



OFFICE *of* INSPECTOR GENERAL
NATIONAL RAILROAD PASSENGER CORPORATION

CONGRESSIONAL BUDGET ESTIMATE

Fiscal Year 2027

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

APRIL 3, 2026

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NATIONAL RAILROAD PASSENGER CORPORATION

OFFICE OF INSPECTOR GENERAL

FISCAL YEAR 2027 OMB BUDGET SUBMISSION

INSPECTOR GENERAL'S OVERVIEW

We respectfully submit the National Railroad Passenger Corporation (Amtrak) Office of Inspector General's (OIG) fiscal year (FY) 2027 budget proposal. Consistent with the President's Budget Request, 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 train operations across the nation and parts of Canada, is now managing an unprecedented multibillion-dollar portfolio of projects to upgrade its infrastructure. In addition, the company is making generational train procurements—including new NextGen Acela, Airo, and long distance trainsets—the success of which will weigh heavily on achieving its goal of operational profitability by 2028.

Our targeted work has touched on all these areas, including forecasting delays in the rollout of the NextGen Acela trains¹ and identifying programmatic weaknesses and opportunities for improvements in the company's management of several other major programs. We plan to closely monitor progress on NextGen Acela and other high-impact, high-value programs, such as Amtrak's participation in a host of rail projects on its Northeast Corridor, including major projects that are part of the Gateway Program.

The funds requested 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 \$363,500 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.

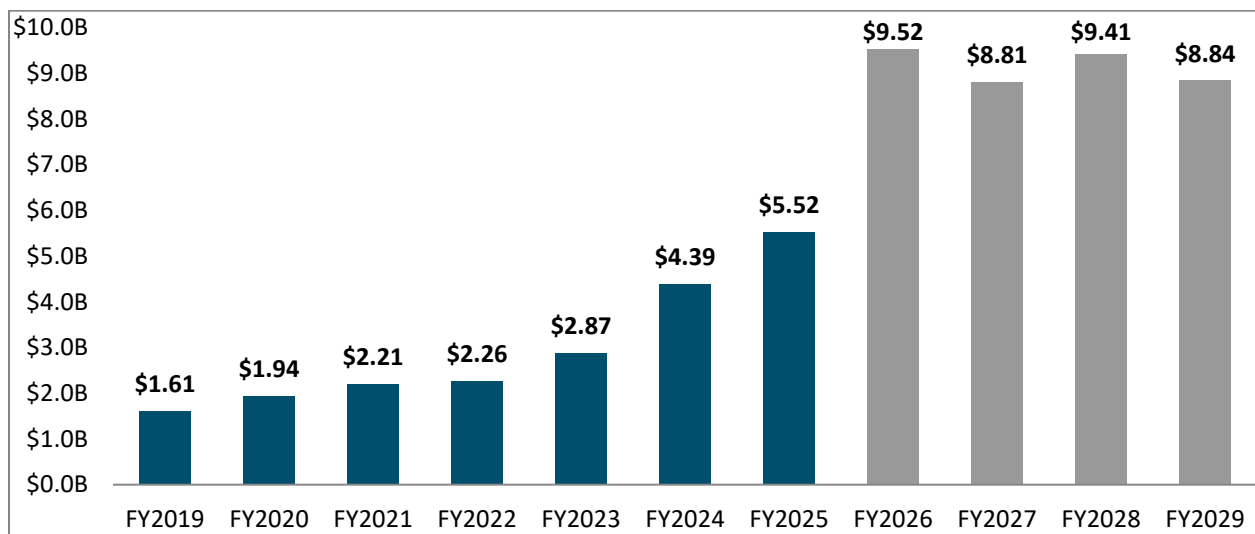
FY 2027 OVERSIGHT LANDSCAPE AND IMPACT OF OIG WORK

With access to as much as \$66 billion from the Infrastructure Investment and Jobs Act (IIJA), Amtrak is executing the largest capital portfolio in its history, all while continuing to fulfill its mandate to provide safe, efficient, and reliable transportation to

¹ Amtrak began revenue service with five NextGen Acela trainsets in August 2025 after more than four years of delays.

its customers. More than four years into the IJA, the company has approximately 236 capital projects in stages ranging from planning to execution, including nine major programs, 56 maintenance programs, and 92 improvement projects.² These projects and procurements are intended to modernize Amtrak’s fleet, technology, and infrastructure assets such as tunnels, bridges, maintenance facilities, and stations. These efforts have exploded Amtrak’s capital spending from about \$1.6 billion in FY 2019 to a planned \$9.5 billion in FY 2026—a more than 490-percent increase—as Figure 1 shows.³ At the same time, the company continues to add new service like the Borealis and Mardi Gras trains, and it has increased frequencies on its Surfliner, Capitol Corridor, and Winter Park Express trains. This growth represents a key element in its ambitious goal of doubling annual ridership by FY 2040.

Figure 1. Amtrak Capital Spending, Fiscal Years 2019 through 2029



Source: Amtrak’s FY 2025 Final Monthly Performance Report and Amtrak FY 2024-2029 Five-Year Plan for all other years.

The execution of this burgeoning capital program and the need to coordinate with a multitude of stakeholders involved in expanding and operating new service pose significant implementation risks and oversight challenges. Concurrently, Amtrak faces a different—but no less difficult—set of challenges inherent in meeting the core obligations of running a safe, efficient, financially stable, and modern passenger railroad. The company recognizes the complexity of these dual responsibilities and the effort needed to succeed, but the risks are significant and require robust, coordinated

² [Amtrak Public Board Meeting Presentation, July 31, 2025](#).

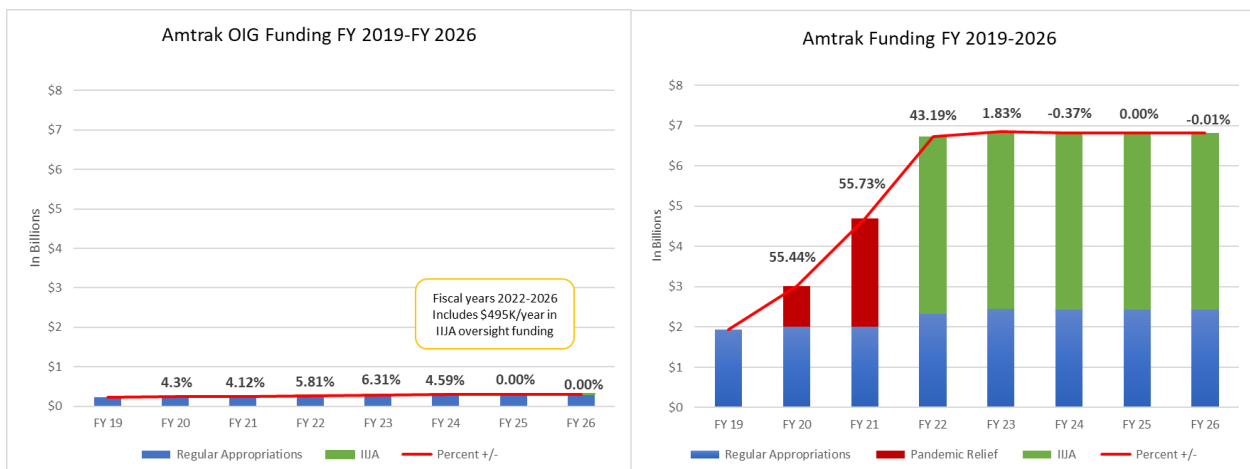
³ Future capital spending amounts are based on publicly available data and may change when the company updates its five-year plan.

oversight by the OIG, as well as the Board, Congress, and other entities within the Executive Branch.

In recent years, congressional support has allowed our office to incrementally increase our capacity to better address these expanding oversight demands. Most notably, we have stepped up oversight of major capital programs to focus on critical risk areas, including the IIJA-funded mega-projects. We have also expanded the geographic reach of our investigative actions to Miami and New York and invested in protective equipment to enhance the safety of our agents in the field. We have introduced new technology for our Digital Investigations Unit and augmented our Office of Data Analytics, both of which continue to provide invaluable support for our audits, investigations, and other oversight work.

These investments have improved the efficiency and effectiveness of our oversight operations. That said, funding for our oversight footprint has not increased proportionately with the growth in Amtrak’s federal funding, as Figure 2 shows. We acknowledge the need for a modest increase in our oversight capacity and efficiencies due to Amtrak’s unprecedented capital spending and generational procurements. As before, however, we intend to remain lean compared with Amtrak’s growth, as our strategy of targeted oversight has resulted in meaningful impacts in areas such as safety, program management, customer service, and fiscal responsibility. Of course, if these oversight needs subside, we remain committed, as strong stewards of taxpayers’ funds, to adjusting our staff and contractor footprint accordingly.

Figure 2. Amtrak OIG Funding Compared to Amtrak Funding, Fiscal Years 2019 through 2026



Source: Amtrak OIG analysis of annual appropriation laws, pandemic relief laws, and the IIJA.

Most importantly, our efforts have had a marked effect on Amtrak’s execution of its programs and operations. Our semiannual reports document dozens of

recommendations to improve the company's stewardship of taxpayer funds, as well as hundreds of cases our investigators have developed to target fraud, theft, corruption, sexual misconduct, and other actions that can harm the public and divert taxpayer funds.

