

# SEMIANNUAL REPORT

TO THE UNITED STATES CONGRESS

October 1, 2023 to March 31, 2024



OFFICE of INSPECTOR GENERAL  
NATIONAL RAILROAD PASSENGER CORPORATION



# TABLE OF CONTENTS

---

- FROM THE INSPECTOR GENERAL ..... 1**
  
- OFFICE OF AUDITS ..... 5**
  - Safety and Security ..... 5
  - Technology ..... 5
  - Asset Management ..... 6
  - Human Resources ..... 7
  - Financial Management ..... 8
  - Governance..... 9
  - Train Operations..... 9
  - Major Programs ..... 9
  - Procurement..... 9
  
- OFFICE OF INVESTIGATIONS ..... 11**
  - Policy Violations and Employee Misconduct ..... 11
  - Pandemic Relief Fraud, Settlements ..... 15
  - Health Care Fraud ..... 17
  - Other Settlements, Resolutions, or Crimes ..... 20
  
- APPENDICES ..... 25**
  - Appendix A: Statistical Data ..... 25
  - Appendix B: Review Of Legislation, Regulations, And Major Policies ..... 37
  - Appendix C: OIG Organization..... 38
  - Appendix D: Peer Review Results ..... 39
  - Appendix E: Abbreviations..... 40
  - Appendix F: Reporting Requirements ..... 41



Kevin H. Winters | *Inspector General*

## FROM THE INSPECTOR GENERAL

---

I am pleased to submit the Amtrak Office of Inspector General (OIG) Semiannual Report to the United States Congress for the six months ending March 31, 2024, which summarizes our independent and objective reviews and investigations related to Amtrak’s programs and operations.

With historic levels of investment from the Infrastructure Investment and Jobs Act (IIJA), Amtrak remains at an important juncture in its 53-year history. Not only is it responsible for safely delivering thousands of passengers each day to more than 500 locations across the country and Canada, it is also charged with implementing or partnering on generational infrastructure and acquisition programs that will impact passenger train travel far into the future. With several multi-billion dollar infrastructure projects already underway, Amtrak is both a passenger railroad and now, a major construction company.

The opportunities afforded by the IIJA will rightly draw upon Amtrak’s attention and resources, but it must also stay focused on upholding its non-negotiable pact with the American public to ensure its passengers, employees, and train operations are safe. That said, Amtrak appears to fully recognize the complex portfolio of challenges it faces at this historic moment, which includes an unprecedented influx of funds, the addition of thousands of new workers, the speed at which it plans to execute these programs and acquisitions, and

the inherent risks. Consequently, management attention and collective oversight of Amtrak’s programs and operations has never been more important.

Effective oversight not only includes the important work of our auditors and investigators, the Department of Transportation, and that of Congress, but it also requires the attention of Amtrak’s Board of Directors to scrutinize and approve the planning and expenditures of the company’s capital programs. The recent confirmation of three Directors for Amtrak’s Board has helped to ensure continued Board oversight, but the Board is operating with only six of eight seats filled, and three directors are selflessly serving well beyond their five-year terms. In addition, the IIJA requires that one director is an individual with a disability who is experienced with accessibility, mobility, and inclusive transportation in passenger or commuter rail—a requirement that is currently unfilled. A director with this experience would be invaluable as Amtrak brings its stations into compliance with the Americans with Disabilities Act and updates its fleet. Understanding that there are multiple competing national priorities, the continued nomination and confirmation of new Board members will help give Amtrak, the Administration, Congress, and the American taxpayers additional assurance that Amtrak has the necessary oversight as it implements historic levels of federal investments.



## FROM THE INSPECTOR GENERAL

In the following report, we provide a complete review of Amtrak OIG's oversight work during the reporting period. For example, our investigative work helped achieve more than \$545 million in recoveries, restitution, and forfeitures, while our auditors identified \$14.4 million in funds that could have been put to better use. Some highlights of our work include an investigation that resulted in a guilty plea by a New York acupuncturist who participated in a health care fraud scheme to bill Amtrak's health care plan for services that weren't provided and were medically unnecessary. Notably, the acupuncturist conspired with dozens of Amtrak employees, providing them with cash in return for allowing her to use their personal and insurance information to submit false and fraudulent insurance claims. This case is ongoing but has so far resulted in more than \$9 million in forfeitures, five guilty pleas, and five pending sentencing.

In addition, our Office of Audits shed light on challenges Amtrak faces managing its \$239 million maintenance-of-equipment (MoE) inventory, which can limit the rolling stock available for service, delay trains, limit onboard service and amenities, and incur excess costs to manage surplus and obsolete inventory. The imbalance of its inventory includes more than \$49 million in surplus or obsolete items, about \$2 million of which dates back to Amtrak's 1971 Heritage fleet. Further, the lack of available parts also leads to hoarding, a practice where Mechanical employees order larger quantities of items than they need to store for later use. This distorts the historical data Amtrak uses to predict future inventory needs. To more strategically manage its MoE inventory, we recommended Amtrak implement processes to improve inventory data, develop strategic inventory goals, assess the costs and benefits of carrying surplus and obsolete inventory to determine which materials to sell or scrap, and implement processes to safeguard inventory.

Over the next six months, we are committed to providing oversight on high-impact areas such as major programs like the Frederick Douglass Tunnel, Portal North Bridge, Amtrak's acquisition of next generation

long-distance trains, and other high-impact areas like the company's efforts to reduce the risk of trespasser and vehicle strikes and its efforts to provide high-quality customer service to passengers with disabilities. It continues to be my privilege to work with the dedicated professionals on our team who remain fully committed to our oversight mission. We also appreciate the continued interest in and support for our work by Congress, and trust that you will find this report informative.









# OFFICE OF AUDITS

---

## Safety and Security

### Ongoing Work

**Audit of Amtrak’s Trespasser and Vehicle Strikes.** Our objectives will be to assess Amtrak’s (the company) efforts to reduce the risk of trespasser and vehicle strikes and to identify challenges or opportunities for improvement.

## Technology

**Amtrak Has Opportunities to More Effectively Protect Its Information Systems and Data from Insider Threats** (Report No. *OIG-A-2024-001, December 11, 2023*)

Like other organizations, Amtrak faces the inherent cybersecurity risk that employees or contractors are “insider threats”—that is, that they could maliciously or unintentionally use information systems or data in a manner that harms the company. Insider threats may cause more harm and are more difficult to detect than external cyber-attackers because individuals within an organization already have access to systems and data. Amtrak OIG’s recent investigations identified company employees and contractors who misused or took advantage of their system access and exposed sensitive company information. Accordingly, our

objective was to assess the effectiveness of company controls to protect its information systems and data from insider threats.

**LIKE OTHER ORGANIZATIONS, AMTRAK FACES THE INHERENT CYBERSECURITY RISK THAT EMPLOYEES OR CONTRACTORS ARE “INSIDER THREATS”—THAT IS, THAT THEY COULD MALICIOUSLY OR UNINTENTIONALLY USE INFORMATION SYSTEMS OR DATA IN A MANNER THAT HARMS THE COMPANY.**

---

Our assessment of the company’s controls to protect information systems and data from insider threats resulted in five recommendations. In commenting on a draft of this report, company executives agreed with our recommendations and identified actions that the company plans to take to address them.

### Ongoing Work

**Audit of Amtrak’s Disaster Recovery Processes for its Operational Technology (OT) Systems.**

Our objective will be to assess the company’s disaster recovery processes, including efforts to reduce the risk of disruption to its OT systems.



## Asset Management

### Company Has Opportunities to More Effectively Manage and Safeguard Maintenance-of-Equipment Inventory

(Report No. OIG-A-2024-004, February 22, 2024)

The company’s rolling stock includes more than 2,000 locomotives and passenger cars, many of which are near the end of their useful service lives. MoE inventory—the parts and materials the company uses to maintain its rolling stock—is vital for keeping both old and new locomotives and passenger cars in a safe and reliable operating condition. Our objective for this audit was to evaluate the effectiveness of the company’s processes and controls for managing and safeguarding its MoE inventory.

We found that the Procurement and Supply Chain and the Mechanical departments recently began efforts to improve inventory management. They continued to face the following challenges, however, strategically managing MoE inventory in ways that had operational, customer service, and financial impacts:

- As of September 2023, the company held \$49 million in surplus and obsolete MoE inventory. At the same time, Mechanical employees we spoke with told us parts were frequently out-of-stock. These imbalances were partly due to the company’s use of distorted consumption data to predict future needs—an issue that was exacerbated by employee workarounds. The company also had no strategic inventory goals and no full assessment of the costs of carrying surplus and obsolete inventory. Without an appropriate balance, surpluses could limit storage and create unnecessary costs—such as the \$14.4 million in inventory that it would likely never use again. Conversely, shortages limited rolling stock available for service and delayed trains.
- Almost all of the Mechanical employees we spoke with told us that the names and descriptions of items in the company’s inventory system were vague or unclear, or the accompanying photographs were wrong or missing. This occurred because the company had not assessed the costs and benefits of clarifying and standardizing this data, resulting in Mechanical employees spending significant time searching for inventory.





- The company had taken some steps to safeguard its MoE inventory, but 9 of the 10 facilities we visited had at least one security vulnerability. These vulnerabilities occurred because the company had not implemented plans to physically secure some of its facilities. Additionally, it did not regularly monitor for abnormal inventory use or consistently apply ordering limits, exposing it to greater risk of loss or theft.

We recommended the company implement processes to improve inventory data, develop strategic inventory goals, assess the costs and benefits of carrying surplus and obsolete inventory to determine which materials to sell or scrap, and implement processes to safeguard inventory. Management agreed with our recommendations and plans to implement all of them by September 30, 2026.

