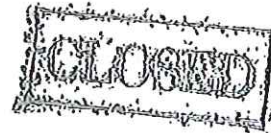


NATIONAL RAILROAD PASSENGER CORPORATION
OFFICE OF INSPECTOR GENERAL
OFFICE OF INVESTIGATIONS
CLOSING REPORT

DATE: June 30, 2009
TITLE: ██████████/Kickbacks
CASE NUMBER: 06-008
PREPARED BY: SrSA ██████████ *PAS*



ALLEGATION:

The Office of Inspector General, Office of Investigations (OIG-OI) received an allegation from an anonymous source that a ██████████ had received a motorcycle from an asbestos abatement contractor. The allegation was substantiated.

During the investigation of the motorcycle purchase, OIG-OI Agents also discovered that ██████████ or both had knowledge that the two companies submitting proposals on the Weehawken Substation project were owned by the same individual.

FINDINGS OF FACT:

During the investigation, OIG-OI Agents (Agents) conducted interviews with Engineering, Fire & Life Safety, Stumpy Yamaha, Unipro Inc. (Unipro) and Universal Contractors (Universal) personnel; obtained documentation from Engineering Structures, Fire & Life Safety, Procurement and Accounts Payable; and, issued subpoenas to Stumpy Yamaha and Unipro.

Motorcycle Purchase

OIG-OI Agents conducted an investigation and discovered that in May 2002, ██████████ purchased a Yamaha TTR-90 motorcycle for an Amtrak employee subsequent to submitting two (2) separate proposals to said Amtrak employee to obtain a service contract to perform work on the electrical building at the ██████████ Substation. During the investigation, OIG-OI Agents identified ██████████ ██████████, as the recipient of the Yamaha TTR-90 motorcycle. ██████████ is headquartered at ██████████

██████████ told OIG-OI Agents that ██████████ had asked him if he knew of a place to purchase a motorcycle for his ██████████ son. ██████████ told ██████████ that he ██████████ would search around the ██████████ area. After their initial conversation, ██████████

contacted [REDACTED] about the motorcycle. [REDACTED] told OIG-OI Agents that he and [REDACTED] drove separately to Stumpy Yamaha in [REDACTED] to purchase the motorcycle.

OIG-OI Agents identified two (2) separate bills of sale for the Yamaha TTR-90 motorcycle purchased by [REDACTED]. OIG-OI Agents discovered that both bills of sale were from Stumpy Yamaha located in [REDACTED]. OIG-OI Agents obtained documentation from Stumpy Yamaha that revealed on May 16, 2002, [REDACTED] purchased a Yamaha TTR-90 motorcycle for [REDACTED] and [REDACTED] paid for the TTR-90 motorcycle with a check. According to [REDACTED], documentation, [REDACTED] used [REDACTED] check # [REDACTED] to purchase the TTR-90 motorcycle from Stumpy Yamaha. Stumpy Yamaha documentation indicated that the TTR-90 motorcycle was delivered to [REDACTED]. [REDACTED] resides at the above mentioned address.

[REDACTED] admitted to OIG-OI Agents that [REDACTED] contacted him about concerns with the motorcycle purchase back in May 2002. [REDACTED] agreed to meet [REDACTED] and they returned to Stumpy Yamaha. According to [REDACTED], [REDACTED] explained his situation to a Stumpy Yamaha representative and [REDACTED] eventually obtained a new bill of sale for the motorcycle.

Subsequent to an interview with OIG-OI Agents, [REDACTED] produced a bill of sale from Stumpy Yamaha, dated May 16, 2002, for the purchase of a TTR-90 motorcycle. After comparing both bills of sale and noting inconsistencies with [REDACTED]'s document, OIG-OI Agents determined that [REDACTED]'s bill of sale, dated May 16, 2002, was the original bill of sale, while [REDACTED]'s bill of sale, dated May 16, 2002, was obtained from Stumpy Yamaha in June 2006, subsequent to an interview with OIG-OI Agents.

During an interview, [REDACTED] told OIG-OI Agents that he did not know how [REDACTED] paid for the motorcycle. [REDACTED] told Agents that he reimbursed [REDACTED] in cash for the full price of the motorcycle. OIG-OI Agents noted that [REDACTED] initially told OIG-OI Agents that he had purchased the motorcycle from a private owner for his son approximately four (4) years ago. [REDACTED] could not remember the make or model of the motorcycle purchase; however, he thought it was a Yamaha.

During an interview, OIG-OI Agents asked [REDACTED] if [REDACTED] had paid him any money towards the purchase of the motorcycle. [REDACTED] responded that [REDACTED] had not made any payments to him subsequent to the purchase of the motorcycle. [REDACTED] told Agents that he had asked [REDACTED] a few times about the money in 2002; however, [REDACTED] never paid any money and [REDACTED] eventually stopped asking [REDACTED] for the money.