Going forward, we remain committed to continuing our high-impact work by independently and objectively identifying risks that affect Amtrak's mission and its responsibilities to its partners and the traveling public. We do this by selectively targeting our resources to Amtrak's most serious challenges and developing meaningful and practicable recommendations to address them. Similarly, we aggressively seek out fraud, waste, and abuse, and develop the facts to hold accountable those who engage in criminal or unethical behavior. With continued support for our office, we will be able to provide the Administration, Congress, and the American people with transparency over Amtrak's capital programs and railroad operations and added assurance that the company is being a responsible steward of federal funds. Further, we will continue to exercise a robust investigative program to help deter, detect, and responsibly report criminal and ethical misconduct.

In the following paragraphs, we describe just a few of the high-visibility challenges the company faces, the impact of our recent work in these areas, and the significant oversight efforts these challenges demand. These challenges fall into five areas: running a safe and secure railroad; executing a historic capital portfolio; exercising responsible financial stewardship; modernizing technology systems and enhancing cybersecurity; and providing superior customer service.

Running a Safe and Secure Passenger Railroad

Providing a safe and secure travel environment for employees and customers is the cornerstone of the company's viability. Operating a passenger railroad has inherent risks, however, which are exacerbated by human factors as well as the speed and complexity of modern rail operations. The company also faces the threat of cyberattacks, which could compromise employee and passenger safety, personal privacy, the environment, and the continuity of train operations. Our recent audits and investigations have helped the company to address these risks.

Reducing the risk of derailments and collisions. Derailments and collisions can result in death and serious injuries for passengers and employees. Transporting approximately 34 million riders annually requires constant vigilance. Our audit work in this area has noted the importance of the company's implementation of Positive Train Control (PTC)—an automated safety system for slowing or stopping trains to prevent

accidents.⁴ We have issued three reports since 2015 on the company's implementation of PTC and expect to issue a status update in FY 2026, evaluating Amtrak's efforts to operate PTC, measure its performance, and assess potential safety risks.

Mitigating the risk of trespasser and vehicle strikes. Amtrak was involved in approximately 800 train strikes—incidents where trains hit people or vehicles—from FY 2020 through 2023, resulting in 594 deaths and 279 injuries. Additionally, approximately one in five of the company's passenger engineers may have been involved in such a strike in FY 2023. Reducing train strikes is complicated by factors that are difficult to control; for example, suicide attempts, homeless individuals living near active tracks, and motorists who ignore crossing signals. Prior to our audit, Amtrak had taken steps to reduce these risks, but those efforts were generally ad hoc and largely reactive. In FY 2025, we reported that the company could better identify and manage its risk of train strikes and more broadly adopt key practices to improve risk management.⁵ We made recommendations relevant to these findings that, when implemented, will improve Amtrak's process for identifying and managing its risk of train strikes. Amtrak has committed to developing and executing an action plan to address our findings.

Minimizing employee accidents and injuries. We have reported multiple times on the company's efforts to promote safe operations by Amtrak's estimated 23,000 employees through the development and implementation of its federally required Safety Management System.⁶ We have also recommended that Amtrak expand its employee drug and alcohol testing program to a broader range of safety-related employees and test for a wider range of performance-compromising drugs.⁷

The company has made strides toward improving employee safety, but we continue to see unsafe behaviors that potentially place employees and passengers at risk. In FY 2024, for example, our investigators found instances in which employees walked

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-2025-005), April 14, 2025.

⁶ *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.

⁷ *Safety and Security: Opportunities to Improve the Effectiveness of Controls for Detecting Drug- and Alcohol-Related Issues of Employees in Safety-Sensitive Positions* (OIG-A-2019-005), March 13, 2019.

or drove next to live tracks without requesting the required pause in operations.⁸ Additionally, 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. Because of this, cars that should have been taken out of service were put back into service the following morning.⁹ As a result of another investigation, Amtrak fired an employee for allowing an unknown person without a ticket to place a package aboard a train in North Carolina. It was later discovered that the package contained illegal drugs.¹⁰

Our agents also support National Transportation Safety Board (NTSB) investigations, such as the ongoing investigation into the February 23, 2026, employee fatality on the Keystone route in Pennsylvania. During these sensitive investigations, we offer support through our investigative resources, systems access, and our agents' experience and knowledge regarding Amtrak's programs and operations.

Our auditors also identified alarming security risks to employee safety at a facility we visited during an unrelated audit. The risks were so significant that on-site 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 Building on what we learned at this facility, we identified other security vulnerabilities at nine of the ten 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

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.

¹⁰ *Employee terminated for allowing unticketed individual to place unknown package on train* (OIG-WS-2025-341), April 26, 2025.

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.

The company will need to maintain vigilance after hiring thousands of new employees and contractors to execute IIJA-funded projects. Our investigators will continue to help promote safe operations by investigating serious safety violations and coordinating with the Amtrak Police Department, the company's critical incident response team, and NTSB investigators following significant incidents such as derailments, shootings, or crimes committed on Amtrak trains or property. We also recently launched a review to assess the company's efforts to ensure the physical security of employees, contractors, and assets at Penn Coach Yard.¹⁴

Preventing sexual misconduct by employees. Our investigations have identified numerous cases of sexual misconduct by Amtrak employees. In January 2025, we provided Amtrak with a management referral report related to recent and ongoing investigations our office conducted into allegations of physical or sexual abuse Amtrak employees perpetrated against the public. Due to the safety threat these allegations pose and the subsequent legal, financial, and reputation risks for the company, we advised that the company may want to assess these instances with a view toward preventing similar incidents in the future. Such steps could include assessing trends and lessons learned and providing corresponding training and policy improvements. Additionally, we noted that the company may want to consider removing alleged offenders from customer-facing roles while investigations are pending, subject to the requirements of any applicable collective bargaining agreements.

While the company committed to taking steps to address these risks, our office has investigated other instances of alleged sexual misconduct since we provided the report. For example, the company terminated a Lineman Trainee after our investigation found he offered a person a job with Amtrak in exchange for sexual favors.¹⁵ In addition, an assistant passenger conductor resigned in June 2025 during an investigation of his alleged extortion of a passenger for a sexual favor. While the employee denied the criminal allegations, he admitted to a sexual encounter with the passenger while performing his official duties as the train was in operation. Moreover, he told our agents that he previously engaged in sexual activity with other passengers on several other occasions.¹⁶

¹⁴ The company is constructing a new \$463 million maintenance facility at this location to maintain both the NextGen Acela and the company's forthcoming Airo trainsets.

¹⁵ *Lineman trainee terminated for offering employment in exchange for sexual favors* (OIG-WS-2025-334) June 13, 2025.

¹⁶ *Employee resigns after investigation reveals alleged extortion of a sexual favor from a passenger* (OIG-WS-2025-345), June 23, 2025.

Executing a Historic Capital Portfolio

With access to as much as \$66 billion from the IIJA, Amtrak is executing the largest capital portfolio in its history. Our office has adjusted our oversight plans accordingly, emphasizing audits of Amtrak's highest risk fleet acquisitions and infrastructure projects. Our investigators have proactively coordinated with other OIGs and the Department of Justice Antitrust Task Force attorneys to discuss fraud indicators and trends that could help flag potential procurement fraud schemes targeting IIJA funds.

To date, our capital oversight portfolio includes projects that account for more than \$50 billion of IIJA and other funds. For example, we completed a review of Amtrak's efforts to support the \$16 billion Hudson Tunnel Project (part of the Gateway Program) and oversee its interests as the project advances. In a separate audit, we found that Amtrak has experienced challenges in planning and managing its \$4 billion effort to upgrade its maintenance facilities, potentially hindering its ability to fully operate its new trains.

We have reviewed and continue to monitor major infrastructure programs like the \$40 billion Gateway Program,¹⁷ which will double rail capacity between New York and New Jersey, and the \$6 billion replacement of the Baltimore & Potomac Tunnel,¹⁸ 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 \$2.3 billion NextGen Acela program to replace its aging legacy high-speed fleet, the \$4.1 billion Airo program to replace its intercity trainsets, and the multi-billion-dollar replacement of its long distance fleet. In August 2025, Amtrak launched revenue service for NextGen Acela with five trainsets, and it plans to bring 28 trainsets into service by 2027—an effort our office is monitoring.

Our work has identified longstanding challenges in the company's management of major programs, projects, and procurements, which we have reported on extensively. Most notably, we found the company continues to see challenges in three areas: program and project management, stakeholder coordination, and contract oversight.

Improving program and project management. To maximize the benefits of federal investments and successfully deliver its capital commitments on time and within budget, the company must have disciplined processes to manage its programs. These processes include critical activities such as project scheduling, resource planning, and

¹⁷ *Governance: Company Needs a Comprehensive Framework to Successfully Manage its Commitments to the Gateway Program* (OIG-A-2022-006), February 4, 2022.

¹⁸ *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.

identifying and mitigating risks. Our audits of large capital projects showed that Amtrak continues to face challenges following its own standards and guidelines in these areas. Most recently, we found program and project management weaknesses in Amtrak's replacements of the Baltimore and Potomac Tunnel¹⁹ and its long distance fleet.²⁰ In these and other audits, we have seen the company struggle to develop accurate cost and schedule estimates, leading to cost overruns and late deliveries. With the Baltimore and Potomac Tunnel Replacement program, for example, we found that Amtrak had not completed all necessary planning despite the approach of major construction, which increased the risk of cost overruns and schedule delays. With the long distance fleet procurement, we found that the company's initial requirements for premium designs and amenities added complexities to an already complex program and led to delays in the program's early stages.