**AS OF SEPTEMBER 2023, THE COMPANY HELD \$49 MILLION IN SURPLUS AND OBSOLETE MOE INVENTORY. AT THE SAME TIME, MECHANICAL EMPLOYEES WE SPOKE WITH TOLD US PARTS WERE FREQUENTLY OUT-OF-STOCK.**

## Human Resources

### Company is Meeting Hiring Goals but Has Opportunities to Improve Hiring Efficiency

(Report No. OIG-A-2024-002, December 12, 2023)

In November 2021, the IIJA provided \$66 billion for passenger and freight rail improvements, the largest investment in rail in generations. Amtrak's agreement workforce—particularly its Electric Traction, Communication and Signals, and Track workers—will play a leading role in carrying out the company's infrastructure rehabilitation and revitalization plans made possible in large part by IIJA. Company officials reported that although it met its goal of filling more than 4,600 agreement positions in fiscal year (FY) 2023, and expects to fill about 3,300 more by the end of FY 2024, this hiring has been and continues to be challenging in a tight labor market. Additionally, managers in operating divisions voiced concerns that delays in the hiring process may have caused the company to lose viable candidates for its agreement ranks and could prevent it from efficiently bringing in future talent. Our objective was to assess the extent to which the company is prepared to hire, onboard, and retain a sufficient agreement workforce to execute its growth plans.

We identified opportunities for the company to improve the efficiency of its hiring process. Since FY 2022, the company has tried to improve its hiring process, including reducing the time it takes to hire new employees. Company managers could not easily determine how long its hiring process takes or whether it improved, however, because its data were too unreliable to assess progress. Further, the company did not have meaningful goals and metrics for the individual phases in its hiring process and could not regularly produce and report analyses that all stakeholders could use to monitor efficiency. Our review also found examples of inconsistent information across the tools the company uses to track candidates' clearances. We found that the company could improve

## OFFICE OF AUDITS

the accuracy of these data by reducing reliance on manual processes and verifying the accuracy of preboarding system data.

**SINCE FY 2022, THE COMPANY HAS TRIED TO IMPROVE ITS HIRING PROCESS, INCLUDING REDUCING THE TIME IT TAKES TO HIRE NEW EMPLOYEES. COMPANY MANAGERS COULD NOT EASILY DETERMINE HOW LONG ITS HIRING PROCESS TAKES OR WHETHER IT IMPROVED, HOWEVER, BECAUSE ITS DATA WERE TOO UNRELIABLE TO ASSESS PROGRESS.**

---

To better target the root causes of hiring delays, we recommended that the company validate the reliability of its hiring timeline data and implement tools to centrally analyze and routinely report performance metrics at each phase of its hiring process. To confirm that its preboarding process and related systems and tools are accurately clearing candidates for employment, we recommended that the company explore opportunities to minimize manual processes across preboarding clearance systems and implement a process to regularly confirm the accuracy of preboarding data. Management agreed with our recommendations and described plans to implement them by January 2025.

## Financial Management

### **Quality Control Review of the Independent Audit of Amtrak's Consolidated Financial Statements for Fiscal Year Ended 2023**

*(Report No. OIG-A-2024-003, January 5, 2024)*

The company contracted with the independent certified public accounting firm of Ernst & Young LLP to audit

its consolidated financial statements as of September 30, 2023, and for the year then ended, and to provide a report on internal control over financial reporting and on compliance and other matters. Because the company receives federal funding, it must obtain an audit performed in accordance with generally accepted government auditing standards.

As required by the Inspector General Act of 1978, we monitored the audit activities of Ernst & Young to help ensure audit quality and compliance with auditing standards. Our review disclosed no instances in which Ernst & Young LLP did not comply, in all material respects, with generally accepted government auditing standards.

### ***Ongoing Work***

#### **Monitoring the Work of the Independent Public Accountant (IPA) Conducting the Fiscal Year 2024 Consolidated Financial Statement Audit.**

Our objective will be to determine whether the IPA performed the audit of the company's Consolidated Financial Statements in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States.

**Monitoring the Work of Amtrak's IPA Conducting the FY 2024 Single Audit.** The objective is to determine whether the IPA performed its audit of the company's federal financial assistance for the fiscal year ended September 30, 2024, in accordance with generally accepted government auditing standards and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

**Monitoring the Work of Amtrak's IPA Conducting the FY 2023 Single Audit.** The objective is to determine whether the IPA performed its audit of the company's federal financial assistance for the fiscal year ended September 30, 2023, in accordance with generally accepted government auditing standards and the audit requirements of Title 2 U.S. Code of

Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

## Governance

### *Ongoing Work*

**Audit of Amtrak’s Management of Family Medical Leave Act (FMLA) Process.** Our objective will be to assess the extent to which the company is effectively managing FMLA leave.

## Train Operations

### *Ongoing Work*

**Audit of Amtrak’s Management of Customer Experience for Passengers with Disabilities.** Our objective will be to assess the company's efforts to provide high-quality customer service to passengers with disabilities.

**Audit of Amtrak’s Customer Service Program.** Our objective will be to assess the company’s efforts to collect and use customer service data to improve the customer experience.

## Major Programs

### *Ongoing Work*

**Audit of Frederick Douglass Tunnel (FDT) Program.** Our objective will be to assess management and oversight of the FDT program, including its efforts to identify and mitigate major cost, schedule, and performance risks, if any.

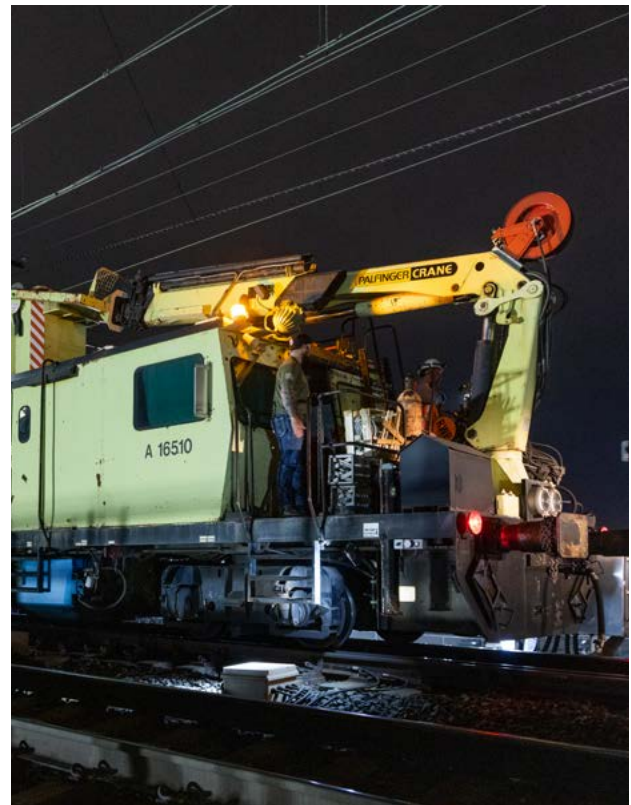
**Audit of Amtrak’s Long-Distance Fleet Replacement Program.** Our objective will be to assess the company’s early management and oversight of this program.

**Audit of Portal North Bridge Project.** Our objective will be to assess Amtrak’s efforts to partner with New Jersey Transit and oversee company funding as construction of the bridge advances.

## Procurement

### *Ongoing Work*

**Audit of Amtrak’s Procurement Process.** Our objective will be to determine if the company has effective controls and processes to ensure fair and open competition during the pre-award phase.





# OFFICE OF INVESTIGATIONS

---

## Policy Violations and Employee Misconduct

### Employee Terminated

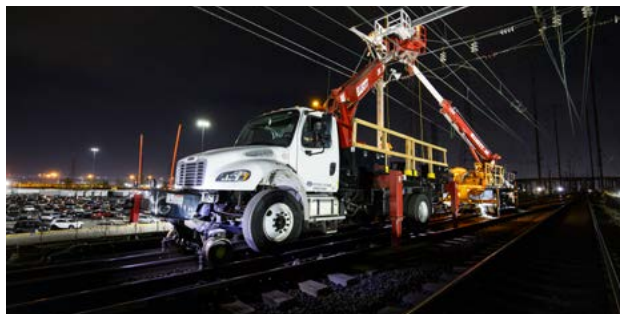
March 2024

A Secretary based in Pennsylvania violated company policies by regularly logging into work remotely, then not showing up to her worksite or arriving late, leaving early, or both. Our investigation found that the employee logged in remotely 30 times on 18 days during a one-month period, when her supervisor approved her to work remotely on only 4 of the 18 days. Therefore, the employee was absent from her worksite without her supervisor’s knowledge or approval on 22 of 30 instances. She was terminated on March 12, 2024, after her corporate hearing. The former employee is not eligible for rehire.

### Employee Terminated

March 2024

An employee based in Seattle, Washington, was terminated from employment on March 7, 2024, following our investigation. Our investigation found that the employee violated company policies by using his company email to conduct business for an outlaw motorcycle gang and by maintaining sexually explicit images on his company devices. The former employee also acknowledged that he was denied entry into Canada due to his association with the outlaw motorcycle gang, thus interfering with his ability to perform his duties. The former employee is not eligible for rehire.



**OUR INVESTIGATION FOUND THAT THE EMPLOYEE VIOLATED COMPANY POLICIES BY USING HIS COMPANY EMAIL TO CONDUCT BUSINESS FOR AN OUTLAW MOTORCYCLE GANG AND BY MAINTAINING SEXUALLY EXPLICIT IMAGES ON HIS COMPANY DEVICES.**

---

### Employee Resigns

March 2024

A Car Inspector based in New York, New York, violated company policies by engaging in outside employment as a bus operator; providing security services at night clubs, lounges, and bars; and working as a bouncer while on a medical leave of absence. The employee was on a medical leave of absence from the company since November 8, 2015, and had not returned to work. On March 6, 2024, after his corporate trial and in accordance with his union agreement, the employee forfeited his seniority and is considered out of service.

### Track Safety Violations

February 2024

We conducted an extensive review of foul time logs and bridge logs for two Connecticut bridges—the Thames River Bridge and the Shaw’s Cove Bridge—and found 17 occasions in 2022 when Buildings & Bridges employees potentially fouled the tracks by passing within four feet of the near running rail without requesting the required foul time. Tracks are considered fouled if any person or equipment is required to be closer than four feet from a live track, and federal regulations require foul time to ensure no trains will operate on the track until workers are clear. We confirmed this information through employee interviews. Our review supported assertions that the employees did not request foul time, as required, but we were unable to determine if the required safety job briefings were given. We received a response from

## OFFICE OF INVESTIGATIONS

company officials on February 5, 2024, describing corrective actions they plan to take in response to our review.

