OIG identifies weaknesses in Amtrak's oversight of technology services contract, questions $7.8 million in costs it paid to contractor

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WASHINGTON – Amtrak's Office of Inspector General questioned approximately $7.8 million in costs Amtrak paid under a technology services contract after auditors found that nearly all invoices submitted under the contract lacked required supporting documentation, according to an audit report the OIG released today.

In addition, the OIG found that Amtrak paid for work that may have been performed offshore without required approvals and paid for that work at rates comparable to more expensive onshore labor. Auditors identified more than $201,000 in offshore labor charges and questioned at least $135,000 associated with those charges. Amtrak also used contract terms that limited its ability to hold the supplier accountable for costs, schedule adherence, and performance.

The contract, awarded in 2023 to provide supplemental staffing for Amtrak eCommerce development projects, had a maximum value of about $8.9 million. As of September 2025, the supplier had billed Amtrak about $7.8 million under the contract.

The report found that Amtrak personnel did not adequately review and reconcile hundreds of supplier invoices before approving them for payment. While the company received services associated with the contract, only one invoice out of 297 the OIG reviewed included all documentation required by company guidance or contract terms. Additionally, only 14 invoices included approved timesheets, and only about 15 included complete weekly reports needed to verify work performed. These weaknesses left Amtrak without reasonable assurance that supplier invoices accurately reflected the hours worked and services provided, leading auditors to question approximately $7.8 million in costs.

Auditors also found weaknesses in controls over offshore labor. Although Amtrak's procurement system required approvals for offshore work, auditors identified invoices showing offshore labor charges totaling more than $201,000 but found that required approvals were not obtained. Company officials told the OIG they were unaware offshore work was billed under the contract.

The report also found that Amtrak used contract terms associated with a firm-fixed-price contract even though the supplier billed the company based on labor hours. This misalignment limited Amtrak's ability to oversee costs, schedule adherence, and performance because the contract lacked clearly defined milestones and deliverables tied to supplier accountability.

The OIG recommended that Amtrak strengthen invoice review procedures, evaluate the questioned costs and recover any disallowed payments, improve controls over offshore labor, determine the full amount overpaid for offshore labor, and assess whether the contract should be amended to better align its terms with the services being provided.

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

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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