

NATIONAL RAILROAD PASSENGER CORPORATION  
OFFICE OF THE INSPECTOR GENERAL  
OFFICE OF INVESTIGATIONS  
INVESTIGATIVE REPORT

TITLE: P-Card/Inv CASE NUMBER: 07-027

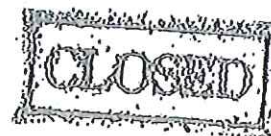
DATE OF REPORT: March 18, 2009

REPORT PREPARED BY: [REDACTED] *[Signature]*

REPORT OF INTERVIEW:

REPORT OF DOCUMENTS:

OTHER ACTIVITY (DESCRIBE): Closing Report



ALLEGATION

On February 20, 2007, the Office of Inspector General ("OIG"), Office of Investigations ("OI") received an allegation from a confidential source ("CS"). The source stated that [REDACTED], [REDACTED], had a \$272.55 expenditure on an Amtrak Purchasing Card ("P-Card"). The expenditure was made on January 7, 2007. As detailed, [REDACTED] made a previous unauthorized purchase on a P-Card for \$60.68, but in an interview with OI Agents, [REDACTED] claimed that the purchase was accidental and that she had paid the money back to Amtrak. The CS feels that this \$272.55 transaction was not an accident and it should be investigated by the OIG.

FINDINGS

OI's investigation resulted in [REDACTED], Amtrak Clerk, pleading to one count of embezzlement of an Agent of trust in the [REDACTED] District Court of the State of [REDACTED]. As a result of this plea, [REDACTED] was sentenced to two (2) years court supervised probation and ordered to pay restitution to Amtrak in the amount of \$2,222 for the loss.

[REDACTED], [REDACTED] admitted that she made unauthorized purchases using the P-Card was personal. As a result of these incidents, [REDACTED] was counseled by [REDACTED], [REDACTED].

OI's investigation found that [REDACTED], [REDACTED] had made purchases using her P-Card while she was vacationing in Hawaii. As a result of the investigation, [REDACTED] was terminated from Amtrak.

OI investigation found that [REDACTED], [REDACTED] all Amtrak Engineering Supervisors purchased safety glasses without going through Amtrak's Safety Department for approval. As a result of this investigation, Management

counseled its employees who violated procedure and they reinforced both the Personal Protective Equipment ("PPE") and P-Card policy and procedures with its staffs.

During the course of this investigation, OI found that [REDACTED], [REDACTED] had used his P-Card to order and pay for an Nail Gun used on construction sites to drive nails into surfaces. After purchasing the gun, [REDACTED] took the gun home and used it on a kitchen project at his house. As a result of this investigation [REDACTED] received a letter of instruction regarding taking tools home and Engineering Department policy regarding taking small tools home was rescinded.

OI found that [REDACTED], all Amtrak Management used their Amtrak assigned P-Cards to purchase retirement parties in excess of \$100. As a result of the investigation the Procurement, Human Resources, Marketing and Transportation Department members were appropriately counseled and the Human Resource Department agreed to attempt to make changes to the Retirement Recognition Policy. The Human Resources Department is in the process of having the Amtrak Finance Department updating and finalizing Amtrak's policy regarding this policy.

OI found that [REDACTED], [REDACTED] used his P-Card in 2007 to pay \$5,167 for food, one lunch cost \$1,556, another cost \$1,335, and a third cost \$775. These lunches were within a three month period. Additionally, [REDACTED] paid \$452 for 100 dozen donuts for "Donut Day" and provided donuts for everyone at Ivy City and Union Station. [REDACTED] structured a \$2,459 P-Card purchase of Sqwincher, a product similar to Gatorade, from District Safety Products. [REDACTED] had his secretary structure the payment to District Safety Products to deliberately bypass the use of a Purchase Order Amtrak has with the company. [REDACTED] used four charges of \$500 and one charge of \$459, all on the same day, to pay for the Sqwincher. Additionally, [REDACTED] advised that he inadvertently used the P-Card twice for personal purchases. [REDACTED] explained that he corrected the charges as soon as he realized what he had done.

As a result of OI's investigation, [REDACTED] was instructed to within 30 days to review P-Card Procedures, separate his personal credit cards from his Amtrak assigned credit cards and he was to review the structure of his P-Card and assure it fits within usage requirements.

OI found that [REDACTED], [REDACTED] made unauthorized purchases of computer related supplies and equipment. As a result of OI's contacts with IT and AT members, those departments readjusted their use of the P-Card.

Two [REDACTED] employees have P-Cards. They purchased VCRs, satellite radios, TVs, table cloths, meals, furniture, building supplies, wheelchairs, plumbing services, truck batteries, snow blowers, phone chargers, food and wine. No serial numbers were recorded for any of the property purchased. There was no record as to what train car the item was placed in. If it was a replacement, there was no record regarding the property replaced. Eight employees who used the P-Cards were interviewed about the items purchased. As a result of OI's investigation, [REDACTED] Management considered maintaining a method to account for un-inventoried property such as TVs, VCRs and other items that

have serial numbers that can be recorded. They also agreed to develop some method to record the destruction of property when it is broken and/or taken out of service.

OI found that [REDACTED], [REDACTED] between January and April 2007, made 25 purchases with his P-Card at Home Depot, which were not reconciled in eTrax. As a result of OI's investigation, [REDACTED] was counseled as to proper procedure for P-Cards and his responsibility to insure P-Card transactions are properly reconciled for himself and anyone under his responsibility.

On January 12, 2009, [REDACTED], [REDACTED] and [REDACTED], [REDACTED] received the OIG reports of its findings with the following recommendations:

- 1) Management should consider placing on the face of every P-Card a statement that reads that these cards are only to be used for Amtrak related purchases and not to be accepted for personal purchases.
- 2) Management should consider a plan to improve on the administering of the entire P-Card process keeping in mind that in the wrong hands a P-Card can cost Amtrak a large financial loss in a short period of time.
- 3) Management should consider conducting training in the proper use of P-Cards. Possibly an internet based training program that can touch a larger employee population.
- 4) Management should consider that each Department assigns an employee to be in-charge of the P-Card. Said employee should report to the P-Card Administrator all activities regarding P-Card use.
- 5) Management should consider an audit be conducted by the various Departments every 6 months. The results of the audit should be submitted to the P-Card Administrator for review. A copy of the audit should be held by the Department for 3 years for OIG/OI review. If fraud, waste, abuse or Mismanagement are detected it should be reported immediately to the OIG/OI.
- 6) Management should consider distributing the accountability of the P-Card use. It should be placed more on the Departments that have been issued the P-Card and less on the P-Card Administrator.

On March 11, 2009, OI received a response. On all the recommendations Amtrak's Procurement Department concurred and was taking actions internally to issue new procedures to correct and improve the way Amtrak handles its P-Card program. See Exhibit 1 (Response).

**RECOMMENDATION**

With no further leads or developments this case should be closed pending any new information:

DEPUTY INSECTOR GENERAL/COUNSEL: \_\_\_\_\_

*AM* 3/26/2009  
*JD*