**WE CONDUCTED AN EXTENSIVE REVIEW OF FOUL TIME LOGS AND BRIDGE LOGS FOR TWO CONNECTICUT BRIDGES—THE THAMES RIVER BRIDGE AND THE SHAW'S COVE BRIDGE—AND FOUND 17 OCCASIONS IN 2022 WHEN BUILDINGS & BRIDGES EMPLOYEES POTENTIALLY FOULED THE TRACKS BY PASSING WITHIN FOUR FEET OF THE NEAR RUNNING RAIL WITHOUT REQUESTING THE REQUIRED FOUL TIME.**

---

### Employee Terminated

*February 2024*

A Digital Technology employee based in Michigan violated company policies by failing to report outside employment with at least two other companies on her Certificate of Compliance she submitted on October 10, 2023. We also identified computer misuse related to the outside employment. She was terminated on February 2, 2024, and is ineligible for rehire.



### Employee Terminated

*January 2024*

A Train Attendant based in Miami, Florida, was terminated from employment on January 2, 2024, following our investigation. Our investigation found that the employee violated company policies by engaging in outside employment at several companies while on a medical leave of absence. During her interview, the employee admitted that she was employed full-time with various employers from 2019 through 2023.

### Supervisor Demoted

*December 2023*

A supervisor based in Philadelphia violated company policies by using his company-leased vehicle and, occasionally, his company fuel card to travel to his vacation home at least thirteen times over a nine-month period. The employee admitted to these actions during his interview with our agents. He was removed from his supervisory position on December 18, 2023.

**A SUPERVISOR BASED IN PHILADELPHIA VIOLATED COMPANY POLICIES BY USING HIS COMPANY-LEASED VEHICLE AND, OCCASIONALLY, HIS COMPANY FUEL CARD TO TRAVEL TO HIS VACATION HOME AT LEAST THIRTEEN TIMES OVER A NINE-MONTH PERIOD.**

---

### Employee Resigns

*December 2023*

An Electrician based in Wilmington, Delaware, violated company policies by engaging in outside employment by operating his general contracting business while on a medical leave of absence. The employee was on a medical leave of absence since February 2020 and had not returned to work as of the issuance of our investigative report. The employee resigned on December 12, 2023, prior to his scheduled administrative hearing.



**Employee Terminated**

*December 2023*

A Coach Cleaner based in Beech Grove, Indiana, was terminated from employment on December 12, 2023, following his administrative hearing. Our investigation found that the employee violated company policies by falsely claiming employment with the U.S. Army from 2004-2015 on a resume he submitted to the company. He was actually in prison for arson during that time.

**OUR INVESTIGATION FOUND THAT THE EMPLOYEE VIOLATED COMPANY POLICIES BY FALSELY CLAIMING EMPLOYMENT WITH THE U.S. ARMY FROM 2004-2015 ON A RESUME HE SUBMITTED TO THE COMPANY. HE WAS ACTUALLY IN PRISON FOR ARSON DURING THAT TIME.**

**Senior Management Official Terminated**

*November 2023*

A senior management official based in Philadelphia was terminated from employment for violating company policy by not disclosing two relationships he had with employees of a contractor when he participated in a procurement with the contractor. Our investigation found that the former employee had a close friend and a family member that worked for the contractor, but the former employee did not disclose either relationship on his Statement of Confidentiality/Conflict of Interest form, as required by company policy, and continued to participate in the procurement process that involved the contractor. Another senior management official, who was aware of the relationships, but failed to report it, received a letter of counseling.



**OUR INVESTIGATION FOUND THAT THE FORMER EMPLOYEE HAD A CLOSE FRIEND AND A FAMILY MEMBER THAT WORKED FOR THE CONTRACTOR, BUT THE FORMER EMPLOYEE DID NOT DISCLOSE EITHER RELATIONSHIP ON HIS STATEMENT OF CONFIDENTIALITY/CONFLICT OF INTEREST FORM, AS REQUIRED BY COMPANY POLICY, AND CONTINUED TO PARTICIPATE IN THE PROCUREMENT PROCESS THAT INVOLVED THE CONTRACTOR.**



**Employee Resigns**

*October 2023*

A Lead Service Attendant based in Miami, Florida, resigned from her position on October 20, 2023, as a result of our investigation. We found that the former employee violated company policies by engaging in outside employment while on a medical leave of absence.

**Employee Resigns**

*October 2023*

A Lead Service Attendant based at New York Penn Station violated company policies by engaging in outside employment at two temporary employment agencies and an assisted living facility in Delaware while on medical leave and receiving Railroad Retirement Board (RRB) benefits. The employee resigned prior to her disciplinary hearing and is ineligible for rehire.

**Five Employees Resign or Terminated, Six Reprimanded**

*October 2023*

An Engineer based in Miami, Florida, signed a waiver of administrative hearing on October 9, 2023, following a year-long investigation into time and attendance abuses by a Miami-based yard crew. By signing the waiver, the employee waived his rights to an administrative hearing

and accepted responsibility for the administrative charges against him and understood that future misconduct may result in termination.

Our investigation found that yard crew employees violated company policies by routinely leaving work several hours before the end of their shifts while continuing to falsely claim regular or overtime pay for time they did not work. From June 2, 2022, to April 10, 2023, 10 additional employees were disciplined as a result of our investigation. Five of these employees signed a waiver to an administrative hearing, accepting responsibility of the administrative charges against them, and the other five either resigned while under investigation or were terminated from employment for their roles in the scheme. We provided the company observations for consideration based on our investigation.

**OUR INVESTIGATION FOUND THAT YARD CREW EMPLOYEES VIOLATED COMPANY POLICIES BY ROUTINELY LEAVING WORK SEVERAL HOURS BEFORE THE END OF THEIR SHIFTS WHILE CONTINUING TO FALSELY CLAIM REGULAR OR OVERTIME PAY FOR TIME THEY DID NOT WORK.**

**Employee Terminated**

*October 2023*

A Coach Cleaner based in Miami, Florida, was terminated from employment on October 5, 2023, following her administrative hearing. Our investigation found that the employee violated company policies by engaging in outside employment while on a medical leave of absence.

**Pandemic Relief Fraud, Settlements**

**Civil Settlement**

*March 2024*

A Customer Service Representative based in Miami, Florida, signed a civil settlement agreement March 11, 2024, with the U.S. Attorney’s Office, Southern District of Florida, and agreed to pay a total of \$15,000, including \$10,000 in restitution. Our investigation found that the employee falsified an application for a COVID-19 Economic Injury Disaster Loan (EIDL), and he received a EIDL loan advance in the amount of \$10,000 from the Small Business Administration (SBA). While the employee claimed the loan was for a t-shirt making business, when we interviewed the employee, he admitted that the loan application was fraudulent.

**Civil Settlement**

*March 2024*

A Foreman II based in Miami, Florida, signed a civil settlement agreement March 9, 2024, with the U.S. Attorney’s Office, Southern District of Florida, and agreed to pay a total of \$20,000, including \$16,100.93 in restitution. Our investigation found that the employee applied for and received a fraudulent Paycheck Protection Program (PPP) Loan for an alleged catering company business in the amount of \$13,540. During his interview, the employee admitted that the PPP loan application was false, and his business did not generate the income which appeared on his loan application.

**Civil Settlement**

*February 2024*

A Sheet Metal Worker based in Miami, Florida, signed a civil settlement agreement February 29, 2024, with the U.S. Attorney’s Office, Southern District of Florida, to pay a total of \$18,750, including \$16,537.34 in restitution. Our investigation found that the employee applied for and received two fraudulent PPP loans for an alleged automotive repair business in the amount of \$5,746 each. The employee claimed to have made over \$25,000 in gross revenues from his business that qualified him for the loan. We interviewed the employee who admitted that the business had no reported income in 2019 or 2020 and that the PPP loan applications were false.



## OFFICE OF INVESTIGATIONS

### California Woman Sentenced

February 2024

Hanna Dinh, a California resident, was sentenced on February 12, 2024, in U.S. District Court, Central District of California, for conspiracy to commit wire fraud. Dinh was sentenced to 20 months in prison, followed by 3 years' probation, of which 7 months is to be served as home confinement. Dinh pleaded guilty to Conspiracy to Commit Wire Fraud on October 2, 2023.

Our investigation found that Dinh and others made false statements to lenders in connection with fraudulent applications for EIDL and PPP loans for her company, HD Financial Firm. The applications included false representations regarding the number of employees on the company's payroll and false certifications that the loans would be used for permissible business purposes. Dinh incorporated HD Financial Firm in June 2020 and was its sole officer and registered agent. Dinh and others submitted fraudulent EIDL and PPP loan applications seeking approximately \$260,672.

A co-defendant in this case, Dr. Anthony Hao Dinh, a licensed doctor of osteopathy who was an ear, nose, and throat specialist and a facial plastic surgeon, was charged in September 2023 for allegedly defrauding the Health Resources and Services Administration Uninsured Program of approximately \$230 million. Anthony Hao Dinh allegedly submitted fraudulent claims to the Uninsured Program for treatment of patients, including Amtrak employees, who were, in

fact, insured. In addition, Anthony Hao Dinh allegedly billed for services not rendered and for services that were not medically necessary.

### Former Employee Sentenced

January 2024

Bria Peters, a Houston woman and former Amtrak employee, was sentenced January 17, 2024, to five years' probation and was ordered to pay \$55,141 in restitution and a \$100 mandatory special assessment fee for making false statements related to the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Peters pleaded guilty October 18, 2023, to a one-count bill of information for making false statements. Peters made false statements to obtain a PPP loan, claiming she owned a clothing business impacted by the pandemic when, in truth, she did not. Peters later received a PPP loan of more than \$29,000.