In addition to our audits of individual projects, we also plan to examine activities where our current and prior audits of capital programs have identified gaps. These include project schedule management, planning for required labor to support and complete construction projects, and track outage planning.

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 and local governments, commuter rail agencies, freight rail companies, and the Federal Railroad Administration. These stakeholders are not just funding partners; in some cases, they are directly impacted by track outages or service interruptions.

The company must also communicate effectively with internal stakeholders to ensure the requirements it develops for its programs and projects are complete, feasible, and meet its business needs. Not doing so has led to costly change orders and delays when stakeholders raised issues after the projects had already begun construction. This issue was notable in our audit of the Airo program where not engaging all stakeholders early in the program led to a \$42.5 million change order and more than five months of delay on a contract that had been signed only three months before.²¹ In addition, our 2025 review of the Hudson Tunnel Project found Amtrak could better protect its interests by clarifying its role with its external partners and more consistently engaging all relevant

¹⁹ *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.

²⁰ *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.

²¹ *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.

internal stakeholders. For example, some company officials were not familiar with their support activities on the project, when they would need to participate, and how the project may impact their work.

Contract oversight. Amtrak’s successful delivery of IJJA-funded capital projects will require strong contract oversight to ensure that procured goods and services meet contract terms, that invoices accurately reflect the goods and services provided, and that the work is completed as the contracts specify. We reported on the company’s activities during the pre-award phase of its procurement process and found weaknesses that put the company at greater risk of paying more than it should for goods and services. For example, we found that Amtrak could better ensure its employees adhere to its own requirements and best practices for solicitations, identify and mitigate fraud risks that can occur during the pre-award phase, and ensure its review process for technical contracts follow its own requirements.²² We are also conducting assessments of individual contracts, such as Amtrak’s construction and technology services contracts.²³

Investigative oversight. In addition to our audit work on IJJA funds and other capital projects, our investigators are proactively meeting with procurement officials, contractors, and other officials responsible for executing IJJA-funded programs and projects. These meetings serve to open lines of communication with key stakeholders, enabling better coordination, quicker access to project documents, and clear contacts for reporting fraud. In 2024, for example, our Central Field Office agents began meeting with agents from the U.S. Department of Transportation OIG, U.S. Attorneys for the Department of Justice’s Antitrust Division, and Amtrak officials on the company’s Chicago Hub Improvement Project, a multi-stakeholder effort to improve capacity, safety, and congestion at and around Chicago Union Station.

Exercising Responsible Financial Stewardship

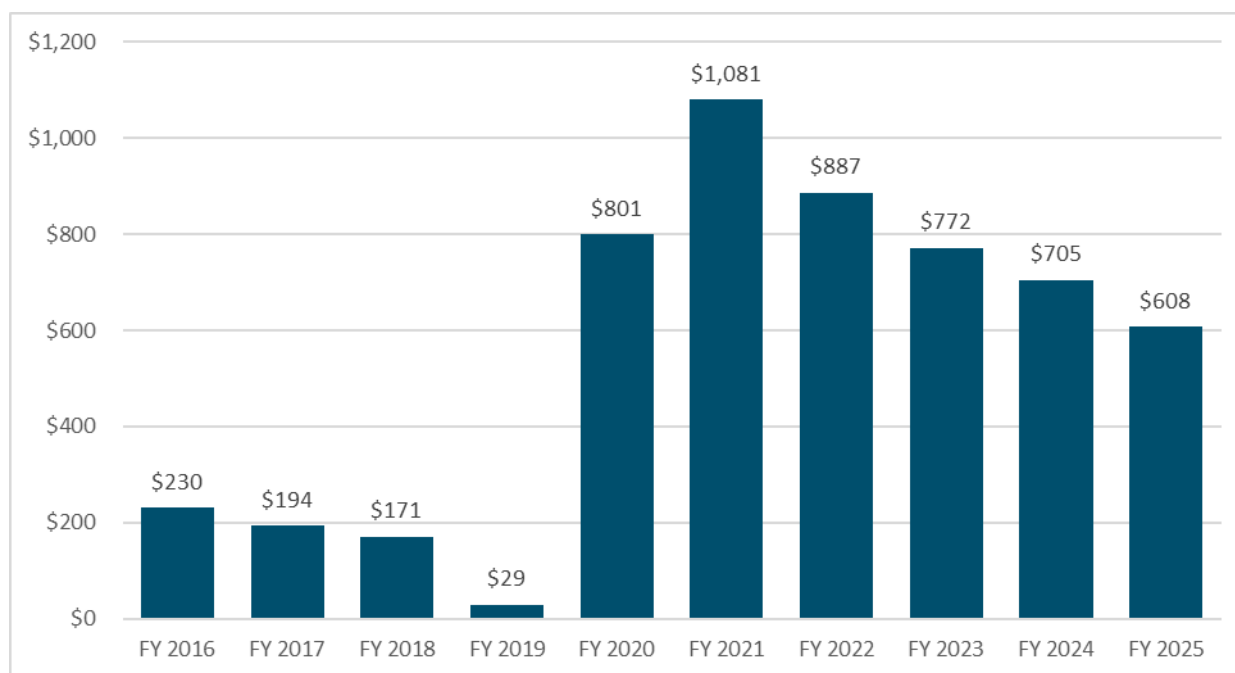
Achieving financial stability while growing the business. Since its inception in the early 1970s, Amtrak has attempted to reduce its reliance on federal operating subsidies. Amtrak was on track to eliminate its operating loss in FY 2020, but its progress was upended by the March 2020 onset of the global COVID-19 pandemic. Within weeks, all modes of public transit—planes, trains, transit, buses—came to a near-standstill. Amtrak’s ridership plummeted by 97 percent, and revenue plunged by 80 percent. With emergency assistance from Congress, aggressive cost cutting, and concentrated efforts

²² *Acquisition and Procurement: Company Has Opportunities to More Effectively Ensure that It Awards Contracts in Its Best Interest* (OIG-A-2025-007), June 30, 2025.

²³ Engagement Memo—Audit of Construction Services Contract (Project Code 011-2025), August 8, 2025. Engagement Memo—Audit of a Technology Services Contract (Project Code 010-2025), August 7, 2025.

to expand its ridership by outreach to different demographic markets, Amtrak was able to maintain its solvency and ride out the worst of the pandemic. The following year, as the public began to resume travel, Amtrak began to regain its footing financially, and its operating losses resumed their downward trend, as Figure 3 shows.

**Figure 3. Amtrak Adjusted Net Operating Loss, FY 2016 through 2025
(\$ in millions)**



Source: Amtrak OIG FY 2019 and 2020 Management Challenges Report; Amtrak public documents.

Restoring revenue and ridership. Since FY 2021, systemwide ridership has continued to grow and now exceeds pre-pandemic levels. The company's revenue also exceeds pre-pandemic levels, but it was slower to rebound, in part due to the rising costs of goods and the country's shift to more remote work which impacted the higher-yield business travel market. Additionally, Amtrak's 25-year-old Acela fleet has become increasingly unreliable, and the need for frequent repairs has prevented the company from restoring its pre-pandemic operating schedule. With new NextGen Acela trains just beginning service and Airo trains scheduled to begin service on the NEC in 2027, the company expects to not just restore but to increase service on the NEC and elsewhere. Amtrak projects that these new, more frequent and improved services will drive higher ridership and revenues.

Last year, Amtrak pledged to achieve “operational profitability”²⁴ by the end of FY 2028, an aggressive target and one that will be heavily contingent on the complete and timely roll-out of the new Airo and NextGen Acela equipment. Our office continues to monitor the costs and schedules of these fleet programs and has made recommendations to improve their management. Notably, our recent report on Amtrak’s National Facilities Program—a \$4 billion effort to upgrade its maintenance facilities to support its newest trains—found that some facilities will not be ready in time to service the company’s new trains.²⁵ If Amtrak cannot find other ways or locations to maintain its new equipment, some of it may need to sit idle intermittently, which would delay capturing the additional revenue anticipated from the new trains.

Safeguarding against fraud. With aggressive financial goals, Amtrak must protect every dollar it has from fraud. 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.²⁶ Although federal law enforcement agencies, including our office, are taking actions to recover stolen funds, 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 IJA 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.

Over the years, our investigations have ended numerous fraud schemes, put wrongdoers behind bars, and helped recover hundreds of millions of dollars through restitution and forfeitures. These include time and attendance fraud and benefit theft, submitting false medical claims, selling fraudulent Amtrak tickets, stealing and reselling hand tools, misusing gas procurement cards, and other schemes that have diverted cash and other assets the company needs to operate and invest in its business. Our auditors have also issued dozens of reports identifying weaknesses in internal

²⁴ Operational profitability considers Amtrak’s performance for passenger trains and excludes other business segments such as infrastructure and construction. The company’s FY 2026 General and Legislative Annual Report projects a \$3 million profit on passenger train operations in FY 2028 and an approximately \$200 million deficit on infrastructure and construction. See [Amtrak Fiscal Year 2026 Grant and Legislative Request](#).

²⁵ *Major Programs: Improved Planning for Maintenance Facility Upgrades Could Help the Company Better Meet Its Fleet Goals* (OIG-A-2026-002), December 18, 2025.

²⁶ *Unemployment Insurance: Estimated Amount of Fraud During Pandemic Likely Between \$100 Billion and \$135 Billion* (GAO-23-106696), September 12, 2023.

controls—vulnerabilities that could be exploited by would-be criminals—helping Amtrak understand how to better defend against fraud.