Proposal Submissions:

OIG-OI Agents identified [REDACTED] as the principal owner of Unipro, Inc., an asbestos abatement company, and Universal Contractors, a general contracting company.

According to Procurement records, Unipro, Inc and Universal Contractors were the only two (2) proposals submitted to [REDACTED] for the electrical building asbestos abatement work. OIG-OI Agents noted that Unipro, Inc. submitted proposal # [REDACTED] dated May 7, 2002, to [REDACTED] in the amount of \$75,385 to perform asbestos abatement and general contracting work on the electrical building at the [REDACTED] Substation. The proposal was signed by [REDACTED] Universal Contractors submitted proposal # [REDACTED], dated [REDACTED], to [REDACTED] in the amount of \$86,550 to perform the same work on the electrical building at the [REDACTED] Substation. The proposal was signed by [REDACTED], [REDACTED]

Procurement records revealed that [REDACTED] prepared a Scope of Work document, dated May 16, 2002, for the [REDACTED] project and Unipro, Inc. had been recommended as the sole source contractor.

Procurement records revealed that [REDACTED] prepared a Material Requisition, dated May 16, 2002, for the [REDACTED] project and Unipro, Inc. had been suggested as the vendor of choice.

OIG-OI Agents noted that the date on the Scope of Work and the Material Requisition documents coincided with the purchase of the motorcycle on May 16, 2002.

Procurement records revealed that in August 2002, [REDACTED] discussed the requirements needed (i.e., company policy issues, environmental specifications, approved bidder's) to issue a Purchase Order for the [REDACTED] project. After being contacted by [REDACTED] personnel, [REDACTED] prepared and submitted a proposal to [REDACTED] in August 2002. OIG-OI Agents noted that Universal Contractors proposal # [REDACTED] was shipped from Postmark Plus to [REDACTED] on August 16, 2002, via Federal Express. OIG Agents also noted that Universal Contractors proposal # [REDACTED] was shipped from Postmark Plus to [REDACTED] on August 16, 2002, via Federal Express.

[REDACTED] told Agents that he used to own a mail and parcel business called Postmark Plus located in [REDACTED]. [REDACTED] sold the business in 2002. [REDACTED] told Agents that [REDACTED] was a customer when he owned Postmark Plus.

[REDACTED] told OIG-OI Agents that he was neither an employee of Unipro, Inc. nor an employee of Universal Contractors; however, he was a subcontractor to [REDACTED]. [REDACTED] had considered working as a Vice President for [REDACTED]; however, the opportunity never materialized. [REDACTED] could not recall when this opportunity was presented to him.

[REDACTED] told Agents that he would perform duties such as type proposals, prepare invoices or draft memorandums. [REDACTED] told OIG-OI Agents that he never conducted an estimate for a project. [REDACTED] told OIG-OI Agents that he could not recall signing any other proposals, invoices or memorandums for [REDACTED] as a subcontractor or Vice President. OIG Agents noted that Universal Contractors proposal # [REDACTED], dated August 16, 2002, was signed by [REDACTED] and addressed to [REDACTED].

Based on the questionable information and documentation [REDACTED] provided to [REDACTED], [REDACTED] issued Purchase Order # [REDACTED] dated September 11, 2002, to Unipro, Inc. to perform asbestos abatement work on the electrical building at the [REDACTED] Substation.

OIG-OI Agents noted that the Universal Contractors proposal # [REDACTED] was submitted in August 2002 to meet Procurement requirements (*i.e.*, approved bidders); however, it is unclear if [REDACTED] personnel contacted [REDACTED]. OIG-OI Agents noted that [REDACTED] either backdated the Universal Contractors proposal # [REDACTED] on his own or received instructions from [REDACTED] personnel.

OIG-OI Agents noted that [REDACTED] and [REDACTED], [REDACTED] - [REDACTED], were very familiar with Unipro, Inc. and Universal Contractors and both had knowledge that [REDACTED] owned both companies prior to the submission of the two (2) proposals.

RECOMMENDATIONS:

Management should:

1. Take appropriate action against [REDACTED] based on the Findings of Fact, specifically, his less than truthful explanation of the motorcycle purchase and his validation of the motorcycle purchase with an altered bill of sale.
2. Take appropriate action against Engineering personnel based on the Findings of Fact for the Universal proposal submission.
3. Instruct [REDACTED] personnel to follow Corporate Policies and Procedures, as well as Procurement Policies and Procedures, when submitting proposals.
4. Consider debarment of Unipro and Universal from any future Amtrak contracts.
5. Consider debarment of any other [REDACTED] companies from any future Amtrak contracts.

MANAGEMENT'S RESPONSE:

Engineering Senior Management brought administrative charges against [REDACTED] based on the Referral Report's Findings of Fact section. [REDACTED] had an administrative hearing. Subsequent to the administrative hearing, [REDACTED] Hearing