**BRIA PETERS, A HOUSTON WOMAN AND FORMER AMTRAK EMPLOYEE, WAS SENTENCED JANUARY 17, 2024, TO FIVE YEARS' PROBATION AND WAS ORDERED TO PAY \$55,141 IN RESTITUTION AND A \$100 MANDATORY SPECIAL ASSESSMENT FEE FOR MAKING FALSE STATEMENTS RELATED TO THE CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT.**





### Houston Woman Sentenced

*December 2023*

Temika Santemore, the spouse of a former Amtrak employee and a resident of Houston, Texas, was sentenced December 12, 2023, after pleading guilty to making false statements and theft of government funds related to the CARES Act. Santemore was sentenced to four months of probation and was ordered to pay a \$200 special assessment, serve 150 hours of community service, and pay restitution in the amount of \$187,027.86.

Santemore made false statements to the SBA to fraudulently obtain pandemic-related relief loans funded by the federal government, including PPP loans. As a result, she received approximately \$13,540 in pandemic-related relief loans. Santemore also applied for an EIDL loan from the SBA in July 2020 and illegally received \$5,000 for a dormant business she owned. Her husband, Stacey V. Santemore, a former Amtrak train attendant, was sentenced for similar charges July 25, 2022, to three years' probation, 12 months' home confinement, and was ordered to pay restitution of \$64,874.64 to the SBA and \$22,725 to the Louisiana Workforce Commission.

### Senior Manager Terminated

*December 2023*

A senior manager based in Philadelphia was terminated from employment on December 8, 2023, as the result of our investigation that found he submitted falsified applications to the SBA for a CARES Act EIDL loan. In addition, the former employee signed a civil settlement agreement with the U.S. Attorney's Office, Middle District of Florida, and agreed to pay \$25,441 in restitution related to the fraudulent loan.

### Health Care Fraud

#### New York Acupuncturist Pleads Guilty

*March 2024*

Punson Figueroa, a New York acupuncturist, pleaded guilty March 7, 2024, to participating in a health care fraud scheme that caused Amtrak's health care plan to pay over \$9 million in fraudulent claims. Figueroa, 57, of Long Island City, New York, pleaded guilty to an information charging her with conspiracy to commit health care fraud in U.S. District Court in Newark, New Jersey. According to court documents, Figueroa and her coconspirators engaged in a scheme from around January 2019 through around June 2022 to bill Amtrak's health care plan for services that weren't provided and were medically unnecessary. Figueroa recruited and conspired with dozens of Amtrak employees, providing them with cash in return for allowing her to use their personal and insurance information to submit false and fraudulent health insurance claims.

**FIGUEROA RECRUITED AND CONSPIRED WITH DOZENS OF AMTRAK EMPLOYEES, PROVIDING THEM WITH CASH IN RETURN FOR ALLOWING HER TO USE THEIR PERSONAL AND INSURANCE INFORMATION TO SUBMIT FALSE AND FRAUDULENT HEALTH INSURANCE CLAIMS.**



### Florida Man Sentenced

January 2024

David Pugliese, a resident of Palm Beach County, Florida, was sentenced on January 12, 2024, in U.S. District Court, Southern District of Florida, for Conspiracy to Commit Health Care Fraud. Pugliese was sentenced to 30 months in prison, two years' probation, and was ordered to pay restitution in the amount of \$2,238,699. Pugliese was the manager and registered agent of Capital Advantage Diagnostics, LLC, which was purportedly in the business of performing a variety of laboratory tests for various health care providers.

**OUR INVESTIGATION FOUND THAT PUGLIESE AND OTHERS SUBMITTED FALSE AND FRAUDULENT CLAIMS TO MEDICARE AND AMTRAK'S INSURANCE PROVIDERS FOR CLAIMS THAT WERE NOT MEDICALLY NECESSARY OR FOR LABORATORY TESTS THAT WERE NEVER PERFORMED.**

---

Our investigation found that Pugliese and others submitted false and fraudulent claims to Medicare and Amtrak's insurance providers for claims that were not medically necessary or for laboratory tests that were never performed. Pugliese solicited beneficiary information and specimens for testing through the use of individual laboratory representatives and paid bribes

to these representatives for specimens they provided. As a result of the scheme, Amtrak's insurance providers were billed approximately \$315,474.

### California Pharmacist Sentenced

January 2024

Marc Hoang, a pharmacist based in West Covina, California, was sentenced on January 8, 2024, in U.S. District Court, Central District of California, for making a false statement related to a health care fraud investigation. Hoang was sentenced to two years' probation.

Our investigation found that Hoang knowingly and willfully made a materially false and fraudulent statement on a Drug Enforcement Administration (DEA) form. Hoang submitted the form to the DEA to renew the controlled substances registration for his former pharmacy. On the form, Hoang represented that he was the person who distributed the controlled substances and was the officer and point of contact for the pharmacy, when in fact, he was not. Hoang was part of a large health care fraud scheme, in which beneficiaries were solicited to provide their insurance information to a pharmacist for medication they did not seek or need. As a result of the scheme, Amtrak's health care plan was billed \$32,489 of which \$26,962 was paid, and Tricare—the U.S. military's health care plan—paid \$12,264,685 on the fraudulently submitted claims.

### Two Florida Men Sentenced

December 2023

Two individuals were sentenced December 15, 2023, for their roles in a multi-state scheme to defraud health insurance companies, including those used by Amtrak, by using rural hospitals to bill for unnecessary drug testing. Jorge Perez, 63, of Miami, Florida, was sentenced to eight years and four months in prison. Ricardo Perez, 60, also of Miami, was sentenced to six years and three months in prison. They were convicted in June 2022 of conspiracy to commit health care fraud and wire fraud, five counts of health care fraud, and conspiracy to commit money laundering.

**JORGE PEREZ, AN OWNER AND MANAGER OF HOSPITALS AND THE OWNER OF A BILLING COMPANY, AND RICARDO PEREZ, THE MANAGER OF A BILLING COMPANY, CONSPIRED WITH EACH OTHER AND OTHER INDIVIDUALS TO UNLAWFULLY BILL FOR LABORATORY TESTING SERVICES, PRIMARILY URINE DRUG TESTS, THAT WERE MEDICALLY UNNECESSARY AND THAT WERE FRAUDULENTLY BILLED THROUGH RURAL HOSPITALS IN FLORIDA AND MISSOURI RATHER THAN THE INDEPENDENT LABORATORIES WHERE MUCH OF THE TESTING TOOK PLACE.**

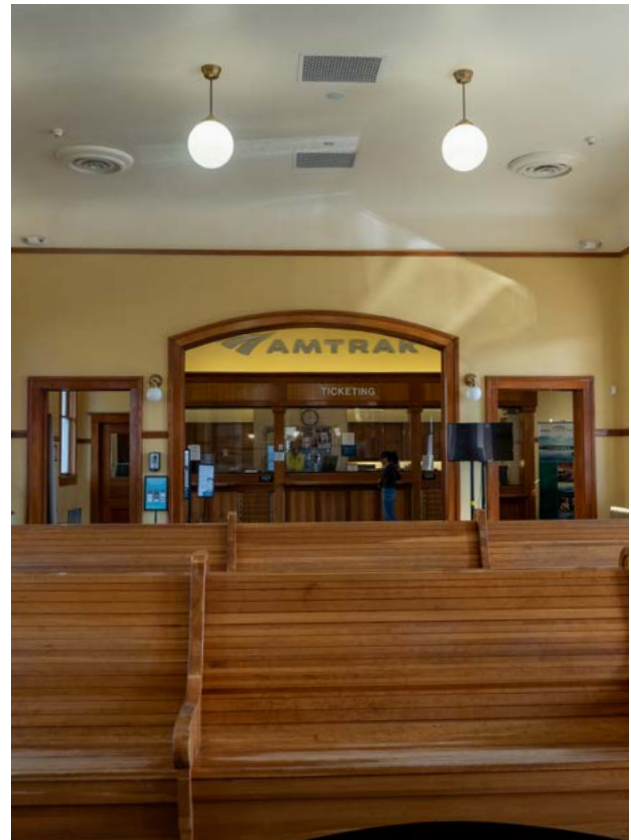
Jorge Perez, an owner and manager of hospitals and the owner of a billing company, and Ricardo Perez, the manager of a billing company, conspired with each other and other individuals to unlawfully bill for laboratory testing services, primarily urine drug tests, that were medically unnecessary and that were fraudulently billed through rural hospitals in Florida and Missouri rather than the independent laboratories where much of the testing took place. Our investigators determined that Amtrak’s health care plans paid out more than \$610,000 to three rural hospitals and associated laboratories.

Jorge Perez and Ricardo Perez targeted and obtained control over financially distressed rural hospitals, and then used them for billing to take advantage of private insurance contracts that provided higher reimbursement rates for these hospitals than for out-of-network laboratories. The claims were submitted to falsely appear that the hospitals themselves did the laboratory testing when, in most cases, it was done by testing laboratories controlled by others, including a co-conspirator.

The evidence further showed that much of the testing was for vulnerable addiction treatment patients and

patients of pain clinics, with samples often obtained through kickbacks paid to recruiters and substance abuse treatment facilities. The tests billed by Jorge Perez and Ricardo Perez were often not medically necessary—testing was performed at a frequency that far exceeded what would be needed for patient care, including performing repeated screening and definitive testing before results from prior tests could have been reviewed or used by the ordering providers.

The rural hospitals involved in this case were Campbellton-Graceville Hospital, a 25-bed rural hospital located in Graceville, Florida, that declared bankruptcy in 2017; Regional General Hospital Williston, a 40-bed facility located in Williston, Florida, that has closed; and Putnam County Memorial Hospital, a 15-bed rural hospital located in Unionville, Missouri, that has struggled since Jorge Perez and Ricardo Perez’s misuse of it as a vehicle for laboratory billing.



