its capital assets into a state of good repair and acquire new rolling stock, among other uses. It also provides \$44 billion for competitive grants to the company, state and local governments, and other rail carriers to advance safe, clean, and efficient passenger and freight rail. Accordingly, the IIJA could triple the company's annual capital spending over the coming years and will significantly expand its traditional passenger rail mission to include a major capital delivery mission.

In September 2023, our office reported that the company was actively positioning itself to comply with the IIJA's operations, policy, and funding requirements for its use, accounting, and reporting of the \$22 billion in direct funding.¹⁸ These steps included developing a spending plan for using IIJA funds and a plan for meeting accounting and reporting requirements. These were positive early steps, though it was too soon to fully assess their effectiveness. We continue to monitor Amtrak's use, accounting, and reporting on IIJA funds in keeping with congressional directives, and we recently announced new work to assess Amtrak's efforts to comply with IIJA requirements.

To date, the company has multiple infrastructure programs and rolling stock procurements in design or execution, each with estimated costs in the billions. The infrastructure programs include its participation in the \$40 billion Gateway program, which plans to double rail capacity between New York and New Jersey, and the estimated \$6 billion Frederick Douglass Tunnel program to replace a 1.4-mile Civil War-era tunnel under the city of Baltimore. At the same time, the company is making the three largest rolling stock purchases in its history—the \$1.6 billion purchase of NextGen Acela trainsets to replace its aging legacy high-speed fleet, the almost \$4 billion Airo program to replace its intercity trainsets, and the multi-billion-dollar replacement of its long-distance fleet. Any one of these would be a generational endeavor by itself, but the company is engaged in all of them simultaneously—along with a host of other construction work—making its current portfolio of capital projects truly historic.

Our work has identified longstanding challenges, however, in the company's management of major programs, projects, and procurements, which we have reported on extensively. This work helped catalyze the company to make noteworthy organizational changes. For example, in 2022, the company created a new Capital Delivery department to manage the planning and implementation of major programs

¹⁸ *Financial Management: The Company Has Proactively Taken Steps to Comply with the Infrastructure Investment and Jobs Act* (OIG-A-2023-011), September 1, 2023.

and projects. It also created an enterprise-wide project management office, issued management standards,¹⁹ developed trainings and certifications to build managers' skills, and took other actions in line with our findings and recommendations.

Regardless of our oversight efforts, the cost and scope of Amtrak's capital commitments over the next decade require it to remain keenly focused on addressing the following three fundamental challenges we identified that could impact its success:

- **Improving program and project management.** To ensure responsible stewardship of taxpayer dollars and deliver these major capital projects on time and on budget, the company must have a strong foundation in program management—an area where it has struggled. In particular, the company has faced challenges developing accurate cost and schedule estimates for past capital projects, leading to overruns and late deliveries. On the Moynihan Train Hall program, for example, we reported that the company increased its initial cost estimate by \$72.8 million (nearly 69 percent) because it did not initially budget for basic costs that a major project would typically include, such as construction management.²⁰ In addition, we reported that the company's New Acela program is at least four years behind schedule, with additional delays likely.²¹

Some of the challenges our prior work has identified extended company-wide and required system-level fixes. For example, our recent work identified gaps in the company's systems that hindered project teams from accessing detailed and standardized cost data, which impeded their ability to identify emerging problems that might lead to cost overruns.²²

We have also reported on the company's longstanding pattern of insufficient project management processes, tools, and staff to oversee its capital investment work. For instance, on the Gateway program, we found that the company had not fully developed a thorough framework that described the processes its departments would follow and the tools they would use to

¹⁹ Amtrak Enterprise Program Management Office (EPMO), *Enterprise Project Management Standards*, October 1, 2019; and Amtrak EPMO, *Project Management Procedure Manual*, October 1, 2018. The company updated these standards in December 2021.

²⁰ *Governance: Early Planning and Oversight Deficiencies Led to Initial Program Failures and Continued Risks to the Moynihan Train Hall Program* (OIG-A-2020-014), August 17, 2020.

²¹ *Major Programs: Company Improved Management of New Acela Program, but Additional Delays and Cost Increases are Likely* (OIG-A-2023-013), September 29, 2023.

²² *Governance: Company Is Strengthening Project Cost Management but Can Better Organize Costs and Improve Guidance* (OIG-A-2023-010), July 17, 2023.

manage the program, even though major projects were already underway when we issued our report.²³ We also identified that the company had not developed foundational program management tools for the New Acela program, such as a master schedule and a risk register.²⁴ To successfully deliver its growing capital commitments on time and budget and maximize the benefits of federal investments, the company must have disciplined processes and staff to effectively plan its work, mitigate risks, and proactively address emerging issues.

- **Enhancing stakeholder coordination.** The company's success in executing its capital program will also depend on cooperation, coordination, and support from an array of external partners, such as state governments, commuter rail agencies, local governments, regional working groups, freight rail companies, FRA, and Congress. For example, the company will either be the lead or support a state government or transit agency on over \$30 billion of its ongoing and planned capital work. As we reported in 2022, however, the company has not effectively coordinated with its state partners and FRA and resolved issues on how to share capital expenses.²⁵ Similarly, the company has struggled to meet its target completion date to bring stations into compliance with the Americans with Disabilities Act (ADA), largely due to challenges coordinating with third parties such as other station owners and host railroads.²⁶

The company must also maintain well-coordinated engagement among its internal stakeholders to ensure the requirements it develops for its programs and projects are complete, feasible, and meet its business needs. Here too, the company has struggled at times, resulting in both cost increases and schedule

²³ *Governance: Company Needs a Comprehensive Framework to Successfully Manage its Commitments to the Gateway Program* (OIG-A-2022-006), February 4, 2022.

²⁴ *Train Operations: The Acela Express 2021 Program Faces Oversight Weaknesses and Schedule Risks* (OIG-A-2018-002), November 16, 2017.

²⁵ *Governance: Amtrak Has Begun to Address State Partners' Concerns About Shared Costs But Has More Work to Do to Improve Relationships* (OIG-A-2022-005), January 31, 2022.

²⁶ *Major Programs: Americans with Disabilities Act Program Progressing, but Faces Some Challenges to Meeting Completion Goals* (OIG-A-2023-012), September 13, 2023. 49 C.F.R. § 37.49 assigns ADA responsibility based on ownership. If more than 50 percent of a station component is owned by a public entity, that public entity has 100 percent of the ADA responsibility for that component. If more than 50 percent of a station component is owned by a private entity, then the company and the commuter railroads that serve that station have 100 percent of the ADA responsibility for that component; responsibility amongst the railroads is proportional based on passenger boardings. At stations where the company has sole responsibility it must complete all three components if they exist; at stations where it has shared responsibility, it must complete only one or two components.

delays. For example, on the Airo program, we found that the company did not engage all stakeholders when it developed its requirements, leading to a \$42.5 million company-initiated change order and a five-and-a-half-month schedule delay.²⁷ Similarly, in 2022, we found that the company was not fully identifying requirements for technology projects in part because it did not include all relevant staff to ensure requirements were complete, leading to schedule slippages and cost overruns.²⁸ Finally, in 2022, we reported that the company's purchase of a building for its Unified Operations Center was premised on two significant yet faulty assumptions: (1) that the company could centralize and co-locate its train control and dispatch personnel along with a specialized police unit and social media staff and use the remaining space to relocate IT personnel from leased space; and (2) that the program would yield cost savings.²⁹ This occurred because the company did not effectively verify the feasibility of centralizing these personnel and functions, including the need to retrofit the building to accommodate significant IT requirements, before purchasing the building. The company has since implemented our recommendation and revised its business case with more updated assumptions.