We synthesized our fraud-related work into two cross-cutting reports that illustrated how fraud risks manifest and shared ways the company can mitigate these risks, especially in light of the massive funding it was receiving from the IIJA.²⁷ Our work confirms that Amtrak faces particular vulnerabilities in four areas: contract and procurement fraud, health care fraud, employee wrongdoing, and cybercrime. Each of these types of fraud risks can impose a financial cost and damage Amtrak’s reputation. For example:

- **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 investigations indicate that the company remains vulnerable to these types of schemes. For example, we have investigated several cases in which company employees—including some in senior positions—steered contracts to close personal friends or to favored companies in exchange for bribes, failed to disclose personal relationships with vendors, engaged in conflicts of interest by approving invoices for personal gain, coordinated with contractors during competitive solicitations, and engaged in other activities that undermined the company’s ability to ensure its financial decisions were in its best interest.²⁸

We also found that Amtrak could better identify and mitigate fraud risks that can occur during the pre-award phase of its procurement process. Specifically, the company was not collecting and analyzing data for its pre-award activities to identify fraud indicators, and it was not effectively training employees involved in the pre-award phase to detect the types of procurement fraud they may encounter.

- **Health care fraud.** Left unchecked, health care fraud can increase Amtrak’s costs and lower the quality of services provided to employees and their

²⁷ *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

²⁸ *Employee terminated for appearance of conflict of interest* (OIG-WS-2025-316), February 21, 2025; *Two employees failed to disclose a potential conflict of interest* (OIG-WS-2025-326), March 24, 2025; *Former Amtrak director charged for allegedly steering contracts worth millions in exchange for bribes*, May 1, 2025; *VP of masonry contractor sentenced to nearly five year in prison for bribing Amtrak employee in exchange for millions of dollars in extra work at 30th Street Station*, June 4, 2025.

dependents. From FY 2017 through FY 2025, our office investigated and supported 28 cases that involved defrauding Amtrak health care programs and those of other federal agencies, resulting in criminal and civil recoveries totaling over \$2.3 billion.

Our recent investigations indicate that health care fraud schemes continue to challenge the company. In 2025, we issued a significant investigative report to Amtrak detailing a widespread scheme in which at least 119 current and former employees conspired with New York health care providers to bilk Amtrak's health care plan of more than \$12 million from 2019 to 2022.²⁹ The employees implicated in the scheme—based in Pennsylvania, Delaware, New Jersey, New York, Maryland, Connecticut, and Washington, D.C.—accepted cash kickbacks from four 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. Amtrak's health care plan was billed over \$16 million and paid out more than \$12 million during the scheme.

- **Employee wrongdoing.** Our investigations regularly lead to convictions, employee terminations, and resignations due to fraud. For example, a former employee was recently sentenced to 25 months in prison and was ordered to pay more than \$1 million in restitution after she and her husband stole nearly \$1 million in pandemic-related unemployment insurance benefits. In addition, she stole more than \$63,000 in sickness benefits while she worked at Amtrak.³⁰ In another example, six employees resigned during an investigation that showed they misused their company badges or created counterfeit badges to swipe in and out for one another to claim fraudulent work hours.³¹
- **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

²⁹ *Amtrak OIG uncovers largest Amtrak employee criminal conspiracy in its history; 119 former and active Amtrak employees implicated*, May 7, 2025.

³⁰ *Former Amtrak employee sentenced to prison for bilking pandemic relief program of nearly \$1 million*, July 18, 2025.

³¹ *Six employees resign after participating in a time and attendance fraud scheme*, March 15, 2022.

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.

Fraud awareness training. Our auditors and investigators have led fraud awareness trainings for Amtrak procurement officials, supply chain employees, contract employees, a 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, procurement, theft, and employee misconduct. We also train Amtrak 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 them to report to our hotline if they observe or suspect fraudulent activities or other wrongdoing. These trainings and related investigative and audit work have also helped Amtrak refine its procurement processes, such as adding additional controls to protect against conflicts of interest for members of employee committees that review technical aspects of vendors' proposals.

Modernizing Information Technology Systems and Enhancing Cybersecurity

Amtrak—like all modern organizations—is constantly striving to keep pace with evolving technologies. As we have previously reported,³² however, the company has multiple systems that are inefficient and do not always meet its business needs. Furthermore, critical operating systems such as PTC, train signaling, dispatching, and communications—essentially the backbone of the company's safe and efficient operations—are inherently vulnerable to disruptions from human or technical error, natural disasters, and physical- or cyber-attacks. Due to the potential high-impact risks associated with technology and cybersecurity, we have established a dedicated audit team to focus exclusively on long-standing and emerging high-risk technology and cybersecurity issues.

Business systems. In audits examining a range of company business processes, we found that systems supporting Amtrak's fundamental business processes did not provide the timely, detailed, and high-quality information managers needed to support a range of operating activities, including tracking detailed project costs, managing contracts, capturing hiring information, and overseeing the company's mechanical

³² *Acquisition and Procurement: Company's Electronic Procurement System Limits Effective Contract Oversight* (OIG-MAR-2022-013), August 16, 2022; *Governance: Company Is Strengthening Project Cost Management but Can Better Organize Costs and Improve Guidance* (OIG-A-2023-010), July 17, 2023.

inventory.³³ The company is embarking on a significant Information Technology (IT) modernization plan that includes upgrading and integrating existing systems as well as procuring new technology to transform business operations and protect its 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.

Since 2018, our oversight work has underscored potential legal and financial risks because Amtrak does not have a centralized and automated repository to store its procurement contracts. These risks are exacerbated as Amtrak's capital programs expand with the help of IIJA funding. Currently, Amtrak stores its procurement contracts in multiple locations, affecting its ability to determine the total number of contracts and suppliers and other contract information. We also noted in a recent report how the absence of such a repository hinders Amtrak's ability to collect and analyze procurement data that could help the company detect contract and procurement fraud.³⁵

We recently began work to examine Amtrak's efforts to establish and maintain effective data governance of the information these systems capture. Because the company collects operational and regulatory data across departments, strong governance is essential to ensure data quality, support decision-making, and comply with privacy laws like the European Union's General Data Protection Regulation and California Privacy Rights Act.

Addressing cybersecurity risks. 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.³⁶ In 2023, we assessed how the company protects information systems and

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 *Acquisition and Procurement: Contracts Included Key Provisions to Reduce Risks, but the Company Lacks an Efficient and Effective Contract Management System* (OIG-A-2018-003), February 22, 2018.

³⁶ *Information Technology: Better Identifying and Tracking Operational Technology Assets Across the Company Would Improve Cybersecurity* (OIG-A-2023-002), November 7, 2022.

data from insider threats,³⁷ and in the near future, we will expand our scope to assess external vulnerabilities posed by vendors or third-party contractors hosting, supporting, or connecting to Amtrak systems and networks.

Building on our prior work, we assessed Amtrak's disaster recovery processes for systems supporting train control systems—in essence, its ability to resume operations in the event of a cyber-attack or other crippling event.³⁸ We found that Amtrak had not fully implemented its disaster recovery strategy because its disaster recovery efforts were fragmented and its plans were not comprehensive. In addition, it did not have a complete plan to replace or refresh outdated technology.

Our investigators also play a role in ensuring cyber-safety. They have pursued several cases where employees or contractors misused or took advantage of their system access and either deliberately or inadvertently put sensitive company information at risk.³⁹

Providing Superior Customer Service

Providing high-quality customer service has been one of the company's longstanding priorities, and putting customers first is among its three core values.⁴⁰ Many factors can affect customers' experiences and understanding what drives passenger satisfaction is key to providing those services. Our office has identified many of these factors and plans to continue oversight in this space, especially as Amtrak expands its service footprint and seeks to broaden its ridership base.

Customer service for passengers with disabilities. Our prior work shed light on Amtrak's struggles to bring its stations and trains into compliance with the Americans with Disabilities Act (ADA).⁴¹ Building on that work, we recently assessed the company's customer service to passengers with disabilities across the full lifecycle of a train trip—from booking to deboarding—to evaluate how effectively Amtrak provides equitable and high-quality service to these passengers, a growing segment of the

³⁷ *Technology: Results of Audit Assessing Company Controls to Protect Information Systems and Data from Insider Threats* (OIG-A-2024-001), December 11, 2023.

³⁸ *Technology: Opportunities Exist to Improve the Company's Disaster Recovery Practices for Its Operational Technology Systems*, (OIG-A-2025-003), January 31, 2025.

³⁹ *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.

⁴⁰ [Values and Culture: Careers at Amtrak](#).

⁴¹ *Major Programs: Americans with Disabilities Act Program Progressing, but Faces Some Challenges to Meeting Completion Goals* (OIG-A-2023-012), September 14, 2023.

traveling public.⁴² We found that Amtrak did not have an overarching strategy to guide its efforts to improve customer service to passengers with disabilities, and that its ongoing improvement initiatives in this area were fragmented and not well-coordinated between departments. In addition, the company did not have full visibility over the quality of service it provides to these passengers because it did not regularly analyze key data that could provide insights, such as customer surveys, ridership figures, and internal customer service audits.

As a result of our work, Amtrak has already taken steps to develop a strategic framework to guide efforts across the organization, and it committed to strengthening its processes to collect, track, and resolve accessibility related complaints. It also committed to ensuring its ADA training is consistently delivered, tracked, and enforced for all customer-facing employees.

