




## Memorandum

**To:** Gerald Sokol, Jr.,  
Executive VP/Chief Financial Officer

**From:**   
David R. Warren,  
Assistant Inspector General, Audits

**Date:** December 22, 2014

**Subject:** Audit Engagement Memo: Management of Construction and Specialized Equipment (Project Code: 004-2015)

We are initiating an audit related to the company's management of construction and specialized equipment and vehicles. The company owns or leases about 1,600 pieces of construction and specialized equipment as well as about 2,400 vehicles, some of which are unique to the company's core business. Our objective is to evaluate the adequacy of the company's management and oversight of its construction and specialized equipment and vehicles.

During the audit, we plan to review the company's policies, procedures, and guidance and benchmark them against fleet and equipment management practices in the private and public sector. We will also test management controls; conduct physical inspections; and interview company officials from Engineering, Mechanical, Finance, and the Police departments. We will work to minimize disruptions to the company by coordinating interviews and site visits with staff in advance. We will also be accessing the databases and information systems the company uses to track inventory, procurement, maintenance, scheduling, use, and disposition of equipment and vehicles.

We will perform our audit work in accordance with Generally Accepted Government Auditing Standards. Our interactions with the company will be consistent with the company's Policy and Instruction Manual, Procedure 2.1.3, which sets forth the relationship between the OIG and the corporation. In particular, section 7.0 establishes protocols for coordination between company officials and the OIG on audits and

evaluations. See [http://www.amtrakoig.gov/sites/default/files/reports/ig-amtrak\\_relat\\_policy\\_01-2012.pdf](http://www.amtrakoig.gov/sites/default/files/reports/ig-amtrak_relat_policy_01-2012.pdf).

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

David P. Bixler will be the Senior Director and Leila Kahn will be the Audit Manager for this audit. If you have any questions, please contact me at 8-777-4742 or [David.Warren@AmtrakOIG.gov](mailto:David.Warren@AmtrakOIG.gov), or David P. Bixler, Senior Director, Audits, at 8-777-4453 or [David.Bixler@AmtrakOIG.gov](mailto:David.Bixler@AmtrakOIG.gov).

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