## OFFICE OF INVESTIGATIONS

### Four Defendants Sentenced

*October 2023*

Mark Hernandez, a psychiatrist based in Miami, Florida; Peter Port, owner of Safe Haven Recovery Inc.; Brian Dublynn, Vice President of Safe Haven Recovery; and medical marketer Jennifer Sanford were sentenced in U.S. District Court, Southern District of Florida, on October 23, 2023, for conspiracy and other charges related to health care fraud. Hernandez was sentenced to 52 months in prison and 3 years' probation; Port was sentenced to 108 months in prison and 3 years' probation; Dublynn was sentenced to 42 months in prison and 3 years' probation; and Sanford was sentenced to time served and 3 years' probation.

The defendants conspired to defraud private health companies by causing Safe Haven, a substance abuse treatment facility in Miami, Florida, along with several clinical laboratories, to submit false and fraudulent claims to health insurance plans for addiction treatment services that were not provided as billed and laboratory tests that were not medically necessary. As a result of the scheme, Amtrak's insurance providers were billed approximately \$86,130.

### Other Settlements, Resolutions, or Crimes

#### Opioid Manufacturer Agrees to \$2 billion Resolution *February 2024*

Endo Health Solutions Inc., now in bankruptcy, agreed to resolve criminal and civil investigations on February 29, 2024, related to its sales and marketing of the opioid drug Opana ER with INTAC (Opana ER). The criminal resolution includes the second-largest set of criminal financial penalties ever levied against a pharmaceutical company, including a fine of \$1.086 billion and a \$450 million criminal forfeiture. The United States also reached an agreement in Endo's bankruptcy case to settle its monetary claims arising from the criminal and civil settlements, as well as additional tax and healthcare related claims. Under the bankruptcy agreement, the government will be paid up to \$464.9 million over 10 years. Endo's entry into all of these agreements is subject to the approval of the U.S. Bankruptcy Court, Southern District of New York.

As part of the criminal resolution and in addition to the financial penalties, Endo agreed to plead guilty in federal court, Eastern District of Michigan, to charges that it violated the Federal Food, Drug and Cosmetic Act by introducing misbranded drugs into interstate





commerce. Endo will admit that from April 2012 through May 2013, some of its sales representatives marketed Opana ER to prescribers by touting the drug's purported abuse deterrence, tamper resistance, and/or crush resistance despite a lack of clinical data supporting those claims. In addition, approved labeling for Opana ER did not provide adequate information for healthcare providers to safely prescribe Opana ER for use as an opioid that is abuse deterrent. The investigation, supported by the Amtrak OIG, found that some Amtrak employees and dependents were prescribed the misbranded drug.

Endo also agreed to a civil settlement of \$475.6 million to resolve its civil liability under the False Claims Act. Endo allegedly knew health care providers were prescribing Opana ER for non-medically accepted indications; allegedly ignored or minimized employee concerns that certain prescribers were believed to be engaged in abuse, diversion, or pill mill prescribing; and allegedly had its sales representatives target prescribers who prescribed a high volume of Opana ER or opioids in general to further increase prescriptions.

The proposed resolution includes a corporate criminal release regarding conduct related to the sale, marketing, and distribution of Opana ER, but does not release any individual criminal liability. Another condition in the resolution requires that Endo cease to operate in its current form and not emerge from bankruptcy. In addition, as part of the resolution with the opioid claimants, Endo's affiliates have agreed to a Voluntary Operating Injunction that restrains opioid marketing and sales and requires Endo to turn over millions of documents related to its role in the opioid crisis for publication in a public online archive.

### **Durable Medical Equipment Provider Agrees to \$25.5 Million Settlement**

*February 2024*

A durable medical equipment provider agreed on February 15, 2024, to a \$25.5 million settlement with the United States to resolve claims that it violated the False Claims Act by fraudulently continuing to bill



health care programs, to include Amtrak's, for the rental of costly non-invasive ventilators when patients no longer needed or used the devices.

Lincare Inc, the provider, agreed to pay a total sum of \$25.5 million, of which \$24,228,517.96 will be paid to the United States and the remainder will be paid to various states. The settlement also resolved claims that Lincare violated the Anti-Kickback Statute by waiving coinsurance payments to induce certain Medicare and Tricare beneficiaries to rent its ventilators. Lincare also admitted that it received reimbursement from health care programs for some ventilator rental claims that did not comply with all of those programs' billing rules and guidance, and that it continued to seek monthly payments when it was aware that patients were not using the devices. Lincare billed Amtrak's health care plan for more than \$210,000 of which \$54,595.15 was paid.

## OFFICE OF INVESTIGATIONS

### **Former Employee Sentenced**

*February 2024*

Eric Graham, a former Amtrak conductor based in New York, used a stolen identity to obtain employment on July 8, 1998, and continued to use that identity for over twenty-years. Our investigation determined that Graham used the stolen identity to illegally obtain a passport, credit cards, RRB benefits, Amtrak employment benefits including medical coverage, and to file federal tax returns. Graham separated from Amtrak voluntarily with retirement disability on October 14, 2021. On February 13, 2024, Graham pleaded guilty in Queens Criminal Court in Kew Gardens, New York, to a misdemeanor charge of Filing a False Instrument in the Second Degree and was sentenced to probation for twelve-months.

### **California Man Sentenced**

*January 2024*

Korey Wise, a California man, was sentenced January 31, 2024, to 51 months in prison, two years' supervised release, and was ordered to pay \$475,910 in restitution for using stolen credit card information to defraud Amtrak and Trailways Transportation Systems. Wise, 48, pleaded guilty in May 2023 to two counts of wire fraud and one count of aggravated identity theft. Wise devised a scheme focused on small businesses, specifically targeting businesses with owners who spoke English as a second language. Wise would call these businesses pretending to be a representative of a utility company calling to collect overdue bills, or posing as an official from a licensing board that oversaw nail salons. He would tell the business owners that they owed an inspection fee, and if the fee was paid over the telephone with a credit card, the fee would be reduced. Wise would then use the credit card information he collected from his victims to purchase travel reservations on carriers including Amtrak and Trailways. From January 2014 through May 2017, Wise fraudulently purchased approximately \$475,910 worth of tickets from Amtrak and Trailways.

### **Contractor Resolves Billing Issues**

*January 2024*

A contractor agreed to reimburse Amtrak \$771,813 for overbilling base labor and overhead rates on contracts that required the use of actual labor and indirect cost rates. The contractor voluntarily self-reported the overbilling to our office on July 26, 2022, after conducting internal audits related to civil settlements with U.S. Department of Justice (DOJ) in connection with two prior OIG investigations. Further investigation by the contractor and our office resulted in the final agreement dated January 30, 2024, covering overbilling during the period from 2016 to 2022.

### **Contractor Terminated**

*December 2023*

The Washington Metropolitan Area Transit Authority (WMATA) OIG reported to our office that a contractor employed by Amtrak as a project manager/consultant was also working as a full-time senior employee at WMATA. Beginning in October 2023, the contract worker was working a full-time schedule for Amtrak that significantly overlapped with his work schedule for WMATA. During his interview with WMATA OIG and Amtrak OIG agents, the contractor admitted to working both jobs and to violating time and attendance policies.

The Amtrak vendor terminated the contract employee on December 26, 2023, for violating his conditions of employment. On December 28, 2023, he resigned from WMATA.

### **Employee Signs Deferred Prosecution Agreement**

*December 2023*

An Amtrak Conductor based in Jacksonville, Florida, signed a deferred prosecution agreement in the Seventh Judicial Circuit, State of Florida, on December 22, 2023. The charges will be dismissed if the employee fulfills the terms of the agreement. Our investigation found that the employee attempted to sell high-security railroad switch keys on Facebook Marketplace. The

employee was previously suspended from employment without pay in lieu of termination for a period of 67 days.

**Former Employee Sentenced**

*December 2023*

Ronald Andrulonis, a former Amtrak employee, was sentenced December 15, 2023, in U.S. District Court, District of Columbia, to 14 days in prison, three years’ probation, and was ordered to pay \$500 in restitution. Andrulonis was charged with Entering and Remaining in a Restricted Building or Grounds after entering the U.S. Capitol on January 6, 2021.

**Two California Men Plead Guilty**

*November 2023*

Jason Chan, a California resident, pleaded guilty to Wire Fraud and Aiding and Abetting on November 27, 2023, in U.S. District Court, Eastern District of California. Jamar Rogers, also a resident of California, pleaded guilty to the same charge on October 10, 2023.

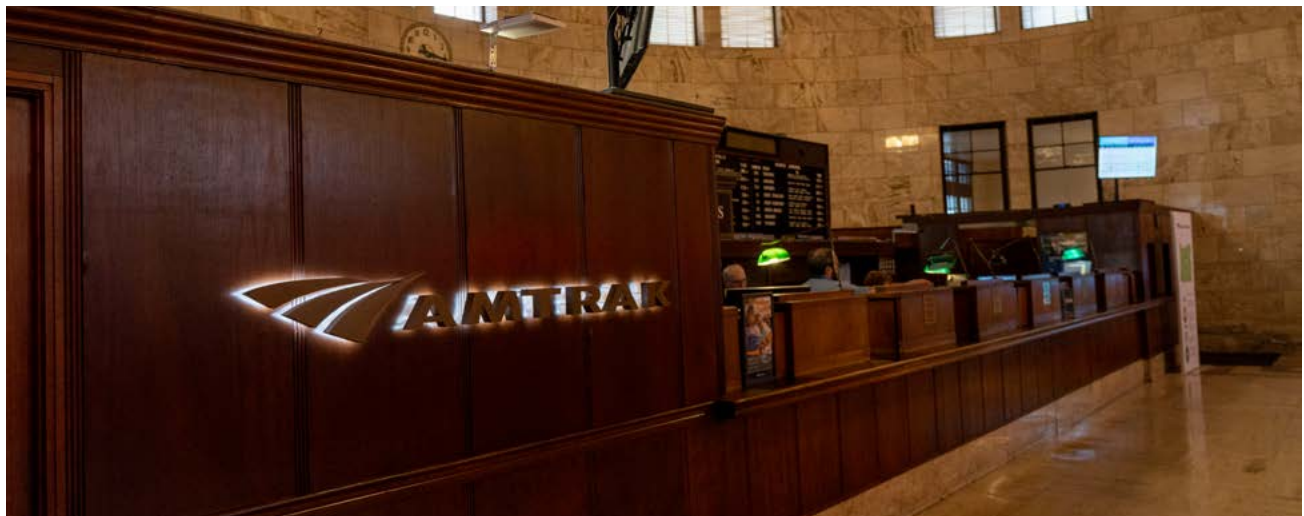
Our investigation found that Rogers purchased Amtrak tickets with stolen credit cards and exchanged the tickets for vouchers that he then advertised for sale. Chan purchased the vouchers from Rogers at a

discounted rate, used them to buy new tickets, and then sold the tickets online at a discounted price. As a result of the scheme, Rogers and Chan caused Amtrak to issue approximately \$38,000 in ticket vouchers and caused losses of over \$45,000 to Amtrak, card-issuing banks, and card holders.

