



New Report: Improving payment request controls could provide a better value for Amtrak

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WASHINGTON – Amtrak has opportunities to improve controls over its payment request process, a process that allows employees to make non-recurring purchases that the company cannot subject to price negotiations or the competitive bidding process, an Amtrak Office of Inspector General report released, June 15, 2022, found.

While the OIG found that the company's controls over payment requests appeared to be generally effective in making sure purchases were for valid business purposes and that vendors were correctly paid, the report notes that improving controls in governing policies, employee training, and oversight could provide a better value for purchases and protect Amtrak's interests. During the audit, the company improved or began improving its governing policies and employee training. Its oversight controls, however, warrant more company attention.

In fiscal year 2019, Amtrak spent about \$31.8 million on employee purchases of goods and services through the payment request process. Amtrak's policies allow employees to use the payment request process to make non-recurring low-dollar purchases (less than \$10,000) and certain high-dollar payments (purchases exceeding \$10,000) that Amtrak cannot subject to price negotiations or competitive bidding, the report said.

Despite having controls for preparing and approving requests that appeared to be generally effective, the OIG found that some purchases did not comply with company policies and grant requirements. Some of the purchases were for goods and services prohibited by Amtrak policy, such as vehicle repairs and non-emergency equipment rentals. Other purchases could have been covered by contracts, some high-dollar purchases did not comply with Amtrak's procurement policy or grant requirements, and some recurring purchases could have been consolidated under a contract to get a better value, according to the report.

In response to the OIG's preliminary findings, Amtrak in February 2022 began analyzing its payment request data to look for opportunities to establish contracts with vendors with the most payment requests. The report notes, however, that Amtrak has not expanded this analysis to target specific indicators of potential non-compliance with its policies such as the types of expense and individual request amounts.

The OIG recommended Amtrak more comprehensively and periodically analyze its payment request data to identify patterns of possible non-compliance and opportunities where the company could do more to protect its interests and get a better value for its purchases through a contract. More information is included in the full report which can be downloaded on the OIG's website: <https://direc.to/ia1N>.

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