- **Ensuring strong contract development and oversight.** In FY 2022, before IIJA funding was available, the company spent a little over \$2 billion annually in capital projects. Now, with IIJA funds, the company could triple its annual capital spending—a significant portion of which will go to contractors. In 2023, for example, it entered into \$3.5 billion in contract commitments for capital projects. We found, however, that the company does not have a centralized repository for storing contracts.³⁰ Instead, contract storage efforts are decentralized and manually driven, which impacts records retention, increases legal risk, and reduces its ability—and our office's ability—to oversee key procurement metrics companywide. To its credit, the company has significantly increased its number of contracting officers to meet this demand. To ensure goods and services meet contract terms and invoices accurately reflect provided goods and services it must 1) effectively structure

²⁷ *Train Operations: Company Has Improved Management of Intercity Trainset Acquisition and Can Improve Stakeholder Engagement on Major Capital Programs* (OIG-A-2023-005), December 22, 2022.

²⁸ *Information Technology: Better Requirements Could Help the Company Implement Technology Projects More Effectively* (OIG-A-2022-007), March 11, 2022.

²⁹ *Governance: Business Case for Company's New Unified Operations Program Needs to be Updated* (OIG-A-2022-009), May 11, 2022.

³⁰ *Acquisition and Procurement: Company's Electronic Procurement System Limits Effective Contract Oversight* (OIG-MAR-2022-013), August 16, 2022.

procurements, 2) proficiently staff teams to oversee contractors, 3) develop a centralized contract repository, and 4) ensure ongoing oversight by procurement staff.

Given these issues and the sheer number and scale of construction projects and equipment acquisitions the company has planned or that are underway, our office has made capital oversight a priority.

Our recent, ongoing, and planned audit work covers about \$40 billion in major programs such as our audit of the long-distance fleet acquisition, which could become the largest rolling stock acquisition in the company's history;³¹ an audit of the Frederick Douglass Tunnel program,³² which is the single largest infrastructure effort that the company is currently leading; and an ongoing audit of the \$16.1 billion Hudson Tunnel project.

In addition to our audit work on IIJA funds and projects, our agents are proactively meeting with procurement officials and contractors who will be responsible for implementing these major programs and projects. This opens the lines of communication between our office and key stakeholders on these projects, enabling better communication, quicker access to project documents, and clear contacts for fraud reporting. For example, we coordinated a meeting with agents from our Central Field Office, agents from the U.S. Department of Transportation OIG, and attorneys for the Department of Justice's Antitrust Division, and Amtrak officials on the company's Chicago Hub Improvement Project, one of the most significant projects outside of the Northeast Corridor. Our team was briefed on the project and future projects expected in the region, and it toured several active jobsites, meeting supervisors and workers on the ground.

Continuing to Operate an Efficient Passenger Railroad

Even as Amtrak faces new demands associated with building its capital construction capacity, it must also sustain focus on the existing demands inherent to operating an efficient, reliable, modern, and financially sound railroad. As our audit reports and investigations highlight, the company continues to face longstanding operating challenges and will likely face new ones as it seeks to expand its footprint, as follows.

Modernizing technology systems. Amtrak—like all modern organizations—is

³¹ *Major Programs: Company Established a Management Framework for Long Distance Fleet Replacement Program but Can Improve Risk Management and Clarify Lines of Authority* (OIG-A-2025-001), December 13, 2024.

³² *Major Programs: Amtrak Is Establishing a Structure for Managing the Frederick Douglass Tunnel Program, but Better Planning Would Improve Oversight and Reduce Risks* (OIG-A-2024-010), September 27, 2024.

constantly striving to keep pace with evolving technologies. As we have previously reported, however, the company has multiple systems that are outdated and do not always meet its business needs. For example, we have reported on systems supporting Amtrak's fundamental business processes that did not provide the timely, detailed, and high-quality information managers need to support a range of operating activities, including tracking and managing detailed project costs, managing contracts, capturing hiring information, and overseeing its mechanical inventory.³³ The company is embarking on a significant IT modernization plan that includes upgrading and integrating existing systems as well as procuring new technology to transform business operations and protect its large capital investments. We have reported on challenges the company has had, however, in delivering its technology projects on schedule and within budget,³⁴ thus emphasizing the need for continued oversight in this area.

Beyond its business technology needs, we have also reported that the company's operational technology systems—those used to physically run the railroad—also require attention.³⁵ Critical systems such as PTC, train communications and signaling, dispatching, and electric traction are the backbone of the company's safe and efficient operations. These systems, however, are inherently vulnerable to disruptions from human or technical error, natural disasters, and physical- or cyber-attacks. We have established a dedicated team to focus exclusively on long-standing and emerging high-risk technology issues.

Emphasizing customer service. Providing high-quality customer service has been one of the company's longstanding priorities. Many factors can affect customers' experiences, and understanding what drives passenger satisfaction is key to providing those services. We found that the company could better use the data it already collects to improve the customer experience.³⁶ Specifically, the company could 1) establish

³³ *Asset Management: Company Has Opportunities to More Effectively Manage and Safeguard Maintenance-of-Equipment Inventory* (OIG-A-2023-004), February 22, 2024; *Human Resources: Company is Meeting Hiring Goals but Has Opportunities to Improve Hiring Efficiency* (OIG-A-2024-002), December 14, 2023; *Governance: Company Is Strengthening Project Cost Management but Can Better Organize Costs and Improve Guidance* (OIG-A-2023-010), July 17, 2023; and *Acquisition and Procurement: Company's Electronic Procurement System Limits Effective Contract Oversight* (OIG-MAR-2022-013), August 16, 2022.

³⁴ *Information Technology: Better Requirements Could Help the Company Implement Technology Projects More Effectively* (OIG-A-2022-007), March 11, 2022; and *Information Technology: Operations Foundation Program—Restructuring Could Help Control Costs and Limit Risks* (OIG-A-2017-011), June 19, 2017.

³⁵ *Information Technology: Better Identifying and Tracking Operational Technology Assets Across the Company Would Improve Cybersecurity* (OIG-A-2023-002), November 7, 2022; *Information Technology: Improving Cybersecurity and Resiliency of Train Control Systems Could Reduce Vulnerabilities* (OIG-A-2019-008), July 9, 2019.

³⁶ Engagement memo-Customer Service for Passengers with Disabilities — (Project Code 007-2024), February 27, 2024.

