



Amtrak has taken steps to track and report on grant funds it received through the CARES Act, but additional focus in three areas could reduce risk

For Immediate Release

August 7, 2020

WASHINGTON – Amtrak has committed to transparency and demonstrating fiscal responsibility over its use of grant funds provided through the Coronavirus Aid, Relief, and Economic Security Act, but additional focus in three areas could reduce risk, according to an interim report released by Amtrak’s Office of Inspector General today.

In response to drops in ridership and revenue as the result of the coronavirus pandemic, Amtrak took cost-cutting actions including cancelling some train service and reducing management pay and retirement benefits. Despite these actions, Amtrak projected that revenues would still not cover its reduced costs and requested assistance from Congress.

Through the CARES Act, Amtrak received \$1.018 billion in grants for its Northeast Corridor and National Network to “prevent, prepare for, and respond to the pandemic.” By the end of June, Amtrak had spent about \$402 million of these funds.

In the report, the OIG said it was encouraged by Amtrak’s initial steps to use, account for, and report on the CARES Act funds it received. The OIG observed three areas where additional focus could reduce risks.

First, the report notes that a focus on providing more transparent data on how changes in service will affect costs for state supported routes could help states as they develop their budgets. Many states with such routes are facing budget shortfalls in the coming fiscal year, and such information could help them identify opportunities to reduce costs.

Second, Amtrak is behind schedule on reviewing its CARES Act expenditures and cannot ensure that the data it is reporting to the Federal Railroad Administration is accurate and complete, the report said. Amtrak committed to independently reviewing monthly grant expenditure reports submitted to the FRA using a two part process that would 1) trace the amounts spent back to source accounts, and 2) test a sample of individual expenditures charged to coronavirus-related accounting codes to help verify that purchases represent appropriate uses of CARES Act funds.

While the company has completed step one of its review process for its first two reports, it has not finished sampling expenditures to determine if they were appropriately used for CARES

Act expenses. According to the OIG, these tests could help Amtrak quickly identify any potential problems—such as a department misunderstanding on appropriate uses of the coronavirus-related accounting codes—and fix them before they result in erroneous charges.

Finally, Amtrak is taking positive steps to ensure equitable distribution of scarce pandemic-related supplies and equipment. Because these products are in high demand and difficult to obtain, the company may need to focus additional attention on securing such supplies at offices and other worksites, the report said.

More details are available in the full report, located on the OIG's website:

<https://direc.to/evMJ>.

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