Communicating information to passengers. The preponderance of customer service research studies agree that communication remains the most important factor for establishing a strong and enduring customer relationship. In contrast, unclear, mixed, and contradictory communication can leave a customer confused, frustrated, and dissatisfied, leading to a loss of trust, and ultimately customers. Our work over the past few years has addressed several areas where Amtrak could improve, and we plan to continue this work. For example, we reported on Amtrak's processes for managing customer complaints and improving communication. We found that Amtrak could better determine when and how it communicates with customers about delays, establish and use metrics to assess the responsiveness of customer service call centers, and improve its internal use of customer feedback.⁴³ We also plan to review Amtrak's customer service during extended train delays.

On-time performance, equipment. Since Amtrak's inception, poor on-time performance has been a primary driver of customer complaints and low scores on customer surveys. Some factors affecting on-time performance are largely outside the company's control—for example, weather and freight train interference—but it can manage other factors, like ensuring its equipment is in good working condition and available to operate as planned. Last year, for example, Amtrak removed 70 of its Horizon cars from service due to corrosion issues, which affected service on four state-supported routes as the company transferred other equipment to replace them. In addition, years-long delays in the delivery and launch of the NextGen Acela trains

⁴² *Train Operations: The Company Can Improve the Quality of Customer Service to Passengers with Disabilities* (OIG-A-2025-009), July 11, 2025.

⁴³ *Train Operations: Opportunities Exist to Better Use Data to Improve the Customer Experience* (OIG-A-2024-006), April 18, 2024.

compelled the company to extend the service of its aging legacy Acela fleet, but to keep the legacy fleet operable, the company idled five trainsets and used them for spare parts. The smaller fleet size forced the company to reduce the number of daily Acela departures—its most profitable business line. While the company launched revenue service with five NextGen Acela trains in August 2025, it will continue to rely on the legacy fleet until more of the new trainsets are brought online. We have reported on delays in launching the NextGen Acela fleet, as well as delays and other issues with other train procurements, including Airo and the long-distance replacement. Bringing new trains online with minimal delay will be important to avoiding equipment-driven impacts to on-time performance.

On-time performance, infrastructure. Amtrak estimates it will cost more than \$47 billion to address a backlog of investments needed to bring its infrastructure back to a state of good repair. This inventory includes assets in the Northeast Corridor such as bridges, buildings, track, switches, electric traction, substations, communications, and signals. Amtrak and its state transit partners have felt the impact of these aging assets repeatedly as heat and other conditions contribute to major service interruptions. Securing funding to address these needs is one challenge, but logistics and resource issues further complicate implementation. Amtrak will need to coordinate track outages to give crews time to repair and replace assets—a goal which must be balanced with Amtrak’s and commuter rail agencies’ desire to simultaneously operate high-frequency and high-speed services. Amtrak’s key challenge in this area—and one it will lean heavily on IJJA funds to address—will be replacing or rehabilitating 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. To better understand how Amtrak is managing these responsibilities, we are currently assessing how it is managing its portfolio of work to bring its infrastructure into a state of good repair and tracking progress made in addressing the backlog of repairs.

The IG Effect

Our audits and investigations invariably result in effective action: better management, improved safety, cost savings, employee terminations, and/or civil or criminal prosecutions for illegal activities. But just as impactful—though not formally acknowledged or reported—are the changes that occur during an audit, or simply as a result of our opening an investigation or announcing a new audit—what we call the “IG effect.” Time and again, we see Amtrak acknowledging problems and taking corrective actions on issues we are auditing or investigating while our work is underway. This oversight 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. Getting a

head start on addressing our findings also enables the company to close out recommendations or respond to our observations sooner. Some specific examples include the following:

- *Long distance train procurement.* Amtrak is in the early stages of procuring hundreds of new train cars to replace existing bi-level and single-level train cars servicing long distance routes. We initiated work early in this procurement and found that the bi-level train cars Amtrak planned to buy included premium designs and amenities, some of which had never been manufactured before. Proposed items like elevators and high-end finishes significantly raised costs, complexity, and risk.⁴⁴ We raised this issue, and during our audit, the company began amending its requirements for the new trains. Notably, Amtrak announced in February 2026 that it would cancel its planned, more complex procurement and instead shift to a universal single-level fleet for all long distance routes. The company said this approach would broaden competition, reduce program risk, and accelerate replacement of its aging cars.⁴⁵
- *Hudson Tunnel.* During our audit of the \$16 billion Hudson Tunnel project,⁴⁶ we identified a financial matter that would have impacted the accuracy of the company's FY 2024 financial statements. The company projected that it would have overpaid the Gateway Development Commission (the project's sponsor) by the end of the fiscal year, prompting a refund. The company's project team, however, did not recognize the financial implications of this overpayment. We immediately alerted the company's accounting department because its FY 2024 financial statements were about to close. Because of our observations, the company quickly recorded a \$104 million refund, ensuring that financial reporting to Congress and the public was accurate.
- *Family Medical Leave Act (FMLA) abuse.* Our office's investigative work has consistently identified employees inappropriately using FMLA leave. This includes using FMLA leave to engage in illegal conduct—and be incarcerated for that conduct—or to engage in outside employment. As a result of this work, the company convened a cross-departmental team to begin exploring potential solutions to FMLA leave challenges. Additionally, we conducted an audit that identified gaps in how the company processes employees' use of FMLA leave, and

⁴⁴ *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.

⁴⁵ <https://media.amtrak.com/2026/02/amtrak-announces-new-and-improved-long-distance-fleet-replacement-strategy/>

⁴⁶ *Major Programs: The Company Has Made Progress Supporting the Hudson Tunnel Project but Has Opportunities to Reduce Its Risk* (OIG-A-2026-001), December 15, 2025.

during our audit, the company strengthened its process for confirming that employees who use FMLA leave have an active approval in place.⁴⁷ We analyzed data for the four months before and four months after the new process and saw a 72 percent reduction in FMLA claims by employees without appropriate approvals.

- *Financial oversight.* Amtrak hires an independent public accounting (IPA) firm to audit its financial statements, and we oversee the accountant's work. During the company's most recent Single Audit, we provided dozens of real-time comments identifying errors and control weaknesses that the IPA did not see, causing it to immediately strengthen its audit procedures. For example, our auditors identified that Amtrak double-charged \$15.8 million to two separate federal grants—errors that otherwise may have gone undetected.
- *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.⁴⁸ 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.
- *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,⁴⁹ 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 number of fatalities it reported to FRA.
- *Customer service data.* When we conducted our analysis,⁵⁰ Amtrak could not determine how quickly it was communicating with customers when train delays occurred because the data were decentralized and housed in disparate systems. We raised these issues, and, during our audit, the company consolidated all its

⁴⁷ *Human Capital: Better Managing and Monitoring of Family Medical Leave Act Use Would Reduce Risks* (OIG-A-2025-010), July 18, 2025.

⁴⁸ *Technology: Opportunities Exist to Improve the Company's Disaster Recovery Practices for Its Operational Technology Systems* (OIG-A-2025-003), January 31, 2025.

⁴⁹ *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-2025-005), April 14, 2025.

⁵⁰ *Train Operations: Opportunities Exist to Better Use Data to Improve the Customer Experience* (OIG-A-2024-006), April 18, 2024.

customer communications into a single centralized repository. This will allow Amtrak to more easily identify if and when it communicated with passengers during an enroute delay.

- *Fraud and misconduct deterrence.* We can quantify the impacts of fraud caught and funds recaptured, but it is difficult to quantify the monetary or safety impact of fraud or misconduct that *did not* occur because our work or presence served as a deterrent. Anecdotally we know that our physical presence in a region like Miami or Los Angeles serves as a strong deterrent to employee misconduct, but we also have observed how Amtrak highlights our work to warn employees about the severe consequences of misconduct or fraud. For example, in January 2025, Amtrak began publishing a newsletter called “Caught in the Act.” In the first publication, the company described job loss and criminal prosecution for employees caught engaging in healthcare fraud and conspiracy, time and attendance violations, false safety reporting, and disclosure of confidential information. The company has continued to highlight our work on its employee website, calling out examples of employee misconduct in our semiannual report. By highlighting our cases, Amtrak effectively puts the rest of the workforce on notice that they could face severe consequences if they engage in similar activities.

In addition, following several conflict-of-interest investigations tied to undisclosed personal relationships in hiring and procurement—including some that led to resignations and the termination of former senior officials—Amtrak moved quickly to tighten controls and signal consequences. Within days of completion of a 2023 case, Amtrak issued a companywide advisory updating rules for Technical Evaluation Committees and required a new confidentiality/no-conflict form, expanded what must be disclosed (including friendships), and mandated written documentation of conflict-of-interest reviews. It also refined procurement practices to add safeguards for employees serving on technical review panels and launched targeted fraud-awareness training that directs employees to report allegations to the OIG and uses real case studies drawn from our work (as communicated to us by the company). In parallel, Amtrak began routinely spotlighting OIG cases in internal communications and shared guidance on relationship disclosure duties, thereby reinforcing deterrence across the workforce. Collectively, these actions—prompt policy updates, stronger procurement controls, targeted training, and sustained internal messaging—demonstrate the IG effect: our investigations catalyzed tangible organizational changes and accelerated companywide adherence to conflict-of-interest standards.

