



Amtrak demonstrated good stewardship of pandemic funds but could improve transparency in communication on furloughs and spending plans, OIG finds

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WASHINGTON – Amtrak’s Office of Inspector General said in a report released today that Amtrak demonstrated good stewardship of pandemic-related funding provided by Congress but has opportunities to improve transparency in its communication with stakeholders about its employee furloughs and spending plans.

In December 2020, Congress provided \$1 billion in pandemic relief funding for Amtrak through the Coronavirus Response and Relief Supplemental Appropriations Act of 2021. The Relief Act directed that Amtrak use the funds to prevent further employee furloughs and service reductions, and to offset the costs states pay to Amtrak for operation of state supported routes and operations on Amtrak’s Northeast Corridor. According to the report, Amtrak had spent approximately 47 percent of the funding as of March 31, 2021, and is accurately reporting on how it is using these funds.

Amtrak, however, has two opportunities for more transparency in how it reports employee furloughs and communicates its spending plan for pandemic-related funds, the report said.

First, the Relief Act directed Amtrak to use the funds provided to prevent further employee furloughs, and Amtrak accurately reported 1,231 pandemic-related furloughs to the Federal Railroad Administration that occurred before the Relief Act became law on December 27, 2020. Amtrak did not, however, report 32 furloughs it processed after that date.

The company told the OIG that the 32 furloughs were not related to the pandemic and were typical of normal business operations. For example, in some cases, employees who returned from a leave of absence found that employees with more seniority had taken their positions. The company also brought back some furloughed employees for a specific need and furloughed an equal number of other employees in their place, something Amtrak officials described as a “one-for-one” replacement process. By keeping the same number of employees in unpaid furlough status, the company said it could make relief funds last longer. According to Amtrak officials, preserving funds early in the year was a priority because it was not known if Congress would provide additional funds.

The OIG found that the circumstances for the 32 furloughs were not materially different from the furloughs the company identified and reported as coronavirus related. For example, both groups of furloughed employees were provided the same paid medical benefits through September 2021. Amtrak provided these benefits because of the coronavirus, but it was not

obligated to do so under collective bargaining agreements. Additionally, The American Rescue Plan Act of 2021, which was signed into law on March 11, 2021, required the company to only recall workers furloughed because of the pandemic. The company, however, plans to recall all furloughed workers from both groups which suggests a minimal distinction between them, the report said.

During the audit, the OIG discussed its observations on transparency in furlough reporting with Amtrak and the FRA. The FRA made the decision to require Amtrak to report all furloughs—including those unrelated to the coronavirus—in its weekly reports, and the company has been reporting this information since April 15, 2021.

The second opportunity identified by the OIG related to Amtrak's transparency in communicating its spending plans for relief funds to the FRA. The OIG's prior reviews of Amtrak's use of pandemic-related funds found that the company proactively communicated its plan for using, tracking and reporting the funds with FRA, but it did not share its spending plan for the Relief Act until after the FRA requested a copy. The report states that more timely communication with stakeholders on how Amtrak intends to use future pandemic funding will help it ensure it is using the funds as intended.

More information is included in the full report which can be downloaded on the OIG's website: <https://direc.to/grjU>.

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