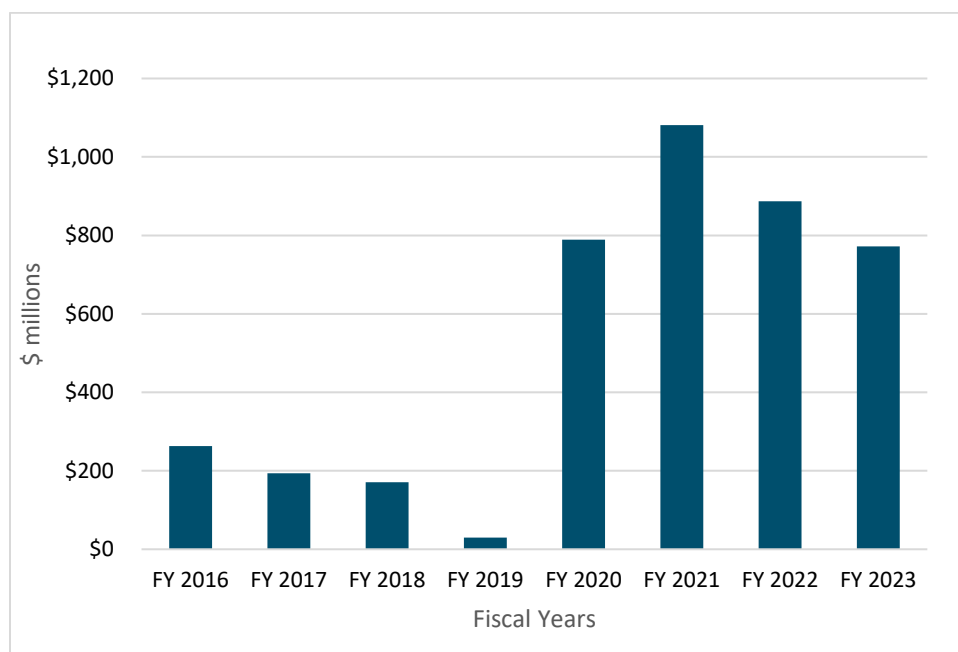
thresholds for when to initially communicate with customers about en route delays, 2) report performance metrics for call centers' response times, and 3) improve its internal use of customer feedback.

In addition, the single largest driver of poor customer service scores is late-arriving or late-departing trains. Some factors affecting on-time performance—particularly freight train interference—are largely outside the company's control, but it can control other factors, such as making sure its equipment is in good working condition and available to operate as planned. For example, as we reported, the reliability of the company's aging Acela fleet is declining, causing more train delays and forcing the company to modify its Acela timetable.³⁷ These actions not only affect revenue but also pose reputational risks to the company's premier service. Amtrak's key challenge in this area—and one it will lean heavily on IIJA funds to address—will be replacing assets when they are beyond their useful life and maintaining those that it depends on to provide safe, fast, and reliable service to customers throughout its network. We have completed substantive work in this area on its New Acela and Airo programs. We also reviewed its multi-billion-dollar procurement of the next generation long-distance fleet, finding that Amtrak's initial requirements for premium designs and amenities for its planned procurement of new long-distance trains added complexities to an already complex program and led to delays in the program's early stages.

Achieving financial stability while growing the business. Since its inception in the early 1970s, Amtrak has been striving to reduce its reliance on federal operating subsidies. In FY 2020, it was on track to reach this goal for the first time until the pandemic reversed its progress, as Figure 2 shows.

³⁷ *Major Programs: Company Improved Management of New Acela Program, but Additional Delays and Cost Increases are Likely* (OIG-A-2023-013), September 29, 2023 (Amended November 7, 2023).

Figure 2: Amtrak Adjusted Net Operating Loss, FY 2016-2023



Source: Amtrak, General and Legislative Annual Report & FY 2025 Grant Request, March 14, 2024.

Consistent with other travel providers, the pandemic hit the company hard, with ridership plummeting 97 percent in a matter of weeks. Ticket revenues similarly dropped by 80 percent when compared to the prior year. In response, the company began aggressively cutting costs by reducing service, trimming its workforce, and deferring or restructuring \$600 million in capital projects. These actions—coupled with emergency assistance from Congress—helped the company maintain its solvency and gradually begin to regain its financial footing.

Since then, persistent, proactive company initiatives have driven ridership back up, with systemwide ridership now exceeding pre-pandemic levels. In FY 2024, for example, ridership was a record 32.8 million. Our office plans to monitor these efforts closely, as resources allow, and report on the company's progress.

Reducing the Ever-Present Risk of Fraud

As Amtrak manages billions of dollars in federal investments, it faces the persistent risk of fraud. The company is, of course, not alone in facing pervasive fraud risks. The Government Accountability Office estimates that more than \$100 billion in unemployment insurance benefits—11 percent of total payments—were likely stolen

during the pandemic.³⁸ Although federal law enforcement, including our office, are taking actions to recover stolen funds,³⁹ this sobering example demonstrates how fraud can quickly and significantly detract from the intended outcomes of massive federal investments.

Accordingly, detecting and preventing fraud, waste, and abuse—part of our core mission—have become even more important amid the risks inherent with the influx of IIJA funds and attendant increase in spending on major capital projects. Our office remains committed to investigating and prosecuting fraud cases and identifying opportunities to improve related internal controls. Between 2017 and September 2023, we investigated 110 fraud-related cases impacting the company and helped recover \$269 million in restitution, forfeitures, and other recoveries. During this same period, we also issued 25 audit reports identifying potentially vulnerable controls that would-be criminals could exploit. In May 2023 and April 2024, we synthesized our work into two cross-cutting reports that illustrated how fraud risks manifest and shared ways the company can mitigate these risks.⁴⁰ Our work revealed the following four high-risk fraud areas:

- **Contract and procurement fraud.** Contract and procurement fraud schemes could come in several forms and at different times in the procurement process, ultimately inflating costs and diverting funds from their intended purposes. Our recent investigations indicate that the company remains vulnerable to these types of schemes. For example, two senior company employees were terminated after our investigation determined they steered contracts to close personal friends, failed to disclose relationships between company employees and vendors, engaged in conflicts of interest by approving invoices for personal gain, coordinated with contractors during a competitive solicitation, and engaged in other activities that undermined the company's ability to ensure decisions were in its best interest.
- **Health care fraud.** Health care fraud involves medical providers and others seeking unlawful or unwarranted benefits or payments from a health care plan. Left unchecked, health care fraud can increase costs and lower the

³⁸ Government Accountability Office. *Unemployment Insurance: Estimated Amount of Fraud during Pandemic Likely Between \$100 Billion and \$135 Billion* (GAO-23-106696), September 12, 2023.

³⁹ From July 2022 to March 2024, our office has investigated 9 cases related to pandemic relief fund fraud, resulting in criminal restitution or civil settlements totaling more than \$470,000.

⁴⁰ *Amtrak: Insights on Fraud Risks as the Company Expands Its Mission* (OIG-SP-2023-007) May 15, 2023; *Amtrak: Additional Insights on Fraud Risks as the Company Increases its Contracts and Procurements* (OIG-SP-2024-005), April 15, 2024

quality of services provided to employees and their dependents. From January 2017 to March 2024, our office investigated and supported 23 cases that involved defrauding Amtrak health care programs and those of other federal agencies, resulting in criminal and civil recoveries totaling over \$777 million. Our recent investigations indicate that health care fraud schemes continue to challenge the company. For example, we recently issued an investigative report to Amtrak detailing a widespread scheme in which at least 119 employees conspired with New York health care providers to bilk Amtrak's health care plan of more than \$12 million from 2019 to 2022.⁴¹ The employees implicated in the scheme, based in Pennsylvania, Delaware, New Jersey, New York, Maryland, Connecticut, and Washington, D.C., accepted cash kickbacks from three health care providers in exchange for the use of their insurance information, and in some cases, that of their dependents. The providers used the employee-provided information to file fraudulent and questionable medical claims for services that were never provided or not medically necessary. In total, Amtrak's health care plan was billed over \$16 million and paid out more than \$12 million during the scheme. Of the 119 employees implicated, 28 retired or resigned as a direct result of the OIG's investigation, and 30 left the company for other reasons. A dozen employees have been criminally charged in the case, and seven have pleaded guilty. In addition, three health care providers, a medical biller, and a coconspirator have also pleaded guilty for their role in the scheme, with two of the providers already sentenced.