Balancing Oversight Challenges

The issues we highlight above 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 and workforce fluctuations—coupled with the speed with which the company plans to execute dozens of capital programs—significantly raises the company’s programmatic and financial risks. Together, these issues underscore the criticality of our objective and independent oversight. As shown in the previous examples of our oversight, our work achieves results and helps Amtrak improve. We are confident that our audit and investigative work continue to foster accountability throughout the company; serves as an added check on the safety of Amtrak’s operations; recovers funds through administrative, civil, and criminal fines, restitutions, and forfeitures; and deters fraud, waste, abuse, and misconduct.

Amtrak’s management, the Board, 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 they relate 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 2027 BUDGET REQUEST

To reasonably align with our increased oversight responsibilities, we are requesting \$31,100,000 for FY 2027—the same amount we requested for 2026. This request identifies the resources we need to support our operations, including personnel compensation and benefits, contract services, training, travel, supplies, materials, and equipment. It includes the following:

- **\$26.847** million for personnel, benefits, and related costs;
- **\$2.643** million for operational and equipment expenses, including funding for special equipment for criminal investigators, staff training, communications, and IT equipment and support services;
- **\$729,000** for consultants and contracted services; and
- **\$881,000** 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. We project that our requested funding would allow us to maintain a staffing level of approximately 102 in FY 2027, subject to the timing of receipt of FY 2026 funding, any strategic or financial changes to the company's direction, or other 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 or projects on the Northeast Corridor alone, with total estimated costs in the billions.

As resources and priorities permit, we may hire additional auditors or contractors to increase productivity, work on additional high-risk areas that are currently delayed—like assessments of major capital programs and procurements—and increase flexibility in responding to emerging issues and Congressional requirements. Considering that company plans to spend an average of \$9.1 billion a year on its capital programs between FY 2026 and FY 2029, we believe maximizing early OIG impact on Amtrak's capital spending will be critical. Increasing our audit capacity will help extend our oversight reach 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, with each field agent responsible for about 7 cases, while about 8 of our field agents have caseloads ranging from 9 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. About 80 percent of our cases are categorized as major misconduct and general crimes, including more than 40 percent 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 almost two dozen involving alleged contract and procurement fraud, including several cases that involve IIJA-funded projects.

As resources and priorities permit, we may hire additional investigators in FY 2027, 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 investigator 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. Additional resources would 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 (ODA) supports nearly every audit or investigation our office conducts. In fact, ODA's 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 our four analysts' active work goes into collecting, securing, sanitizing, and maintaining Amtrak-related data. This pulls key staff away from other duties to ensure the data is suitable for analysis. 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 resources and priorities permit, we may hire an additional data engineer to support data collection and maintenance efforts, allowing the Director and Senior Data Analyst to focus on additional analysis requirements from our auditors and investigators.

Monetary and programmatic impact. For the 24-month period through September 2025, 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 252 investigations, closed 218, and made 50 arrests and 81 criminal referrals.

Our investigations, which included many that thwarted multi-million-dollar fraud schemes, resulted in 68 indictments, 46 convictions, and 176 administrative actions. In addition, we issued 20 audit products with dozens of recommendations related to high-risk areas including insider threats; the Hudson Tunnel Project and Baltimore and Potomac Replacement Program; the Portal North Bridge program; procurement and contract fraud risks; and management of Amtrak's equipment inventory. Other work includes examinations of Amtrak's efforts to provide high-quality customer service to passengers with disabilities, the early phases of its contracting and procurement process, its management of train strike risks, and its management and oversight of its long distance fleet replacement program.

Most importantly, our audit and investigative work has substantially impacted and improved the company's programs and operations—ranging from safety to program management—and provided 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 diverse skills 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 City, 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 performance and saving both taxpayers and the company money, while

seeking to detect fraud, waste, mismanagement, and abuse. The office also monitors the external auditors that perform audits of the company's annual financial statements.

Office of Investigations. Pursues allegations of serious misconduct, including 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 relies on its internal Digital Investigations Unit, a highly specialized, technologically advanced team 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.

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.

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 (5 U.S.C. Chapter 4), \$31,100,000.00: *Provided*, That the Inspector General shall have all necessary authority, in carrying out the duties specified in such Act, to investigate allegations of fraud, including false statements to the government under section 1001 of title 18 of the United States Code, 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 fiscal year 2028, the Inspector General shall submit to the House and Senate Committees on Appropriations a budget request for fiscal year 2028 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, 2027.)

RECENT WORK

Office of Audits

Major Programs: Improved Planning for Maintenance Facility Upgrades Could Help the Company Better Meet Its Fleet Goals, OIG-A-2026-002, December 18, 2025

Amtrak is in the process of acquiring three major fleets of trains—NextGen Acela, Airo, and Long Distance—at an estimated cost of at least \$8 billion. To service and operate this new equipment, the company is upgrading some of its maintenance facilities at an estimated cost of \$4 billion under what the company calls its “National Facilities program.” Collectively, these facility upgrades represent a generational effort to transform the company’s operations using funding from the Infrastructure Investment and Jobs Act, as well as a Railroad Rehabilitation and Improvement Financing loan, and the company’s annual grants. Our audit objective was to assess the company’s management of the National Facilities program and to identify any risks to achieving its goals.

The company started upgrading its maintenance facilities to support its major fleet acquisitions, but challenges in planning and managing this effort delayed its progress. As a result, some facilities would not be ready in time to service the company’s new trains, which could hinder its ability to fully operate the new equipment at the intended service levels. Instead, the company may need to store some new trains intermittently, which could postpone the capture of additional revenue. Further facility delays—which remained a risk—would add to the existing delays in fully operating its new fleets. The following two factors have contributed to these circumstances:

- **Incomplete strategic planning.** The company’s facility planning lagged behind its fleet planning by about 15 years even though the two efforts are closely interconnected. Company officials told us they expected to complete a joint fleet/facilities strategic plan in late 2025. As of November 2025, however, this joint plan had not defined the scope of the work needed to guide the facility upgrades.
- **No management framework.** The company was separately managing dozens of facility projects rather than managing them as a single, coordinated effort, as company and industry standards suggest. This occurred because the company had not developed an overarching management framework to implement its strategy. Such a framework should include standard components, such as plans for risk management, schedule management, and resource management.

To ensure that the company's fleet and facilities efforts align, we recommended that the company continue to develop a joint strategic fleet/facilities plan, and that it develop a management framework for its facility upgrades.

Major Programs: The Company Has Made Progress Supporting the Hudson Tunnel Project but Has Opportunities to Reduce Its Risk (OIG-A-2026-001, December 15, 2025)

The Hudson Tunnel Project (HTP) is a \$16 billion effort to construct a new passenger rail tunnel under the Hudson River and to rehabilitate the existing North River Tunnel. It is the largest federally funded mass transit project in U.S. history and is a key component of the Gateway Program, a \$40 billion portfolio of projects to upgrade rail infrastructure between Newark, New Jersey, and New York City. The Gateway Development Commission (GDC)—a public authority created by the states of New York and New Jersey—is the HTP sponsor and is responsible for its construction and delivery. GDC engaged the company and other transit organizations as project partners to lead or support aspects of construction. Among other federal and state funding sources, the company is contributing over \$1 billion to the project and has a unique role on HTP as the eventual asset owner. Given the HTP's size, scope, and importance, our objective was to assess the company's efforts to support the project and oversee its interests as the project advances.

The company made notable progress fulfilling several key obligations in support of the project, demonstrating that it began applying some lessons learned from prior capital projects on the HTP. We identified the following three key areas, however, where the company could reduce its risk:

- **Clarifying its role with external partners.** The company and its project partners did not always agree on the scope of the company's HTP role. As a result, the company and its partners had disagreements over what company work was acceptable on construction it was not leading and the extent to which the company could participate in the project's risk management process.
- **Engaging internal stakeholders.** The company's HTP team engaged some internal stakeholders but could have done more to involve others. This occurred because the team did not identify all the HTP-related activities the company needs to perform over the life of the project and who should complete them.
- **Improving document management.** The company established a web-based document management system to internally store the thousands of files on the project, but HTP team members did not always use it, opting instead for

decentralized solutions. Project officials recognized this challenge and began improving the team's document management capabilities.

We recommended that the company assess where interpretations of its role may differ from its project partners and take steps to remedy those differences; identify all internal support activities and assign accountability for each; and finalize its internal HTP document management system.

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-2025-005, April 14, 2025

Train strikes pose a serious and persistent concern for railroads. The company is no exception, reporting approximately 800 train strikes from FY 2020 through FY 2023. These types of incidents have resulted in hundreds of fatalities and injuries in recent years and can result in operational disruptions and equipment damage. They can also take a heavy toll on the crew members involved. By our estimate, in FY 2023, one in five of the company's passenger engineers may have been involved in a strike. Given the gravity of these issues, our objective was to assess the company's efforts to identify and manage its risk of train strikes.

Like other railroads, the company faces inherent challenges to reducing train strikes because of factors that are difficult to control, such as suicide attempts, homeless individuals living near active tracks, and motorists who ignore crossing signals. Nonetheless, we found that it had laudable efforts underway that align with key practices we identified for managing the risk of train strikes. We also identified two areas to build on its current efforts:

- Embedding its ongoing initiatives into a more comprehensive, proactive risk management process could help the company to better identify its train strike risks and make informed decisions about where to allocate its limited resources to reduce them. Historically, it focused its efforts on grade crossings where incidents have already occurred, rather than proactively identifying locations with the greatest potential for future incidents. In addition, it generally had not prioritized reducing trespasser strikes that occur away from grade crossings, which comprise more than half of all strikes, according to its data.
- The company could improve the accuracy of its train strike data. We found discrepancies between the two datasets the company uses to track fatalities and injuries from train strikes. These discrepancies existed because the company did not have an effective process for reconciling the datasets, which could hinder its

ability to manage its risks and increase the possibility of not meeting federal reporting requirements.

