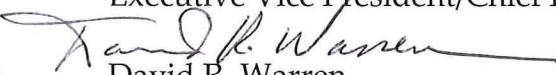




Memorandum

To: Gerald Sokol, Jr.
Executive Vice President/Chief Financial Officer

From: 
David R. Warren
Assistant Inspector General, Audits

Date: December 1, 2014

Subject: Engagement Memo –Assessing the Efficiency and Effectiveness of Management Processes for Overseeing the Siemens Locomotive Technical Support Contract (Project code 005-2015)

In 2014, Amtrak and Siemens entered into a 15 year, \$300 million technical support contract for ACS-64 locomotives. The objective of this audit will be to review the adequacy of contract oversight and administration focusing on cost, schedule, and performance in terms of the contract's effect on equipment availability and reliability rates.

During this audit, we plan to interview company personnel, analyze documents associated with the project, and review the contract. Requests for documents will be made as our work progresses. We will work to minimize the impact by coordinating interviews and observations with staff in advance.

Our work will be performed in accordance with Generally Accepted Government Auditing Standards. Our interactions with the company will be consistent with P/I 2.1.3 that sets forth the relationship between our office and the company. In particular,

section 7.0 discusses coordination between Amtrak officials and our office of audits and evaluations. To view this policy see:

<http://wiki.corp.nrpc/download/attachments/3586/OIG=Relationship+Policy+111101.pdf?version=1>

We request that your office arrange an entrance conference for us with the appropriate Amtrak officials at the earliest possible date. We will keep you advised of the status of our work and any material changes in our audit objectives.

Dorian Herring is the engagement's audit manager and report's to Michael Kennedy, Senior Director, Audits. If you have questions regarding this audit, please contact me at 202-906-4742 (David.Warren@amtrakoig.gov) or Michael Kennedy at 202-906-4308 (Michael.Kennedy@amtrakoig.gov).

cc:

DJ Stadtler, Executive Vice President, Chief Operations Officer
William Herrmann, Vice President Deputy Managing General Counsel
Bernard Reynolds, Vice President Procurement and Logistics
Rod Gibbons, Vice President Communications
Matthew Gagnon, Senior Director, Amtrak Controls
Melantha Paige, Senior Amtrak Controls Consultant