- **Employee wrongdoing.** Our investigations regularly lead to convictions, employee terminations, and resignations due to fraud. For example, a former employee pleaded guilty to federal criminal charges for conspiring with her husband to steal nearly \$1 million in COVID-19 pandemic-related unemployment insurance benefits and for fraudulently obtaining more than \$63,000 in sickness benefits while she worked at Amtrak.⁴² In another example, six employees resigned during an investigation that showed they misused their company badges or created counterfeit badges that they

⁴¹ *Amtrak OIG uncovers largest Amtrak employee criminal conspiracy in its history; 119 former and active Amtrak employees implicated*, May 7, 2025.

⁴² *Former Amtrak employee and husband plead guilty after bilking pandemic relief program of nearly \$1 million*, November 23, 2022.

swiped for one another to claim fraudulent work hours.⁴³

- **Cybercrime.** Like all organizations, Amtrak is at risk of the ever-evolving threat of cybercrime. Criminals commit cybercrime when they use a computer or the internet to carry out one or more fraud or criminal schemes. This includes deceiving computer users or exploiting vulnerabilities in information systems to obtain sensitive information and cause harm. For example, in 2020, cybercriminals used stolen usernames and passwords to gain unauthorized access to personal information in certain Amtrak Guest Rewards accounts, causing the company to incur the cost of offering free identity theft monitoring for affected customers.

Ultimately, the company is responsible for preventing, detecting, and reporting fraud, and instituting the controls necessary to do so. To that end, we have reported on three core elements of an enterprise-wide fraud prevention program: (1) building and maintaining a culture of integrity; (2) instituting effective fraud control; and (3) fostering fraud awareness and reporting.

Our investigative and audit work is responsible, in part, for Amtrak's recent establishment of its Integrated Risk and Compliance Program to monitor fraud risks and establish capabilities to proactively identify fraudulent activity. Recently, the company has issued an anti-fraud policy, regularly distributed corporate communications to increase employee fraud awareness and strengthen its culture of integrity, and implemented a fraud awareness training course to enhance employees' ability to detect fraud throughout their work. In addition, recent communications to employees highlighted various fraud investigations we conducted and their results—generally employee termination.

To help inform the company's fraud awareness and prevention efforts, our office also regularly provides training to company procurement officials on our fraud detection and prevention role and to share our insights on red flags for spotting procurement fraud. We are optimistic that our insights will help make the company a harder target for fraud-related crimes but will continue to conduct robust investigative, audit, and data analytics work to combat this ever-present threat.

The "IG Effect"

In addition to the traditional impact from our oversight work, such as recoveries, indictments, convictions, and funds put to better use, there is a separate impact that is

⁴³ Six employees resign after participating in a time and attendance fraud scheme, March 15, 2022.

not formally reported in our audits and investigations—what we call the “IG effect.” Time and again, as we conduct our oversight work, the company takes corrective action on issues we are auditing or investigating while our work is underway. In addition, our proactive engagement with the company can help prevent issues and enables greater understanding of our office’s oversight role. The IG effect allows our office to have an impact more quickly—often before our work is complete—while serving as a deterrent for fraud, waste, and abuse, and allowing the company to close out recommendations or respond to our observations sooner. For example:

- *Customer service data.* When we conducted our work, the company could not assess how quickly it was communicating with customers when train delays occurred because its data were poor. We raised these issues, and, during our audit, the company consolidated all its customer communications into one repository. This will allow it to more easily identify if and when it communicated with passengers during an enroute delay.
- *Train strikes.* Historically, the company has attempted to lower its risk of train strikes at grade crossings where incidents have already occurred, rather than proactively identifying locations with the greatest potential for future incidents. We raised this issue, and, during our audit, the company began proactively risk-ranking all grade crossings based on the likelihood of an incident, considering factors like traffic volume, train speeds, and population density. We also identified discrepancies in the company’s train strike data, causing it to increase the fatalities it reported to FRA.
- *Disaster recovery.* We assessed the company’s disaster recovery practices for its operational technology—systems used to control train operations, such as communications and dispatching. Disruptions to these systems can cause train delays, revenue losses, and safety risks. During our work we conducted multiple site visits. As word spread of the OIG’s pending visits, employees at the latter sites began proactively taking steps to address challenges that our auditors identified at the earlier sites.

Proactive Engagement

- *Fraud awareness training:* Beginning in 2022, our auditors and investigators have led several fraud awareness trainings for Amtrak procurement officials, supply chain employees, contract employees, at least one transit agency, and CIGIE’s Infrastructure Working Group. These sessions focus primarily on the procurement schemes that we have observed through prior

investigations or schemes that are common in major capital projects, which include bid rigging, collusion, theft, and employee misconduct. We also train employees on common fraud risks and how data analysis can help identify anomalies in contract spending. The training not only makes employees more aware of common fraud schemes, it encourages reporting to our hotline if employees observe or suspect fraudulent activities or other wrongdoing.

- *Proactive outreach on major programs:* Amtrak is undertaking a historic level of capital work across its network and stations. To ensure those involved with the major programs and projects (many of which that are using IIJA funds) know who we are and what we do, our auditors and investigators have taken steps to develop relationships with program leadership, employees, and other stakeholders such as the Department of Justice early in a project's lifecycle. This helps establish the role of our OIG from the start. The effects of these outreach efforts are significant, not only in terms of the contacts made, but also in terms of creating strong relationships and setting the tone that the OIG takes its oversight role seriously.

Balancing Oversight Challenges

Amtrak is more than a transportation provider; it is now a major construction company. The issues we highlight are just some of the challenges the company faces as it balances its complex roles of providing safe, reliable passenger rail service while managing a massive infrastructure and acquisition portfolio. The unprecedented influx of funds, coupled with the speed with which the company plans to execute these programs, significantly raises the company's programmatic and financial risks. Never has our mission—providing objective and independent oversight—been more critical. Our audit and investigative work continues to foster accountability throughout the company; serves as an added check on the safety of Amtrak's operations; recovers funds through administrative, civil, criminal fines, restitutions, and forfeitures; and deters fraud, waste, abuse, and misconduct.

Amtrak's management, its Board of Directors, Congress, and other stakeholders rely on our reports to deliver timely, high-quality, and actionable observations and recommendations that improve the economy, efficiency, and effectiveness of the company's programs, while our investigations safeguard the integrity of the company and its funds and help bring bad actors to justice. Based on our long-standing body of work, we have an informed perspective to know where the company may face challenges as it balances its roles. Continued investment in our organization will help

ensure we remain well-positioned to assess high-impact issues going forward, not only as it relates to the IIJA, but throughout the company's programs and operations. With enduring and reasonable investment, we will continue to provide valuable, necessary, and balanced oversight.

SUMMARY OF OUR FY 2026 BUDGET REQUEST

To reasonably align with our increased oversight responsibilities—particularly in infrastructure—we are requesting \$31,100,000 for FY 2026. This request provides the resources we need to support our operations, including for personnel compensation and benefits, contract services, training, travel, supplies, materials, and equipment. It includes the following:

- **\$26.477** million for personnel, benefits, and related costs;
- **\$2.886** million for operational and equipment expenses, including funding for special equipment for criminal investigators, staff training, communications, and IT equipment and support services;
- **\$936,000** for consultants and contracted services; and
- **\$801,000** in office space and other rental payments.