We recommended that the company develop a comprehensive, proactive process to identify and manage the risk of train strikes and, as it institutes this process, consider expanding implementation of key practices we identified in the report. We also recommended that it implement a process to regularly review and reconcile its train strike data to ensure their accuracy.

Train Operations: The Company Can Improve the Quality of Customer Service to Passengers with Disabilities, OIG-A-2025-009, July 11, 2025

According to Census Bureau data, approximately 45 million people in the United States—one in seven—have a disability. The company is often a preferred mode of travel for them. As a public transportation provider, the company has a statutory requirement to provide equitable service to passengers with disabilities and, to its credit, has committed to continually improving the quality of its customer service. Given the company's core public transportation mission, our objective was to assess the company's efforts to provide high-quality customer service to passengers with disabilities.

We found that the company had ongoing efforts to improve the customer service it provides to passengers with disabilities, but it faced challenges in two key areas:

- The company did not have an overarching strategy—one that established its goals, metrics, roles, and priorities—to universally guide its customer service to passengers with disabilities. Although well-intentioned, the company's improvement initiatives in this area were fragmented between departments and not well-coordinated.
- The company did not have full visibility over the quality of service it provided to passengers with disabilities because it did not regularly analyze key data that could provide insights, such as customer surveys, ridership figures, and internal customer service audits. For the one data source it routinely tracked—accessibility-related complaints—it did so inconsistently. Consistent tracking is essential to comply with federal regulation, which requires prompt and equitable resolution of covered complaints by these passengers.

Given the company's limited visibility over the service it provided to passengers with disabilities, we assessed the customer experience and identified three areas where it had

opportunities to improve: interactions with customer-facing employees, communication of essential travel information, and access to onboard amenities.

We recommended that the company develop an overarching strategy and analyze the data necessary to measure its service quality. We also recommended it implement plans and processes to address challenges in the three improvement areas we identified. Management agreed with our recommendations and plans to implement all of them by September 30, 2026.

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

The Frederick Douglass Tunnel program is an estimated \$6 billion investment to replace the 1.4-mile-long Baltimore and Potomac 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 Frederick Douglass Tunnel program.

The company was developing its management structure for the 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:

- **The program team was short-staffed.** The Capital Delivery department—a nascent department when it took over the program—initially assigned responsibility for the \$6 billion program 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.
- **The decision on the management structure was not made early enough.** 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: scheduling, communications, document management, and 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.

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

The company's long distance service consists of 15 routes that are 750 miles or longer, across 39 states. In December 2023, the company released a Request for Proposal to replace its aging long distance equipment—some of which is more than 40 years old and is approaching the end of its service life—with a more reliable, efficient, and accessible fleet. Under the Long Distance Fleet Replacement program, it expects to replace its entire fleet in a four-phased approach. Our audit focused on phase 1—the purchase of bi-level railcars for 9 of its 15 long distance routes—which the company plans to complete in 2035, using up to \$7 billion in funding from the IIJA. Our objective was to assess the company's management and oversight of the program and to identify any risks to its successful delivery.

We found that the company was in the process of identifying car builders for the first phase of the program and had established a management framework to execute the program once it selects a car builder. Early challenges in developing design requirements for the trainsets, however, had delayed the schedule, and the complexity of the program itself poses an innate risk of cost increases and additional delays. Given

the program's significant size, any material cost or schedule increases could have cascading impacts on the company's ability to accomplish other major capital projects and maintain its existing long distance service. We identified the following shortcomings:

- **Complex requirements caused delays and pose additional risks.** The program is inherently complex, and the company's initial requirements, including premium designs and amenities, contributed to this complexity. Car builders provided feedback, however, about their ability to meet some of these requirements, causing the company to amend its requests, which delayed the procurement by seven months. As the company moves to select a car builder, the more complexity it opts for in the acquisition, the greater its potential cost and schedule risk.
- **Capital Delivery department established a program framework, but it could improve risk management and clarify lines of authority.** Although the Capital Delivery department established a risk management plan, it had not developed contingency plans for the highest risks. In addition, the lines of authority on the program had been unclear from the outset, resulting in slow decision making that may be exacerbated by recent departures in program leadership. Addressing these components could help mitigate risks.

We recommended that the company review and clarify the roles, responsibilities, and lines of authority for each stage of the program; fill program vacancies; and identify contingencies for its major risks. Management agreed with our recommendations and plans to implement all of them by December 2025. Because the company was in the process of amending its requirements for the trainsets, we did not make a recommendation in this area, but we noted that any future decisions that would add complexity to this program warrant thoughtful consideration and caution.

Acquisition and Procurement: Company Has Opportunities to More Effectively Ensure that It Awards Contracts in Its Best Interest, OIG-A-2025-007, June 30, 2025

The IJA has given the company access to new capital funding, and billions of these dollars will flow to contractors. Maximizing this taxpayer investment requires the company to consistently award contracts in its "best interest" — obtaining the highest quality goods and services at the lowest possible cost. Efforts to accomplish this begin in the pre-award phase of solicitations when the company develops its needs and advertises to the market. Our prior work has shown that missteps during this phase can increase costs and the risk of fraud. Our objective for this audit was to assess the extent

to which the company has effective processes and controls during the pre-award phase to ensure contracts it awards are in its best interest.

We found that the company had opportunities to improve its processes to help ensure that it awards contracts in its best interest. Although we found that certain pre-award contracting activities generally worked well, we identified weaknesses in two areas that could place the company at greater risk of paying more than it should for goods and services:

- **Adhering to requirements for cost estimates and evaluation committees.** Of the 16 contracts we reviewed that required a cost estimate, three did not have one, and six did not include details that leading practices suggest. In addition, for a third of the contracts we reviewed that required a committee to evaluate vendor proposals, the contracting officer did not consistently follow company requirements for these committees, such as documenting conflicts of interest and changes in the evaluation committee composition.
- **Reducing fraud risk during the pre-award phase.** We found that the company did not collect key contracting data in a structured format that would have helped it detect common fraud schemes that occur during the pre-award phase, such as suppliers colluding on their bids. We also found that the company provided limited fraud training to its employees involved in the pre-award phase. As a result, the company was less likely to detect fraud which may occur during this phase.

We made four recommendations to help the company improve in these areas. The company agreed with all four recommendations and outlined actions it plans to take by December 31, 2026, to address them.

Human Capital: Better Managing and Monitoring of Family Medical Leave Act Use Would Reduce Risks, OIG-A-2025-010, July 18, 2025

The FMLA provides job-protected leave for employees dealing with serious health conditions or those of a family member. In FY 2023, about 2,800 of the company's 18,700 agreement employees (15 percent) held active FMLA approvals, allowing them to miss over 20 percent of their scheduled hours if needed. Given this volume, the company has faced challenges in overseeing FMLA leave use, and in October 2020, we reported on employee abuse of FMLA leave and weaknesses in the company's administration of it that could have contributed to such abuse. Our objective for this report was to assess the extent to which the company effectively manages FMLA leave.

We found that while the company's approval process for FMLA leave was generally effective, it did not effectively manage FMLA leave once employees began using it because of the following two key factors:

- **Unclear roles and responsibilities.** Of the 117 supervisors we surveyed, 90 (77 percent) answered that their role in monitoring FMLA leave was not clearly defined.
- **Insufficient tools and data.** The company's systems did not allow supervisors to effectively identify and track employees with FMLA leave approvals, requiring them to manually track complex leave arrangements. As a result, many supervisors did not track it at all, limiting the company's visibility into leave use. Further, without adequate tracking tools, the company did not have reliable data on FMLA leave use, making it difficult to assess impacts or detect potential misuse.

Although the company had made some progress improving FMLA mark-off processes, it continued to experience weaknesses in FMLA oversight because it had not:

- **Defined its requirements for managing FMLA leave**—including processes, technology, and data—and assessed the costs and benefits of potential solutions.
- **Developed an overarching strategy** to implement potential solutions, such as outsourcing FMLA management, improving existing tools, or a combination of both.
- **Effectively communicated roles and responsibilities** and provided training to those managing and monitoring FMLA leave.

Without more effective management of FMLA leave, the unpredictable nature of FMLA-related absences—and the company's limited visibility regarding them—posed operational, safety, and financial risks. To address these issues, we recommended that the company define its requirements for managing and monitoring FMLA leave, evaluate solutions to meet such requirements, and select a strategy to strengthen its FMLA leave oversight. We also recommended that the company better communicate roles and responsibilities and provide training for employees overseeing FMLA leave. Management agreed with our recommendations and plans to implement all of them by September 2028.

Office of Investigations

OIG investigation leads to prison time, \$2 million in restitution for four executives of a masonry firm who bribed an Amtrak employee, November 21, 2025

Khaled Dallo, an executive with a masonry restoration contractor hired by Amtrak for façade restoration and repair at 30th Street Station, was sentenced November 21, 2025, to two months in prison, one year of probation, 120 hours of community service, and was ordered to pay a \$20,000 fine and joint restitution of more than \$2 million for conspiracy to commit federal program bribery.

