OIG report: IIJA grant oversight weaknesses led to noncompliance with federal grant provisions

November 23, 2026

WASHINGTON – Amtrak's governance and oversight processes have not kept pace with the growing complexity of Infrastructure Investment and Jobs Act funding requirements, contributing to compliance risks and increasing the likelihood that the company will not meet all of its obligations under federal grant agreements, according to an Amtrak Office of Inspector General report released today.

The report credited Amtrak for establishing processes to manage reporting and compliance requirements associated with approximately $22 billion in IIJA supplemental funding the company has received. However, the company received an additional 19 discretionary IIJA grants totaling $8.2 billion as of December 2025, but it has not fully expanded its governance, monitoring, and risk-management processes to address the increased volume and complexity of compliance requirements. For IIJA grants alone, Amtrak must now meet and track hundreds of reporting requirements, the report noted.

In an example cited by the OIG, Amtrak's review of 1,279 IIJA-funded contracts found that 719 of them omitted or used incorrect contract terms and conditions. During the OIG's audit, the Federal Railroad Administration issued a letter stating that the omission of appropriate terms and conditions in Amtrak's contracts resulted in non-compliance with certain provisions in discretionary grant agreements. The FRA determined that expenses from three contracts that did not meet required conditions were not eligible for reimbursement and will seek a $774,476 repayment from Amtrak, the report said.

The OIG identified four governance and monitoring weaknesses that collectively resulted in Amtrak's non-compliance with certain provisions in discretionary grant agreements. These weaknesses included unclear roles and responsibilities among the groups involved in IIJA compliance, error-prone manual processes for tracking grant requirements and financial data, limited compliance monitoring of discretionary grants, and the lack of an enterprise-level process to identify and manage IIJA compliance risks.

For example, the OIG found that the company's manual processes for tracking grant requirements have resulted in requirements being omitted or incorrectly tracked, while manual adjustments to financial data have introduced inconsistencies in that data. In addition, responsibilities among the seven company groups involved in IIJA compliance activities were not always clear, including how the groups should coordinate their activities.

To address the weaknesses it identified, the OIG recommended that Amtrak define roles and establish quality control steps for IIJA grant compliance responsibilities; reassess its monitoring needs for discretionary grants and implement appropriate procedures; and assign responsibility for identifying and mitigating IIJA compliance risks at the enterprise level.

Amtrak agreed with the recommendations and plans to take corrective action. More information is available in the full report: https://direc.to/pPMP.

Reports of fraud, waste, or abuse; criminal or unethical acts affecting Amtrak's property or operations; or mismanagement in Amtrak programs or operations can be made 24 hours a day via the Amtrak OIG Hotline at 1-800-468-5469 or online at https://direc.to/hPAu.

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