With the requested amount, we plan to appropriately balance our staffing against increased oversight needs and reinforce our success in leveraging technology to operate more efficiently. Additionally, these resources will allow our office to maintain our current staff and conduct limited strategic hiring for critical law enforcement and oversight roles of the company's programs and operations, including the significant national infrastructure projects, which directly impacts the safety and security of the American public. Any additions would generally bolster our Office of Investigations and Audits but would be subject to the timing of the receipt of FY 2026 funding, any strategic or financial changes to the company's direction, or other additional factors.

Office of Audits. Our auditors are responsible for covering the breadth of Amtrak operations—safety and security, technology and cybersecurity, financial management, train operations, customer service and ADA, capital construction, rolling stock acquisitions, organizational governance, human capital, and more.

With increased infrastructure oversight requirements from the IIJA, however, we have had to forego or delay important oversight work, including reviews of significant capital projects like the East River Tunnel Rehabilitation (\$1.5 billion), Connecticut River Bridge Replacement (\$1.3 billion), the Chicago Hub Improvement Program

(\$1.1 billion), and more than a dozen other programs with cost estimates ranging from \$500 million to \$3.5 billion. Notably, there are nearly 30 multi-year Amtrak-related Programs/projects between Washington, D.C., and Boston with total estimated costs in the billions.

The planned addition of auditors will allow for increased productivity, work on additional high-risk areas that are currently delayed—like assessments of major capital programs and procurements—and more flexibility in responding to emerging issues and Congressional requirements. Considering that the IIJA could triple the company's annual capital spending and will significantly expand its traditional passenger rail mission to include a major capital delivery mission, we view FY 2025 to FY 2028 as the key window for maximizing early OIG impact on billions of dollars in capital spending. Additional auditors will help expand our oversight during this critical time.

Office of Investigations. Our investigative caseload has increased steadily since FY 2018. As of April 30, 2025, our investigators were working on 181 cases, which means, on average, each field agent is responsible for seven cases, while about eight of our field agents have caseloads ranging from nine to 16 cases each. This represents a 67 percent increase in our overall caseload since FY 2018 and a 20 percent increase since July 2024. Most of our cases (144) are categorized as major misconduct and general crimes, including 61 that are related to alleged Amtrak employee fraud involving pandemic relief programs like the Paycheck Protection Program and the Economic Injury and Disaster Loan program. Other significant investigative areas include health care fraud and contract and procurement fraud. For example, our current caseload includes 23 involving alleged contract and procurement fraud, including six cases that involve IIJA funded projects. Recently, one investigation involving a large construction project at 30th Street Station in Philadelphia, Pennsylvania, resulted in six convictions and anticipated financial recoveries of over \$20 million to Amtrak when all sentencing has been completed.

We plan to build on the growth enabled by prior increases in our budget by adding additional agents in FY 2026, allowing our office to conduct more investigations and help bring back more funds to the U.S. Treasury, Amtrak, and other agencies through administrative, civil, and criminal fines, restitutions, and forfeitures. Each additional agent also helps us build and maintain relationships with other investigative agencies, key Amtrak officials and contractors, and the U.S. Attorney's Offices with which we work.

Increasing our investigative throughput is important considering the increased fraud risk Amtrak faces as it benefits from significant federal investments via the IIJA. On this front, our Office of Investigations has several ongoing initiatives involving the

contract pre-award process that focus on identifying collusion, conflicts of interest, overbilling, and other false claims. We are also assessing if the company has effective controls and processes to ensure fair and open competition during the contract pre-award phase. Additional resources will help sustain momentum with our current caseload, continue our proactive initiatives that target IIJA-funded projects, and allow our agents to continue to interact and build relationships with company and contract personnel early in the procurement process or project lifecycle.

Office of Data Analytics. Our Office of Data Analytics consists of five personnel who support both our Office of Audits and Office of Investigations. Nearly every audit and investigation is supported by our data analysts, whose proactive efforts have allowed our office to have near real-time access to critical information from many of Amtrak's systems. Notably, more than half of the active work time in our Office of Data Analytics goes into collecting, securing, sanitizing, and maintaining Amtrak-related data. With current staffing, the Senior Manager and Senior Data Analyst assist the Data Engineer in these critical administrative tasks. Additionally, as the company evolves in how it collects and stores data, associated administrative tasks will also increase, including creating a centralized knowledge base of available data layouts, assessing the overall reliability of corporate data, differentiating between business-critical data and valuable but less essential data, cataloging reliable and unreliable data elements, and documenting data limitations and impact.

As resourcing and priorities permit, we may hire an additional data engineer to support data collection and maintenance efforts, allowing our Senior Manager and Senior Data Analyst to focus on additional analysis requirements from our auditors and investigators.

Mission Support. As resourcing and priorities permit, we will consider hiring—or outsourcing—a cybersecurity expert to better protect our systems and data from potential threats. This will also enhance our independence by bringing the expertise internal to our organization versus relying on Amtrak personnel when issues arise.

Monetary and programmatic impact. For the 12-month period through September 2024, the total monetary benefit resulting from our work was approximately \$2.2 billion – which includes criminal and civil recoveries and funds that Amtrak could have put to better use. During that time, our Office of Investigations opened 127 investigations, closed 105, and made 12 arrests and 41 criminal referrals. Our investigations, which included many that thwarted multi-million-dollar fraud schemes, resulted in 33 indictments, 22 convictions, and 53 administrative actions. Finally, we issued 10 audit products focused on high-risk areas including insider

threats; the Frederick Douglass Tunnel Program; the Portal North Bridge; procurement and contract fraud risks; and management of Amtrak's equipment inventory.

More importantly, however, is that our audit and investigative work has substantially impacted and improved the company's programs and operations, as our reports routinely identify areas for improvement—ranging from safety to program management—and provide relevant recommendations for corrective action. To the company's credit, it takes our recommendations seriously and has been taking appropriate actions to implement them.

PROGRAM DESCRIPTION

The Amtrak OIG was established by the Inspector General Act of 1978 (Public Law 95-452, 5 USC § 401 et. seq.) as amended, to consolidate all existing audit and investigative resources into one independent organization. The Inspector General provides policy direction and leadership for the OIG and serves as an independent and objective source of information and recommendations to Congress, the Amtrak Board of Directors, company management, and the public.

The OIG's primary activities are audits and reviews that promote economy and effectiveness of operations, and investigations that prevent and detect fraud, waste, and abuse involving the company's programs, operations, and assets. In addition, the OIG employs professional staff with a wide array of expertise that support its mission by performing legal analysis and review; financial, administrative and IT support; and quality control and data analytics.

The OIG is headquartered in Washington, D.C., with field offices in Boston, Chicago, Miami, Los Angeles, New York, and Philadelphia. In leading the organization, the Inspector General is assisted by the Deputy Inspector General who manages the following operational and support units:

Office of Audits. Conducts independent and objective audits across the spectrum of the company's programs and operations. It produces reports aimed at improving the company's safety and performance, saving both taxpayers and the company money, and seeking to detect fraud, waste, mismanagement, and abuse. The office also oversees the audit of the company's annual financial statements.

Office of Investigations. Pursues allegations of serious misconduct, which include procurement fraud, kickbacks, bribery, health care fraud, credit card fraud, theft, and a variety of other offenses that affect the company's programs, operations, assets, and other resources. The office has statutory law enforcement authority; its special agents

make arrests, execute search warrants, serve subpoenas, and carry firearms. It refers investigative findings to the Department of Justice, and state and local prosecutors for criminal prosecution or civil litigation, or to company management for administrative action. It also identifies actions the company could take to reduce the risk of misconduct and criminal activity.