**Florida Man Sentenced**

*October 2023*

Edel Perez Acanda, a resident of Miami, Florida, was sentenced on October 16, 2023, in U.S. District Court, Southern District of Florida, for Theft of Government Funds. Perez Acanda was sentenced to 2 months in prison, 3 years’ probation, and was ordered to pay \$81,114 in restitution to Amtrak. Perez Acanda was employed by a company contracted by Amtrak to provide food services. Our investigation found that co-defendant Bryan DeCastro fraudulently altered the timecards of Perez Acanda and another individual to make it appear they worked more hours than they did, resulting in payment for hours they did not work. Perez Acanda then paid DeCastro kickbacks for falsely inflating the timecards.





## APPENDIX A: STATISTICAL DATA

**TABLE A.1. FINANCIAL IMPACT**

MONETARY BENEFIT TYPE	AMOUNT THIS PERIOD
Better Use of Funds	\$14,400,000
Questioned Costs	—
Recoveries and Restitution	\$538,664,441
Forfeitures	\$6,530,952
Cost Avoidance	—

**TABLE A.2. AUDIT ACTIVITY DURING THE PERIOD**

REPORT INFORMATION	BETTER USE OF FUNDS	QUESTIONED COSTS
Company Has Opportunities to More Effectively Manage and Safeguard Maintenance-of-Equipment Inventory <i>Issued February 22, 2024   Report No. OIG-A-2024-004</i>	\$14,400,000	—
Quality Control Review of The Independent Audit Of Amtrak's Consolidated Financial Statements For Fiscal Year Ended 2023 <i>Issued January 5, 2024   Report No. OIG-A-2024-003</i>	—	—
Company is Meeting Hiring Goals but Has Opportunities to Improve Hiring Efficiency <i>Issued December 12, 2023   Report No. OIG-A-2024-002</i>	—	—
Results of Audit Assessing Company Controls to Protect Information Systems and Data from Insider Threats <i>Issued December 11, 2023   Report No. OIG-A-2024-001</i>	—	—
<b>Total Monetary Impact</b>	<b>\$14,400,000</b>	—

**TABLE A.3. ONGOING AUDITS**

ONGOING PROJECT STATUS	NUMBER OF PROJECTS
Audit Projects In-process, as of 9/30/2023	7
Audit Projects Canceled	—
Canceled Audit Projects Not Disclosed to the Public	—
Audit Projects Started Since 9/30/2023	9
Audit Products Issued Since 9/30/2023	4
Audit Projects In-process, as of 3/31/2024	12

APPENDIX A

TABLE A.4. ADVISORY FUNCTIONS DURING THE PERIOD

ACTIVITY	ACTIONS
Freedom of Information Act (FOIA) Requests Received	12
FOIA Requests Processed	10
FOIA Requests Referred to Amtrak	4
FOIA Requests with Responses Pending	2
FOIA Appeals Received	—
FOIA Appeals Processed	—
Legislation Reviewed	—
Regulations Reviewed	3
Outside Agency Consultation	—



TABLE A.5. INVESTIGATIVE ACTIVITY DURING THE PERIOD

INVESTIGATIVE CASELOAD	NUMBER
Investigations Opened	56
Investigations Closed	58
Closed Investigations of Senior Employees Not Publicly Disclosed	1

CASES OPENED	NUMBER
Major Misconduct and General Crimes	45
Health Care Fraud	2
Contract and Procurement Fraud	9
Federal Employers' Liability Act and Other Claims Fraud	—

HOTLINE ACTIVITY	NUMBER
Total Processed (Closed)	359

JUDICIAL AND ADMINISTRATIVE ACTIONS	NUMBER
Criminal Referrals to DOJ	23
Criminal Referrals to State and Local Prosecuting Authorities	3
Criminal Referrals Declined	5
Arrests	6
Indictments/Informations <sup>a</sup>	7 <sup>a</sup>
Convictions	7
Investigative Reports Issued to the Company	16
Administrative Actions	24

Notes:

<sup>a</sup> Indictments/Informations include all indictments, informations, and complaints sealed and unsealed, of individuals who were charged during this reporting period by federal, state, and local prosecutors. The seven indictments/informations reported during this reporting period were referred for prosecution in a prior reporting period.



**APPENDIX A**

**TABLE A.6. REPORTS DESCRIBED IN PREVIOUS SEMIANNUAL REPORTS FOR WHICH CORRECTIVE ACTIONS ARE NOT COMPLETE<sup>a</sup>**

REPORT INFORMATION	BETTER USE OF FUNDS	QUESTIONED COSTS
Rightsizing Workforce and Using It More Flexibly Could Reduce Costs at Preventative Maintenance Facilities <i>Issued 9/3/2019   Report OIG-A-2019-012</i>		
2. Continue to work with the Labor Relations department to identify opportunities to increase staffing flexibility among agreement employees, especially as the company develops maintenance strategies for the new equipment it is purchasing.	—	—
Stronger Controls Would Help Identify Fraudulent Medical Claims Sooner and Limit Losses <i>Issued 12/10/2019   Report OIG-A-2020-003</i>		
2. Implement proactive fraud detection procedures sooner, such as a data analytics capability, so that the company can stop fraudulent payments earlier.	—	—
3a. Implement cost effective fraud awareness initiatives to enable plan members to better recognize and report potential fraud.	—	—
Amtrak Expects Positive Train Control will be Interoperable with Other Railroads but Could Better Measure System Reliability <i>Issued 12/11/2020   Report OIG-A-2021-004</i>		
1. To ensure that Positive Train Control (PTC) is operating reliably, we recommend that the Chief Operations Officer, in conjunction with the Chief Safety Officer, work with the company's Information Technology department to research electronic tools to access and report on PTC data and submit preferred options for funding consideration.	—	—
Amtrak Has Begun to Address State Partners' Concerns About Shared Costs But Has More Work to Do to Improve Relationships <i>Issued January 31, 2022   Report No. OIG-A-2022-005</i>		
1a. Clarify and document the following in the revised methodology, state partner contracts, or elsewhere: the decisions impacting state-supported costs that the company must control to ensure that it can manage its national network, when and how the company will communicate them to the state partners, and the level of state partner control over other decisions affecting their costs.	—	—



<p>1b. Clarify and document the following in the revised methodology, state partner contracts, or elsewhere: the level and type of support the company will provide in response to state partners’ inquiries and concerns about their costs.</p>	<p>—</p>	<p>—</p>
<p>2a. Clarify and document in the methodology, state partner contracts, or elsewhere, the extent to which the company will continue to use allocations to determine the state partners’ share of costs.</p>	<p>—</p>	<p>—</p>
<p>2b. Clarify and document in the methodology, state partner contracts, or elsewhere, the extent to which the methodology will have state partners cover additional fixed asset and other capital expenditures, continue to have the company cover them, or some other solution.</p>	<p>—</p>	<p>—</p>
<p>2c. Work with Congress to ensure that the solution in recommendation 2b meets its intent under section 209 of [the Passenger Rail Investment and Improvement Act], and, if not, work with Congress on a resolution.</p>	<p>—</p>	<p>—</p>
<p>3. To ensure a common picture of the accuracy of the company’s bills and help address any recurring billing issues that arise, develop and begin to implement a process to track and regularly share with all state partners the number, type, and magnitude of errors that occur on state partner bills. To reduce the work burden, consider partnering with [the State-Amtrak Intercity Passenger Rail Committee] to assist with these efforts.</p>	<p>—</p>	<p>—</p>
<p>4. After the cost-sharing methodology is revised, document and communicate to all state partners the company’s process for implementing the methodology, and for calculating and billing the state partners’ share of state-supported costs. This might include the data collection and processing steps, stakeholders, roles and responsibilities, and quality assurance steps involved in this process. The company could consider using documentation that the Northeast Corridor Commission uses as a general model for how to accomplish this.</p>	<p>—</p>	<p>—</p>
<p>5. To the extent that cost allocations remain pertinent to the revised methodology, work with [the State-Amtrak Intercity Passenger Rail Committee] to ensure that its independent third party periodically reviews and validates that the systems the company uses to implement it, do so accurately and in accordance with the methodology, particularly the [Amtrak Performance Tracking System] allocations and the [Profit and Loss] Tool.</p>	<p>—</p>	<p>—</p>

