

**NATIONAL RAILROAD PASSENGER CORPORATION
OFFICE OF INSPECTOR GENERAL
INVESTIGATIVE CLOSING REPORT**

TITLE: Waste

CASE NUMBERS: 08-067

DATE OF REPORT: July 25, 2008

REPORT PREPARED BY: [REDACTED] ("RA") JBN



BACKGROUND:

On May 20, 2008, the Office of the Inspector General, Office of Investigations ("IG"), received information from [REDACTED], [REDACTED], [REDACTED], that he had received invoices totaling \$9659.30 from an Alltech contractor, [REDACTED], seeking re-imbursement from Amtrak. [REDACTED] said although the invoices had been approved by [REDACTED], [REDACTED], he felt the expenditures were exorbitant, were not within the guidelines of the contract and were unsupported by documentation or explanation. The invoices included an international trip to Copenhagen/Sweden, and domestic trips to Los Angeles/San Diego and Las Vegas.

SUMMARY OF INVESTIGATION:

1. On June 12, 2008, the Agents received copies of the pertinent sections of the Alltech contract from Procurement. According to the contract these expenditures did not exceed the contract guidelines. Also on June 12, 2008, in an interview with [REDACTED], [REDACTED], [REDACTED], it was learned that the invoices had been returned to [REDACTED] for clarification and for additional documentation. [REDACTED] admitted to having a general knowledge of Amtrak's policy on travel expenses, but no knowledge of the policy requiring a company Vice President or Executive Committee member's approval for international travel. [REDACTED] was also unsure whether Amtrak's travel expense policy applied to contractors. [REDACTED] further admitted he had not read the Alltech contract.
2. On June 26, 2008, in an interview with [REDACTED], she stated their travel to Copenhagen and Sweden had been approved by [REDACTED], Vice President of [REDACTED]. [REDACTED] confessed she had omitted [REDACTED]'s name from the list of names of Amtrak employees going on the overseas trip, but stated the expense for the hotels, \$300 a night, was estimated appropriately. The Amtrak employees who accompanied [REDACTED] and [REDACTED] on these trips were identified as the [REDACTED], and included: [REDACTED], [REDACTED], [REDACTED].

[REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]. Also accompanying [REDACTED] and [REDACTED] was [REDACTED], [REDACTED] and [REDACTED].

[REDACTED] further provided the Agents with reasonable explanations for the expenditures and additional documentation, which included a list of the names of the people attending the hosted meals. [REDACTED] also stated that although she was the host of most of these meals, she was unable to pay for the meals as she does not have a corporate credit card or P-card. Therefore she requested that [REDACTED] pay for the meals. [REDACTED] did pay for the meals during their Las Vegas trip with her personal credit card. [REDACTED] said she has read the portions of the Alltech contract that pertains to her projects and that these expenses do not exceed the contract guidelines.

3. On July 21, 2008, the Agents interviewed [REDACTED]. As a consultant for Alltech, [REDACTED] said she prepares an expense report, which she submits to [REDACTED]. According to [REDACTED]'s approval is required before [REDACTED] can submit the expense report to Alltech. With [REDACTED]'s approval [REDACTED] submits the expense report to Alltech. [REDACTED] in turn prepares an invoice for re-imbursement to be submitted to Amtrak, which again goes to [REDACTED] for her approval. [REDACTED] said she has read Amtrak's policy on travel expenses and admitted that previous submissions had included expenses for alcohol, which she later removed from the invoices. [REDACTED] further admitted not being aware of the requirement of getting a Vice President or Executive Committee member to approve international travel. [REDACTED] said she has not read the Alltech contract.
4. Because of the discrepancies in [REDACTED]'s expense reports which were approved by [REDACTED] the RA examined the last five expense reports submitted by [REDACTED]. The RA found several incidences where [REDACTED] had double billed Amtrak for a total amount of \$81.40. [REDACTED] was also unable to produce receipts for meals totaling \$100.00.
5. On January 29, 2009, a management referral was sent to [REDACTED], [REDACTED], [REDACTED] with the following recommendations:
 - Management should ensure that [REDACTED] make restitution to Amtrak for the double billing mistakes in the amount \$81.40 and possibly \$100 for meals for which she provided no receipts.
 - Management should conduct training for employees who travel or are in an approval position for expense reports on Amtrak's Travel Policy and Reimbursable / Business Travel Expenses 11.48.0.

[REDACTED]

- o Management should consider issuing a corporate credit card or P-card, with the authorization to pay for hosted meals, to [REDACTED] so problems involving contractor travel expenses might be minimized.

6. On February 11, 2009, the RA received a written response from [REDACTED] in which he reported:

- o He had counseled [REDACTED] regarding policy and procedures for submitting expense reports. [REDACTED] wrote that [REDACTED] "understands the policy and has agreed to abide by it."
- o [REDACTED] will make full restitution in the sum of \$181.40 directly to Accounting.
- o [REDACTED] sent an e-mail to all of his direct report employees (a) highlighting key policies, (b) referring them to the policy detail, and (c) offering such training for either them or their employees².
- o [REDACTED] was asked if she wanted a corporate credit card issued to her, but she declined.

RECOMMENDATION:

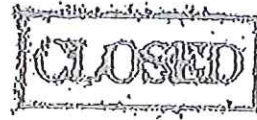
Based on the above facts case # 08-067 should be closed with no further action warranted pending receipt of additional information.

Supervisor: [REDACTED]

Date: 2/12/09

Deputy Inspector General / Counsel: [Signature]

Date: 2/19/2009



² A copy of the e-mail will be maintained in the case file.