The Office of Investigations is supported by its internal Digital Investigations Unit, a highly specialized, technologically advanced team of six dedicated to providing cutting-edge support of investigations. The Digital Investigations Unit develops evidence for criminal and administrative investigations from cell phone data, computer activity such as email and internet search-history, and data recovered from Amtrak vehicles, among other capabilities. Although small in size, its impact is considerable.

Counsel to the Inspector General. Provides legal assistance and advice to OIG senior management and supports audits, investigations, and special reviews. The Office of Counsel also coordinates OIG legal matters with external entities such as the Department of Justice and federal and state law enforcement.

Mission Support. Responsible for budget and financial management, human capital, contracting and procurement, IT, space management, and general administrative support. It is essential in enabling our oversight operations.

Chief of Staff. Works closely with OIG management to coordinate daily office operations and serves as a liaison between the OIG and congressional staff, the company, and the Inspector General community. The Chief of Staff also manages the OIG's data analytics team, which analyzes company and third-party data to support audits and investigations. Finally, the Chief of Staff performs regular quality assurance reviews for audit, investigative, mission support activities and as requested by the Inspector General.

APPROPRIATIONS LANGUAGE

Salaries and Expenses

For necessary expenses of the Office of Inspector General for the National Railroad Passenger Corporation to carry out the provisions of the Inspector General Act of 1978, as amended, \$31,100,000.00: *Provided*, That the Inspector General shall have all necessary authority, in carrying out the duties specified in the Inspector General Act, as amended (5 U.S.C. § 415), to investigate allegations of fraud, including false statements to the government (18 U.S.C. 1001), by any person or entity that is subject to regulation by the National Railroad Passenger Corporation: *Provided further*, That the Inspector

General may enter into contracts and other arrangements for audits, studies, analyses, and other services with public agencies and with private persons, subject to the applicable laws and regulations that govern the obtaining of such services within the National Railroad Passenger Corporation: *Provided further*, That the Inspector General may select, appoint, and employ such officers and employees as may be necessary for carrying out the functions, powers, and duties of the Office of Inspector General, subject to the applicable laws and regulations that govern such selections, appointments, and employment within the Corporation: *Provided further*, That concurrent with the President’s budget request for FY 2027, the Inspector General shall submit to the House and Senate Committees on Appropriations a budget request for fiscal year 2027 in similar format and substance to those submitted by executive agencies of the Federal Government. (*Transportation, Housing and Urban Development, and Related Agencies Appropriations Act, 2026.*)

RECENT WORK

Office of Audits

Insights on Fraud Risks as the Company Increases Its Contracts and Procurements.

The IIJA provides \$66 billion for passenger and freight rail improvements, including \$22 billion exclusively to the company and \$44 billion for competitive grants to the company, state and local governments, and other rail carriers. The nation’s historic investment provides significant opportunities for improving rail infrastructure, but it also provides criminals with a lucrative target for fraud.

To help inform the company’s efforts to combat this persistent threat, we issued a report that identified four fraud risk areas facing the company: contracts and procurements, health care, employee wrongdoing, and cybercrime.⁴⁴ Our office issued a follow-on to this report to provide deeper insights on a specific fraud risk area—contracts and procurements—for the company’s consideration as it continues its unprecedented expansion in mission and federal funding. The purpose of this follow-on report was to share insights from industry practices and our own observations about collecting and analyzing data to monitor for and detect contract and procurement fraud. Our report highlighted several key components to facilitate fraud analytics, including:

- **Centralizing procurement data.** To effectively analyze data for fraud indicators, organizations store procurement data in information systems or databases from which they can extract or view the data they need for analysis.

⁴⁴ *Amtrak: Insights on Fraud Risks as the Company Expands Its Mission* (OIG-SP-2023-007), May 15, 2023.

- **Collecting the procurement data elements necessary for detecting fraud.** To recognize indicators of potential fraud, organizations collect key data elements in a structured format.
- **Actively analyzing data to identify suspicious activity.** To enhance fraud detection efforts, organizations establish analytical tests that include pre-defining rules to identify patterns that deviate from what is expected or permitted.
- **Referring cases for further investigation as appropriate.** Organizations take steps to act on and report any suspicious activity. Like other organizations, the company is responsible for preventing, detecting, and reporting fraud. To its credit, the company has a policy that requires all employees, contractors, and representatives to report any suspected violations to our office.

In addition to these components, the report also provided an appendix that lists examples of the data elements organizations can use to detect various contract and procurement fraud schemes, including data on bidding vendors, bid information, and bid history.

Amtrak is Establishing a Structure for Managing the Frederick Douglass Tunnel Program, but Better Planning Would Improve Oversight and Reduce Risks. The Frederick Douglass Tunnel program is an estimated \$6 billion passenger rail investment to replace the 1.4-mile-long Baltimore and Potomac (B&P) Tunnel in Baltimore, Maryland. The existing tunnel is more than 150 years old and requires significant maintenance and repairs to remain functional and safe for rail traffic. The program also includes track improvements, bridges, and ventilation facilities along a 10-mile section of the Northeast Corridor—the most heavily travelled rail corridor in the United States. To advance the program, the Federal Railroad Administration awarded Amtrak \$4.7 billion in grant funds. The company (the lead sponsor and asset owner) and the State of Maryland (the owner of the commuter rail service that will also use the asset) have spent or plan to provide the remaining \$1.3 billion. The program is one of several multi-billion-dollar capital programs the company is undertaking, and the single largest infrastructure effort that it currently is leading. Given its size, scope, and importance, our objective was to assess the company’s management and oversight of the program.

We found that the company was developing its management structure for the Frederick Douglass Tunnel program but initially did not have an effective structure or sufficient staff in place. As a result, the requisite planning had yet to be completed despite the program approaching major construction. Two factors gave rise to these challenges:

First, the program team was short-staffed. The Capital Delivery department—a nascent department when it took over the \$6 billion program—initially assigned responsibility

for it to one person, who had limited support to provide the management and oversight needed for a program of this magnitude. The team had steadily grown in numbers since 2022 but was initially overtasked.

Second, the company did not identify and establish a management structure early enough to provide strong oversight as the program advanced through planning into construction. Company officials told us, and we agreed, that an earlier decision would have allowed the company to procure the program's delivery partner sooner and realize its benefits more immediately.

The company did not complete all the necessary planning, which resulted in delays and other challenges. Further, the delivery partner needed to concurrently advance four areas of planning: (1) scheduling, (2) communications, (3) document management, and (4) risk management. Proceeding further into construction before completing this planning could significantly increase cost and schedule risks. More broadly, given the scale of the company's historic capital plans, avoiding similar challenges on other programs will be key to protecting and maximizing taxpayer investments.

We recommended that the Capital Delivery department advance the requisite planning before major construction begins. We also recommended that the company improve its program planning processes to ensure that it implements a management structure and provides sufficient staff early enough to avoid similar challenges on future programs. In commenting on a draft of this report, the Executive Vice President, Capital Delivery, and the Executive Vice President, Strategy and Planning, agreed with our recommendations and detailed the actions the company plans to take or has taken to address them.