**APPENDIX A**

6. Establish in policy a process to consistently communicate to internal stakeholders and state partners any system changes the company makes that materially impact state partners’ costs, either before making the change or as soon as practical thereafter.	—	—
Company Needs a Comprehensive Framework to Successfully Manage its Commitments to the Gateway Program <i>Issued February 4, 2022   Report No. OIG-A-2022-006</i>		
4. Develop and implement a risk management process for the program, including a program-level risk assessment.	—	—
Company Appears on Track to Achieve Emissions Reduction Goals; Opportunities Exist to Reduce Excess Idling and Provide Training <i>Issued October 18, 2022   Report No. OIG-A-2023-001</i>		
1. Further analyze the data it already collects and collect additional data to identify opportunities to reduce excess idling. This could include analyzing trend data on excess idling over time, by location, and by locomotive.	—	—
2. Using these analyses, establish and implement a process to regularly target and reduce excess idling companywide. This could include developing a real-time alert for the appropriate mechanical staff that would allow them to make needed repairs to prevent excess idling.	—	—
Better Identifying and Tracking Operational and Technology Assets Across the Company Would Improve Cybersecurity <i>Issued November 7, 2022   Report No. OIG-A-2023-002</i>		
3. Develop and implement enterprise-wide policies and procedures—including clear roles and responsibilities for all key stakeholders—as well as training for maintaining complete [Operational Technology] asset inventory.	—	—
Company Has Improved Management of Intercity Trainset Acquisition and Can Improve Stakeholder Engagement on Major Capital Programs <i>Issued December 22, 2022   Report No. OIG-A-2023-005</i>		
1. Establish and implement controls for program personnel to identify and engage all relevant stakeholders, including business end-users, to specify requirements early for all major capital programs and to modify those requirements as program needs and assumptions evolve.	—	—
Company Is Strengthening Project Cost Management but Can Better Organize Costs and Improve Guidance <i>Issued July 17, 2023   Report No. OIG-A-2023-010</i>		

<p>1. Conduct a comprehensive study to identify how the company can support the development and use of more detailed and standardized work breakdown structures in accordance with common industry practices. At minimum, this analysis should determine the following for the Capital Delivery department:</p> <ul style="list-style-type: none"> <li>a. how many levels of cost detail project managers need to effectively track and manage costs for a diverse capital portfolio</li> <li>b. the extent to which projects or programs should have work breakdown structures with standardized cost elements</li> <li>c. based on the above decisions, the people, systems, and processes necessary to develop more detailed and standardized work breakdown structures and sustain them over time.</li> </ul>	<p>—</p>	<p>—</p>
<p>2. Based on the results of the study, develop a proposal specifying the people, processes, and systems needed to implement more detailed and standardized work breakdown structures and submit it to the Executive Leadership Team for consideration.</p>	<p>—</p>	<p>—</p>
<p>Company Improved Management of New Acela Program, but Additional Delays and Cost Increases are Likely <i>Issued September 29, 2023   Report No. OIG-A-2023-013</i></p>		
<p>2. Direct the vendor to provide complete schedules to address field modification instructions. At a minimum, this would include the location of work, viable engineering solutions, and the availability of materials and personnel.</p>	<p>—</p>	<p>—</p>
<p>3. Work collaboratively with the vendor to identify the risk of future field modification instructions, as well as any modifications needed as a result of the model validation efforts, and develop plans to mitigate their schedule impact.</p>	<p>—</p>	<p>—</p>
<p><b>Total Monetary Impact</b></p>	<p>—</p>	<p>—</p>

Note:

<sup>a</sup> Please visit <https://www.amtrakoig.gov/reports/audits> for a copy of the reports listed in this table.

**Management Decisions**

Management decisions have been made on all audit reports issued during this reporting period and previous reporting periods. Management agreed with all recommendations made in audit reports issued in this reporting period and previous reporting periods.

APPENDIX A

TABLE A.7. INVESTIGATIONS CLOSED DURING THE REPORTING PERIOD<sup>a</sup>

CASE NUMBER	ALLEGATION	RESULT	DATE CLOSED
24-0002-AI	Abuse of Position	Unsubstantiated	November 1, 2023
23-0227-I	Pandemic Relief Fraud	Substantiated: Employee signed civil settlement agreement related to fraudulent application for a PPP loan.	November 7, 2023
23-0437-AI	Medical Leave Violations	Substantiated: Employee resigned after violating company policies by engaging in outside employment while on FMLA leave.	November 8, 2023
23-0449-AI	Time and Attendance Fraud	Substantiated: Employee resigned after violating company policies related to time and attendance.	November 8, 2023
22-0449-I	Unauthorized Disclosure of Information	Unsubstantiated	November 14, 2023
23-0397-I	Computer Intrusion	Unsubstantiated	November 14, 2023
24-0013-I	Time and Attendance Fraud	Substantiated: Employee resigned after violating company policies by clocking into work from an outside network.	November 15, 2023
23-0430-I	Assisting Law Enforcement	Assisted Other Agency	November 16, 2023
23-0434-PI	Computer Intrusion	Unsubstantiated	November 20, 2023
20-0361-I	Fraudulent Medical Billings	Unsubstantiated	November 21, 2023
23-0586-PI	Violation of Amtrak Policy - The Code of Ethics and Standards for Behavior	Unsubstantiated	November 27, 2023
24-0019-I	Falsification/ Forgery Related to Amtrak Documents	Unsubstantiated	November 28, 2023
23-0462-AI	Medical Leave Violations	Substantiated: Employee terminated after violating company policies by engaging in outside employment while on medical leave.	December 5, 2023

23-0371-I	Medical Leave Violations	Substantiated: Employee resigned for violating company policies by engaging in outside employment while on a leave of absence.	December 5, 2023
21-0265-I	Other Amtrak Projects	Substantiated: Three individuals convicted of Wire Fraud or Theft of Government Funds related to a payroll overbilling scheme.	December 7, 2023
22-0582-I <sup>b</sup>	Conflict of Interest	Substantiated: Senior level employee terminated for violation of company policy by not disclosing an actual or potential conflict of interest.	December 8, 2023
23-0344-I	Pandemic Relief Fraud	Unsubstantiated	December 11, 2023
20-0608-I	Fraudulent Medical Billings	Substantiated: Multiple individuals convicted of various charges related to Health Care Fraud.	December 13, 2023
24-0029-I	Fuel Card Fraud	Unsubstantiated	December 14, 2023
19-0482-I	Time and Attendance Fraud	Unsubstantiated	December 18, 2023
22-0383-I	Pandemic Relief Fraud	Substantiated: Employee terminated and signed a civil settlement agreement for falsifying applications related to the receipt of EIDL loan.	December 20, 2023
24-0024-I	Violation of Amtrak Policy - The Code of Ethics and Standards for Behavior	Substantiated: Company issued a Restatement of Policy reminding employees that only Amtrak business should be conducted at Station Ticket Counters.	December 20, 2023
24-0006-AI	Violation of Amtrak Policy - Other	Substantiated: Employee demoted after violating company policies related to vehicle usage.	January 5, 2024
21-0508-I	Theft of Property	Substantiated: Employee terminated and criminally charged related to the theft of money.	January 5, 2024
22-0052-I	Medical Leave Violations	Substantiated: Employee resigned for violating company policies by engaging in outside employment while on a leave of absence.	January 5, 2024

## APPENDIX A

23-0299-I	Purchase Card Fraud	Substantiated: Employee resigned for violating company policies by using Government Services Administration fuel card for personal use.	January 5, 2024
23-0497-AI	Violation of Amtrak Policy - Other	Substantiated: Findings related to the systemic violation of the Smart ID Policy were submitted to the company.	January 9, 2024
22-0251-AI	Time and Attendance Fraud	Substantiated: 5 employees terminated or resigned and 6 others reprimanded for violations related to time and attendance.	January 16, 2024
20-0064-I	Insurance Fraud	Unsubstantiated	January 20, 2024
24-0005-I	Falsification/ Forgery Related to Amtrak Documents	Substantiated: Employee terminated for violating company policies by making false claims on his resume.	January 22, 2024
23-0421-AI	Time and Attendance Fraud	Unsubstantiated	January 24, 2024
22-0541-I	Identity Theft	Substantiated: Individual convicted for Criminal Trespass.	January 25, 2024
21-0204-I	Pandemic Relief Fraud	Substantiated: Employee terminated and then convicted along with his spouse for making false statements and theft of government funds related to the CARES Act.	January 26, 2024
24-0015-I	Violation of Amtrak Policy - The Code of Ethics and Standards for Behavior	Unsubstantiated	January 29, 2024
24-0030-I <sup>c</sup>	Other Amtrak Projects	Unsubstantiated - Allegations related to contract and procurement fraud were unsubstantiated.	January 29, 2024
22-0016-I	Misconduct Involving Serious Safety Issues	Substantiated: Employee signed a deferred prosecution agreement for attempting to sell high-security railroad switch keys online.	January 31, 2024
23-0267-I	Assisting Law Enforcement	Assisted Other Agency	February 5, 2024
24-0017-I	Medical Leave Violations	Substantiated: Employee terminated for violating company policies by engaging in outside employment while on a medical leave of absence.	February 5, 2024



23-0542-I	Computer Intrusion	Unsubstantiated	February 6, 2024
24-0035-I	Computer Data Theft or Loss	Unsubstantiated	February 6, 2024
24-0027-I	Time and Attendance Fraud	Substantiated: Contract employee terminated for violating terms and conditions of employment.	February 12, 2024
23-0029-I	Pandemic Relief Fraud	Substantiated: Employee convicted of making false statements to obtain a PPP loan.	February 13, 2024
24-0042-I	Assisting Law Enforcement	Assisted Other Agency	February 13, 2024
23-0063-AI	Misconduct Involving Serious Safety Issues	Substantiated: Findings concerning safety issues were submitted to the company.	February 21, 2024
24-0004-AI	Violation of Amtrak Policy - Other	Unsubstantiated	February 22, 2024
24-0001-I	Medical Leave Violations	Unsubstantiated	March 4, 2024
24-0007-AI	Computer Misuse	Unsubstantiated	March 7, 2024

APPENDIX A



23-0583-AI	Medical Leave Violations	Substantiated: Employee terminated after violating company policies by engaging in outside employment while on a medical leave of absence.	March 20, 2024
23-0614-I	Violation of Amtrak Policy - The Code of Ethics and Standards for Behavior	Substantiated: Employee terminated for violating company policies by using company email to conduct business for an outlaw motorcycle gang and for maintaining sexually explicit images on company devices.	March 20, 2024
21-0010-I	Fraudulent Medical Billings	Unsubstantiated	March 21, 2024
24-0008-I	Time and Attendance Fraud	Substantiated: Employee terminated for violating company policies by logging into work remotely, then not showing up to her worksite or arriving late or leaving early.	March 26, 2024
24-0020-I	Other Amtrak Projects	Unsubstantiated	March 27, 2024
21-0166-I	Fraudulent Medical Billings	Substantiated: Provider of durable medical equipment agreed to civil settlement	March 28, 2024

Notes:

<sup>a</sup> We also closed five proactive reviews of in areas where there may have been fraud, waste, or abuse.