Dallo, a vice president at the masonry firm, was the last of four executives with the same firm to be sentenced in the bribery case. The executives at the firm, including the firm's president and owner, conspired to bribe a former 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 years-long scheme, Amtrak was overbilled by approximately \$2 million for the repair and restoration work. Federal funding supplied 90 percent of the money Amtrak used to pay the contractor for the project. Amtrak OIG initiated the investigation after a hotline tip alerted its agents to the scheme.

Other executives sentenced for their roles in the scheme include:

- Mark Snedden, the contracting firm's president, was sentenced October 1, 2025, to 90 months in prison, one year of supervised release, and a \$250,000 fine.
- Lee Maniatis, the firm's Chief Operating Officer, was sentenced October 24, 2025, to 18 months in prison and three years of probation.
- Donald Seefeldt, the firm's senior executive vice president, was sentenced June 3, 2025, to 57 months in prison, one year of probation, 59 hours of community service, and was fined \$50,000.

All four of the firm's executives were also ordered to pay more than \$2 million in joint restitution. The Federal Railroad Administration also suspended the four men and Snedden's firm from participating in all federally funded procurement and non-procurement activities.

Former employee pleads guilty to child pornography charges, September 3, 2025

Anthony Gregory, a former Amtrak conductor based in Los Angeles, California, pleaded guilty on September 3, 2025, in the Superior Court of the State of California for the County of San Diego, to one count Obscene Matter Depicting Persons Under 18 and to one count Disobeying a Court Order. Our investigation found that Gregory advertised for sale and distribution obscene matter depicting a person under the age of 18 years old. Gregory also violated a court order obtained to prevent domestic violence and disturbance of the peace. Gregory will be sentenced at a future date.

Former employee sentenced to prison for bilking pandemic relief program of nearly \$1 million, July 17, 2025

Lizette Berrios Lathon, 48, of Moreno Valley, a former Amtrak employee, was sentenced to 25 months in federal prison for conspiring with her husband to steal nearly \$1 million in pandemic-related unemployment insurance benefits and for bilking more than \$63,000 in sickness benefits while she worked at Amtrak. Lathon, who pleaded guilty in 2022 to one count of conspiracy to commit mail fraud, one count of aggravated identity theft, and one count of wire fraud, was also ordered to pay \$1,061,667 in restitution.

In addition, her husband, Kenneth Andrew Lathon, 50, also of Moreno Valley, was previously sentenced to 54 months in federal prison, and ordered to pay \$998,630 in restitution. He pleaded guilty in 2022 to one count of conspiracy to commit mail fraud and wire fraud, one count of aggravated identity theft, and one count of unlawful possession of a firearm by a convicted felon.

According to court documents, Lizette Lathon, in addition to her duties as a service attendant for Amtrak, operated at least three tax preparation businesses. Using names, Social Security numbers and dates of birth that she obtained from former clients of her tax preparation businesses without their permission, she submitted fraudulent applications with the California Employment Development Department (EDD) for unemployment benefits for her former clients. As a result of the scheme, the California EDD authorized Bank of America to issue debit cards in the names of Lizette Lathon's former clients, but the cards were mailed to addresses she and her family controlled. She and her husband then used the debit cards to make cash withdrawals at ATMs and to make purchases at retail stores. During the scheme, which lasted from the Spring 2020 until March 2021, Lathon and her husband caused at least 44 fraudulent unemployment claims to be filed, resulting in losses to the California EDD and the United States Treasury of approximately \$998,630. Lathon also defrauded the Railroad Retirement Board out of approximately \$63,047 in sickness benefit payments by filing

forged and false claims that stated she was being treated by a medical professional for pain and anxiety.

Former program director of clinical treatment facility and two patient brokers sentenced in \$1.1 million health care fraud scheme, July 18, 2025

Three individuals were separately sentenced in U.S. District Court, Central District of California, for their roles in a scheme that defrauded health insurance companies—including approximately \$1.15 million in fraudulent billings to Amtrak’s health care plan—through a California-based substance abuse treatment center, Paragon Recovery LLC.

Stephen Reeder, an Ohio resident and Paragon’s program director, was sentenced on June 6, 2025, to two years of probation and ordered to forfeit \$42,675. Reeder paid patient brokers William Leonard and Casimiro Bojorquez, both California residents, illegal kickbacks in exchange for unlawfully brokering patients to treatment facilities owned and operated by Paragon.

Leonard was sentenced on July 18, 2025, to five years of probation and was ordered to forfeit \$234,000. Bojorquez was sentenced on April 11, 2025, to time served, three years of supervised release, and was ordered to forfeit \$176,000.

Lineman trainee terminated for offering employment in exchange for sexual favors, June 13, 2025

Our investigation determined that a former Lineman Trainee based in New Brunswick, New Jersey, violated company policies by offering company employment under false pretenses in exchange for sexual favors, as well as lying in an OIG interview about his interaction with the complainant. Specifically, the former trainee offered the complainant a job that did not exist and that he did not have the authority to offer, and he lied to our agents about his communications with the complainant. He was terminated on June 13, 2025, and he is not eligible for rehire.

Former Amtrak director charged for allegedly steering contracts worth millions in exchange for bribes, May 1, 2025

Richard Thompson, 57, of Falls Church, Virginia, a former Amtrak director, was charged by indictment for allegedly steering millions of dollars in contracts to IT companies he favored in exchange for approximately \$137,000 in cash bribes, nearly \$9,500 worth of electronics, an automobile, and free hotel and condominium stays. Thompson allegedly steered contracts to three companies—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.

If convicted, the defendants face maximum possible sentences of 20 years in prison for each count of honest services fraud in the indictment.

Amtrak OIG uncovers largest Amtrak employee criminal conspiracy in its history; 119 former and active Amtrak employees implicated, May 6, 2025 – January 21, 2026

Our office 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.

A dozen employees have pleaded guilty to participating in the scheme and two have been sentenced. Of the 12, four have been sentenced to probation and were ordered to pay restitution. Since May 2025, Amtrak terminated 17 other employees who took part in the scheme, but who were not criminally charged. At least 71 employees involved in the scheme have resigned or were terminated since the start of our investigation.

After assessing the significant number of employees involved, this case represents the largest employee conspiracy our office has ever investigated and suggests a culture, at least in the Northeast, where criminal behavior was somehow normalized.

The employees implicated in the scheme, based in Pennsylvania, Delaware, New Jersey, New York, Maryland, Connecticut, and Washington, D.C., accepted cash kickbacks from four 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.

Four health care providers and a medical biller have also been charged in the case:

- Punson Figueroa, an acupuncturist from Long Island City, was sentenced 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 June 29, 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 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.
- Taejin Kim, a physical therapist from Bayside, New York, pleaded guilty to conspiracy to commit health care fraud on June 11, 2025. Kim's sentencing is pending.

Mirza and Figueroa were also excluded from participating in federal health care programs for 25 and 30 years, respectively.

In addition to this investigative work, our auditors found in 2018 and 2019 reports that Amtrak could strengthen controls to better identify fraudulent medical claims sooner. Notably, both reports highlighted billing patterns indicative of potential fraud among hundreds of providers and outlined common fraud indicators similar to those uncovered in this investigation. While Amtrak addressed our recommendations in the 2018 report and has taken steps to bolster its fraud awareness training and communications, two recommendations from the 2019 report remained open.

Specifically, we recommended that Amtrak implement: (1) proactive fraud detection procedures, like data analytics, to stop fraudulent payments sooner, and (2) cost effective fraud awareness initiatives to enable health plan members to better recognize and report potential fraud. More recently, we identified health care fraud as one of four high-risk areas in a report on fraud risks Amtrak could face as it leverages significant federal investments for major acquisitions and capital projects. We identified several actions Amtrak could take (some reflecting recommendations in our prior work) to reduce health care fraud risks, including educating employees to better recognize and report fraud indicators, reviewing emerging fraud schemes to better target monitoring efforts, contractually requiring health care plan administrators to tailor anti-fraud

controls to Amtrak's plans, and proactively analyzing medical claims data for fraud indicators.

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

ACCOUNT NAME	FY 2025 ACTUAL	FY 2026 PLANNED	FY 2027 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)⁵¹**

ACCOUNT NAME	FY 2025 ACTUAL	FY 2026 PLANNED	FY 2027 REQUEST
Salary & Expenses	96	97	102

⁵¹ 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 2025 TO FY 2027
SALARIES AND EXPENSES
(\$000)

OMB ACCOUNT ID: 575-00-2996	FY 2025	FY 2026	FY 2027
	ACTUAL	PLANNED	REQUEST
Personnel Compensation:			
11.1 Full-time permanent	17,398	18,125	19,547
12.1 Personnel benefits	6,515	6,770	7,301
<i>Total Personnel Service and Benefits</i>	23,914	24,895	26,847
Contractual Services and Supplies:			
21.0 Travel and transportation (persons)	580	543	496
22.0 Transportation (things)	7	9	10
23.2 Rental payments to others	725	812	881
23.3 Communications, utilities, and miscellaneous charges	1,385	1,356	1,388
24.0 Printing and reproduction	1	1	9
25.1 Advisory and assistance services	1,178	894	729
25.2 Other services from non-federal sources	134	135	152
26.0 Supplies and materials	148	146	126
<i>Total Contractual Services and Supplies</i>	4,159	3,896	3,791
31.0 Equipment	704	449	461
99.9 <i>Total obligations</i>	28,777	29,240	31,100