Portal North Bridge Project is Progressing, but Opportunities Exist to Improve Company Oversight and Reduce Risk. The Portal North Bridge project is a \$2 billion investment to replace the 110-year-old, two-track swing bridge over the Hackensack River in New Jersey, which typically carries more than 400 passenger trains daily. Replacing this bridge with a new fixed bridge is the first major project under construction for the Gateway program, a \$40 billion portfolio of projects to upgrade and replace rail infrastructure between Newark, New Jersey, and New York City—the most heavily used passenger rail corridor in the United States. The New Jersey Transit Corporation (NJ Transit) is the project sponsor, and the company owns the existing tracks and will ultimately own the bridge. The company is also responsible for contributing about \$495 million and a portion of any cost overruns. Construction began in April 2022 and is estimated to be complete by late 2027. Given the importance, size, and scope of this project, our objective was to assess the company's efforts to support

NJ Transit and oversee company interests as construction advances. This was our fourth report on the Gateway program.

The Portal North Bridge project was on budget and on schedule through January 2024, but we identified risks to the project and the company's oversight of it. More broadly, learning lessons from this project could help the company better deliver on its planned, multi-billion-dollar portfolio of capital improvements. We identified the following three challenges:

- Needs for track outages and labor far exceed what the company anticipated. We found that at the project's outset, the company did not have a disciplined process to ensure that its estimates for outage and force account needs considered the project's design and the methods a construction contractor may use to implement it. The company had taken steps to mitigate these risks, but the project faces cost and schedule risks if Amtrak could not fully meet outage and labor demands as construction advances—risks it could have mitigated during planning.
- The company and NJ Transit had differing expectations for information sharing on the project. While the flow of information had improved, expectations for information sharing continued to differ during our review. Two factors contributed to this challenge. First, the company and NJ Transit agreed—based on the Federal Transit Administration's input during agreement negotiations in fall 2020—to reduce the company's role in the construction process, thereby limiting some of the information the company would receive. Second, the company did not fully identify its information requirements at the project's outset, resulting in different interpretations of some agreement terms.
- The company's project team did not have enough staff to effectively manage its work on the project because the company's planning underestimated the resources it would need. The company had since expanded its team and was adjusting future staffing plans to incorporate the lessons it learns from this project.

We recommended improvements to the company's process for identifying outage, force account, and information needs at the outset of future projects. Further, we recommended that the company assess and address where information-sharing expectations may continue to vary with NJ Transit. Management agreed with our recommendations and stated that it planned to implement them.

The Company Has Proactively Taken Steps to Comply with the IIJA. The IIJA provides \$66 billion for passenger and freight rail improvements—the largest investment in rail in generations. Of this, the IIJA provides \$22 billion exclusively to

Amtrak to bring its capital assets into a state of good repair and acquire new trainsets, among other uses. The law also provides \$44 billion for competitive grants to the company, state and local governments, and other rail carriers to advance safe, clean, and efficient passenger and freight rail. Beyond the billions in new funding, the IIJA includes extensive additional requirements for the company on operations, policy, and funding matters.

In passing the IIJA, Congress directed our office to focus on funding—specifically, how the company will use, account for, and report on these funds. The objective for this review was to assess the company's early efforts to comply with all the IIJA's requirements, with a focus on its ability to use, account for, and report on the \$22 billion in direct funding.

We determined that the company was actively positioning itself to comply with the IIJA's operations, policy, and funding requirements, including the company's use, accounting, and reporting of the \$22 billion in direct funding. Specifically, it established an IIJA implementation committee, developed a tracking tool to monitor the compliance status of the company's requirements, provided company-wide training on the requirements, and began periodically communicating management's expectations for the responsible use of IIJA resources. In addition, it established three company-wide oversight groups in part to help the company comply with the IIJA. Finally, it developed a plan summarizing the capital projects it proposes to complete with its IIJA funds and provided it to FRA and a financial compliance plan that described the company's process for addressing these requirements.

We concluded that these were positive early steps, but that it was too soon to assess their effectiveness because the company was still implementing them. Accordingly, we did not make recommendations, but we have initiated audits of individual IIJA-funded programs to assess the company's management and use of its IIJA funds.

Company Has Opportunities to More Effectively Manage and Safeguard

Maintenance-of-Equipment Inventory. The company's rolling stock includes more than 2,000 locomotives and passenger cars, many of which are near the end of their useful service lives. Maintenance-of-Equipment inventory—the parts and materials the company uses to maintain its rolling stock—is vital for keeping both old and new locomotives and passenger cars in a safe and reliable operating condition. Our objective for this audit was to evaluate the effectiveness of the company's processes and controls for managing and safeguarding this inventory.

We found that the Procurement and Supply Chain and the Mechanical departments recently began efforts to improve inventory management. They continued to face the

following challenges, however, strategically managing the company's Maintenance-of-Equipment inventory in ways that had operational, customer service, and financial impacts:

- As of September 2023, the company held \$49 million in surplus and obsolete Maintenance-of-Equipment inventory. At the same time, Mechanical employees we spoke with told us parts were frequently out-of-stock. These imbalances were partly due to the company's use of distorted consumption data to predict future needs—an issue that was exacerbated by employee workarounds. The company also had no strategic inventory goals and no full assessment of the costs of carrying surplus and obsolete inventory. Without an appropriate balance, surpluses could limit storage and create unnecessary costs—such as the \$14.4 million in inventory that it would likely never use again. Conversely, shortages limited rolling stock available for service and delayed trains.
- Almost all the Mechanical employees we spoke with told us that the names and descriptions of items in the company's inventory system were vague or unclear, or the accompanying photographs were wrong or missing. This occurred because the company had not assessed the costs and benefits of clarifying and standardizing this data, resulting in Mechanical employees spending significant time searching for inventory.
- The company had taken some steps to safeguard its Maintenance-of-Equipment inventory, but 9 of the 10 facilities we visited had at least one security vulnerability. These vulnerabilities occurred because the company had not implemented plans to physically secure some of its facilities. Additionally, it did not regularly monitor for abnormal inventory use or consistently apply ordering limits, exposing it to greater risk of loss or theft.

We recommended the company implement processes to improve inventory data, develop strategic inventory goals, assess the costs and benefits of carrying surplus and obsolete inventory to determine which materials to sell or scrap, and implement processes to safeguard inventory. Management agreed with our recommendations and stated that it planned to implement all of them by September 30, 2026.

Office of Investigations

119 Former and Active Amtrak Employees Implicated in \$12 million Health Care Fraud Conspiracy. As previously mentioned, our office issued an investigative report to the company detailing a widespread scheme in which at least 119 employees conspired with New York health care providers to bilk Amtrak's health care plan of more than \$12 million from 2019 to 2022. The providers used employee-provided information to file

fraudulent and questionable medical claims for services that were never provided or not medically necessary. There are approximately 61 remaining active employees after 28 of the 119 resigned due to our investigation and 30 left the company for other reasons.

The investigation was sparked when an OIG agent noticed unusual billing patterns in reports from OIG data analysts. Further reviews by the analysts identified three New York health care providers with questionable billings who also shared a high number of Amtrak employees as patients. Simultaneously, OIG agents were gathering physical evidence linking Amtrak employees to providers and to the scheme, confirming the analysts' findings and ultimately revealing the full scope of the fraudulent activity.