<sup>b,c</sup> We closed two investigations of senior level Amtrak employees during this reporting period.



## APPENDIX B: REVIEW OF LEGISLATION, REGULATIONS, AND MAJOR POLICIES

---

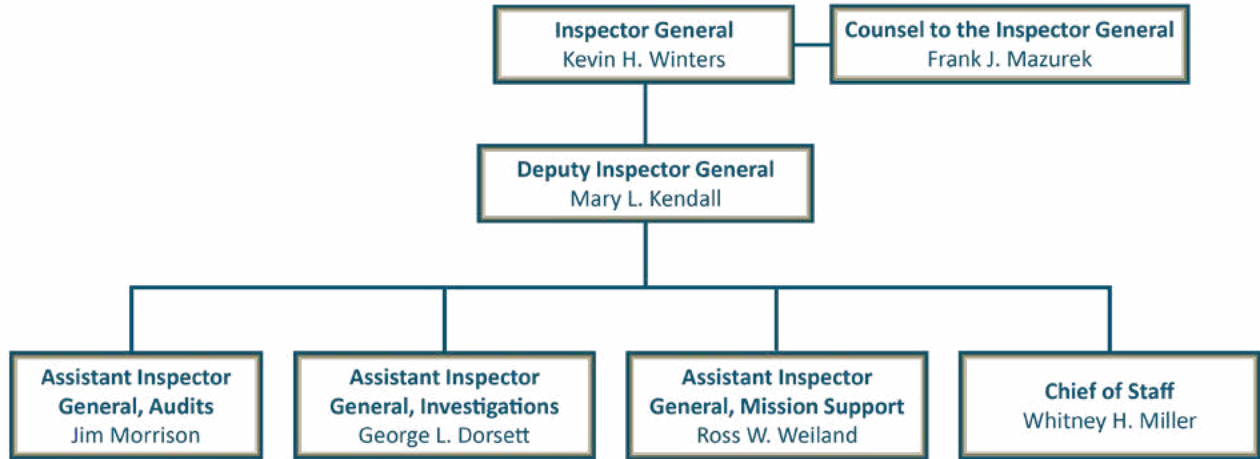
Section 404(a)(2) of the Inspector General Act of 1978, as amended, provides that the Inspector General shall review existing and proposed legislation and regulations relating to programs and operations of such establishment. Also, the Inspector General shall make recommendations in the semiannual reports concerning the impact of such legislation or regulations on the economy and efficiency in the administration of such

programs and operations administered or financed by such establishment—or the prevention and detection of fraud and abuse in such programs and operations.

During the last reporting period, the OIG reviewed and provided comments on three Amtrak corporate policies or mandates and continued its efforts to ensure the American taxpayers' dollars entrusted to Amtrak were protected.



# APPENDIX C: OIG ORGANIZATION



The OIG headquarters is based in Washington, D.C., with field offices in Boston, Chicago, Florida, Los Angeles, New York, and Philadelphia.

The Inspector General provides policy direction and leadership for the OIG and serves as an independent and objective voice to management, the Board of Directors, and Congress by identifying opportunities and promoting solutions for improving the company’s programs and operations, while preventing and detecting fraud, waste, and abuse. The Deputy Inspector General serves in the stead of the Inspector General, as required, and leads the operational and support staffs within the OIG.

**Counsel to the Inspector General.** This office provides legal assistance and advice to OIG senior management and supports audits, investigations, and special reviews. The Office of Counsel also coordinates OIG legal matters with external entities, such as the DOJ, and federal and state law enforcement.

**Audits.** This office conducts independent and objective audits across the spectrum of the company’s programs and operational activities. It produces reports aimed at improving the company’s economy, efficiency, and effectiveness, while seeking to detect and prevent fraud, waste, and abuse.

**Investigations.** This office pursues allegations of fraud, waste, abuse, and misconduct that could affect the company’s programs, operations, assets, and other resources. It refers investigative findings to the DOJ for criminal prosecution or civil litigation, or to management for administrative action. It also develops recommendations to reduce vulnerability to abuse and criminal activity.

**Mission Support.** This office provides budget and financial management; contracting and procurement; information technology; general administrative support and human capital, which ensures that the best qualified people are hired, developed, retained, and rewarded appropriately in accordance with applicable laws, regulations, and OIG policy. It also ensures that an effective and efficient performance management system is implemented to provide employees with timely and meaningful feedback and coaching on performance.

## APPENDIX D: PEER REVIEW RESULTS

---

The Dodd-Frank Wall Street Reform and Consumer Protection Act (P. L. 111–203, July 21, 2010) requires that OIGs include in semiannual reports to Congress the results of any peer review conducted by another OIG during the reporting period, or—if no peer review was conducted—a statement identifying the date of the last peer review. Also required is a list of all peer reviews conducted during the period by the OIG of another OIG, and the status of any recommendations made to or by the OIG.

During FY 2022, our Office of Audits was the subject of a Council of the Inspectors General on Integrity and Efficiency peer review by the Office of Personnel Management (OPM) OIG. The OPM OIG concluded that our audit organization’s system of quality control was suitably designed and complied with to provide reasonable assurance of conforming with applicable professional standards and legal and

regulatory requirements. Accordingly, in its report, the OPM OIG provided a “pass” rating and made no recommendations. The report was released on December 16, 2021.

During FY 2019, our Office of Investigations was the subject of a Council of the Inspectors General on Integrity and Efficiency (CIGIE) peer review by the Federal Deposit Insurance Corporation (FDIC) OIG. The FDIC OIG concluded that the system of internal safeguards and management procedures for our investigative function was in compliance with the quality standards established by CIGIE and the Attorney General’s Guidelines for Offices of Inspector General with Statutory Law Enforcement Authority. The FDIC OIG identified a number of best practices in our investigative operations that they believed warranted acknowledgment.



## APPENDIX E: ABBREVIATIONS

---

<b>CARES</b>	Coronavirus Aid, Relief, and Economic Security
<b>CIGIE</b>	Council of the Inspectors General on Integrity and Efficiency
<b>DEA</b>	Drug Enforcement Administration
<b>DOJ</b>	Department of Justice
<b>EIDL</b>	Economic Injury Disaster Loan
<b>FDIC</b>	Federal Deposit Insurance Corporation
<b>FDT</b>	Frederick Douglass Tunnel
<b>FMLA</b>	Family Medical Leave Act
<b>FOIA</b>	Freedom of Information Act
<b>FY</b>	Fiscal Year
<b>GSA</b>	General Services Administration
<b>IIJA</b>	Infrastructure Investment and Jobs Act
<b>IPA</b>	Independent Public Accountant
<b>MOE</b>	Maintenance of Equipment
<b>OIG</b>	Office of Inspector General
<b>OPM</b>	Office of Personnel Management
<b>OT</b>	Operational Technology
<b>PPP</b>	Paycheck Protection Program
<b>PTC</b>	Positive Train Control
<b>RRB</b>	Railroad Retirement Board
<b>SBA</b>	Small Business Administration
<b>the company</b>	Amtrak
<b>WMATA</b>	Washington Metropolitan Area Transit Authority

## APPENDIX F: REPORTING REQUIREMENTS

INSPECTOR GENERAL ACT CITATION	REPORTING REQUIREMENT	PAGE
404(a)(2)	Review of Legislation and Regulations	37
405(a)(1)	Significant Problems, Abuses, and Deficiencies	5-23
405(a)(2)	Recommendations from Prior Reporting Periods for Which Corrective Action is Not Complete	28-31
405(a)(3)	Summary of Significant Investigations Closed During the Reporting Period	11-23, 32-36
405(a)(4)	Convictions Resulting from Investigations During the Reporting Period	27
405(a)(5)	Information Regarding Audit Activity During the Reporting Period	5-9
405(a)(5-6)	Audit Reports Issued During the Reporting Period and Management Decisions	25, 31
405(a)(7)	Federal Financial Management Improvement Act-Related Reporting	N/A
405(a)(8-10)	Peer Review Results	39
405(a)(11-12)	Investigative Reporting Statistical Tables	27
405(a)(13)	Investigations on Senior Government Employees Where Allegations are Substantiated	13, 33
405(a)(14)	Instances of Whistleblower Retaliation	N/A
405(a)(15)	Instances of Interference with Independence or Restrictions on Access	N/A
405(a)(16)	Instances of Inspections, Evaluations, Audits, and Investigations Not Disclosed to the Public	27

## MISSION

---

The Amtrak OIG's mission is to provide independent, objective oversight of Amtrak's programs and operations through audits and investigations focused on recommending improvements to Amtrak's economy, efficiency, and effectiveness; preventing and detecting fraud, waste, and abuse; and providing Congress, Amtrak management and Amtrak's Board of Directors with timely information about problems and deficiencies relating to Amtrak's programs and operations.

## OBTAINING COPIES OF REPORTS AND TESTIMONY

---

Available at our website [www.amtrakoig.gov](http://www.amtrakoig.gov)

## REPORTING FRAUD, WASTE, AND ABUSE

---

Report suspicious or illegal activities to the OIG Hotline [www.amtrakoig.gov/hotline](http://www.amtrakoig.gov/hotline) or 1-800-468-5469

## CONTACT INFORMATION

---

**Kevin H. Winters**, *Inspector General*

**Mail:** Amtrak OIG | 10 G Street, NE, 3W-300 | Washington D.C. 20002

**Phone:** 202-906-4600





[amtrakoig.gov](https://www.amtrak.gov)

[twitter.com/amtrakoig](https://twitter.com/amtrakoig)

**National Railroad Passenger Corporation**

**Office of Inspector General**

**10 G Street, NE, Suite 3W-300, Washington D.C. 20002**

*Amtrak is a registered service mark of the National Railroad Passenger Corporation*