A dozen employees have been criminally charged in the case, and eight have pleaded guilty, pending sentencing. Three health care providers and a medical biller have also pleaded guilty for defrauding Amtrak's health care plan because of our investigation, with two of them sentenced, as follows:

- Punson Figueroa, aka "Susie," an acupuncturist from Long Island City, New York, was sentenced September 24, 2024, to three years of supervised release and was ordered to pay restitution of \$9.05 million.
- Muhammed Mirza, a medical doctor from New Jersey, was sentenced on May 7, 2024, to 26 months in prison and was ordered to pay restitution of \$1.37 million.
- Michael DeNicola, a podiatrist from New York, pleaded guilty July 7, 2022, to conspiracy to commit health care fraud, distribution of a controlled substance, and unlawful possession of a firearm. DeNicola's sentencing is pending.
- Medical biller Regina Choi, 39, of Woodside, New York, who previously worked for Figueroa, pleaded guilty to conspiracy to commit health care fraud on June 11, 2024, for submitting false and fraudulent claims to the Amtrak health care plan and paying cash kickbacks to Amtrak employees. Choi's sentencing is pending.

President of Masonry Contractor Pleads Guilty to Bribing Amtrak Employee in Exchange for Millions of Dollars in Extra Work on 30th Street Station. Mark Snedden, 69, of Munster, Indiana, and the president and sole owner of a masonry restoration contractor hired by Amtrak for façade restoration and repair at 30th Street Station, admitted on April 30, 2025, to conspiring with Lee Maniatis, Khaled Dallo, and Donald Seefeldt—vice presidents with Snedden's company—to bribe an Amtrak project manager with approximately \$323,686 worth of paid vacations, jewelry, cash, dinners, entertainment, transportation, and other items of value. In exchange, the former project

manager approved over \$52 million in additional change orders and contract modifications and provided the contractor with internal information about the project. As a result of the scheme, Amtrak was overbilled by more than \$2 million for completion of the repair and restoration work. Federal funding supplied 90 percent of the money Amtrak used to pay the contractor for the façade project.

Maniatis, Dallo, and Seefeldt were previously charged for their alleged participation in the scheme, and Seefeldt pleaded guilty to conspiracy to commit federal program bribery in February 2025. All three men were suspended by the Federal Railroad Administration from participating in all federal funded procurement and non-procurement programs and activities.

Former Amtrak Director Charged for Allegedly Steering Contracts in Exchange for Bribes. Richard Thompson, 57, of Falls Church, Virginia, was charged by indictment with honest services fraud through bribery for allegedly steering contracts to three companies he favored—Awarity, Arch Technology, and 20/20 Teknology. At the time of the alleged scheme, which spanned from about 2015 through 2021, Thompson was the Director of Network Planning and Engineering for Amtrak and had a leadership role in designing IT systems and selecting IT vendors and subcontractors to perform IT work for Amtrak.

Thompson allegedly shared proprietary Amtrak bid information and other documents with favored vendors before contracts were awarded, giving them an advantage in Amtrak’s contracting process. In addition, the indictment alleges that Thompson collaborated with these vendors on bid and contracting documents, manipulated bidding lists, and structured contractual relationships so his favored vendors would get lucrative subcontracting deals and bypass Amtrak’s competitive bidding process.

Shaun Hanrahan, 66, of Hampton, Virginia, owner of Awarity, and Darren Hannam, 57, of Haymarket, Virginia, a principal for Arch Technology, were also charged for their alleged part in the scheme.

According to the indictment, Thompson received a stream of benefits from each vendor. For example, Hanrahan provided Thompson with payments of cash totaling at least \$97,000; Hannam and a co-schemer provided Thompson with expensive electronics valued at approximately \$9,500. Another co-schemer provided Thompson with an automobile, free hotel and condominium stays in Ocean City, Maryland, and \$40,000 in cash.

Amtrak Employee Pleads Guilty to Lying to an Amtrak OIG Agent. Maurice Driver, 35, an Amtrak employee from Gloucester City, New Jersey, pleaded guilty August 5,

2024, to one count of lying to a federal agent. According to court documents, Driver was working as a Lead Service Attendant in the café car on an Amtrak train. While working, Driver met a passenger, spoke and texted with her, and allowed her to use a vacant sleeper car on the train. On January 4, when the train arrived in Chicago, the passenger reported to Amtrak Police that Driver sexually assaulted her in the sleeper car. Our office then initiated an investigation of the sexual assault allegations. We presented the sexual assault case to the Allegheny County District Attorney's Office, but the case was declined because the victim did not press charges. During our investigation, however, Driver made multiple false and misleading statements to our agents about his communications and contacts with the passenger, denying that he gave the passenger his personal phone number, texted with the passenger, and that he showed the passenger to a sleeper car.

California Man Sentenced to Prison for Defrauding Amtrak, Trailways of More Than \$475,000. Korey Wise, 48, was sentenced January 31, 2024, to 51 months in prison and two years' supervised release and was ordered to pay \$475,910 in restitution for using stolen credit card information to defraud Amtrak and Trailways Transportation Systems. Wise pleaded guilty in May 2023 to two counts of wire fraud and one count of aggravated identity theft, according to a press release from the U.S. Attorney's Office.

According to court documents, Wise devised a scheme focused on small business owners who spoke English as a second language. Wise would call these businesses pretending to be a representative of a utility company calling to collect overdue bills, or posing as an official from a licensing board that oversaw nail salons. He would tell the business owners that they owed an inspection fee that would be reduced if they paid over the telephone with a credit card. Wise then used their credit card information to purchase approximately \$475,910 worth of tickets from Amtrak and Trailways.

FINANCIAL TABLES
BUDGET REQUEST BY SOURCE OF FUNDS
NATIONAL RAILROAD PASSENGER CORPORATION
OFFICE OF INSPECTOR GENERAL

ACCOUNT NAME	FY 2024 ACTUAL	FY 2025 ACTUAL	FY 2026 REQUEST
Salary & Expenses	29,240	29,240	31,100

**NATIONAL RAILROAD PASSENGER CORPORATION
OFFICE OF INSPECTOR GENERAL
PERSONNEL RESOURCES SUMMARY
AUTHORIZED FULL-TIME EQUIVALENTS (FTEs)⁴⁵**

ACCOUNT NAME	FY 2024 ACTUAL	FY 2025 PLANNED	FY 2026 REQUEST
Salary & Expenses	98	100	104

⁴⁵ In accordance with 49 U.S.C. § 24301(a), Amtrak is not a federal agency and does not employ civilian federal employees under Title 5 of the U.S. Code. However, Amtrak OIG is a federal Office of Inspector General under the IG Act, and we use the federal term, FTE, to describe our full-time staff.

OBJECT CLASSIFICATION—FY 2024 TO FY 2026
SALARIES AND EXPENSES
(\$000)

OMB ACCOUNT ID: 575-00-2996		FY 2024 ACTUAL	FY 2025 PLANNED	FY 2026 REQUEST
Personnel Compensation:				
11.1	Full-time permanent	17,616	18,043	19,277
12.1	Personnel benefits	6,583	6,739	7,200
	Total Personnel Service and Benefits	24,200	24,782	26,477
Contractual Services and Supplies:				
21.0	Travel and transportation (persons)	500	488	504
22.0	Transportation (things)	7	9	10
23.2	Rental payments to others	913	759	801
23.3	Communications, utilities, and miscellaneous charges	1,188	1,369	1,403
24.0	Printing and reproduction	1	0	9
25.1	Advisory and assistance services	830	907	936
25.2	Other services from non-federal sources	160	145	152
26.0	Supplies and materials	144	122	126
	Total Contractual Services and Supplies	3,743	3,799	3,941
31.0	Equipment	948	659	682
99.9	Total obligations	28,891	29,240	31,100