

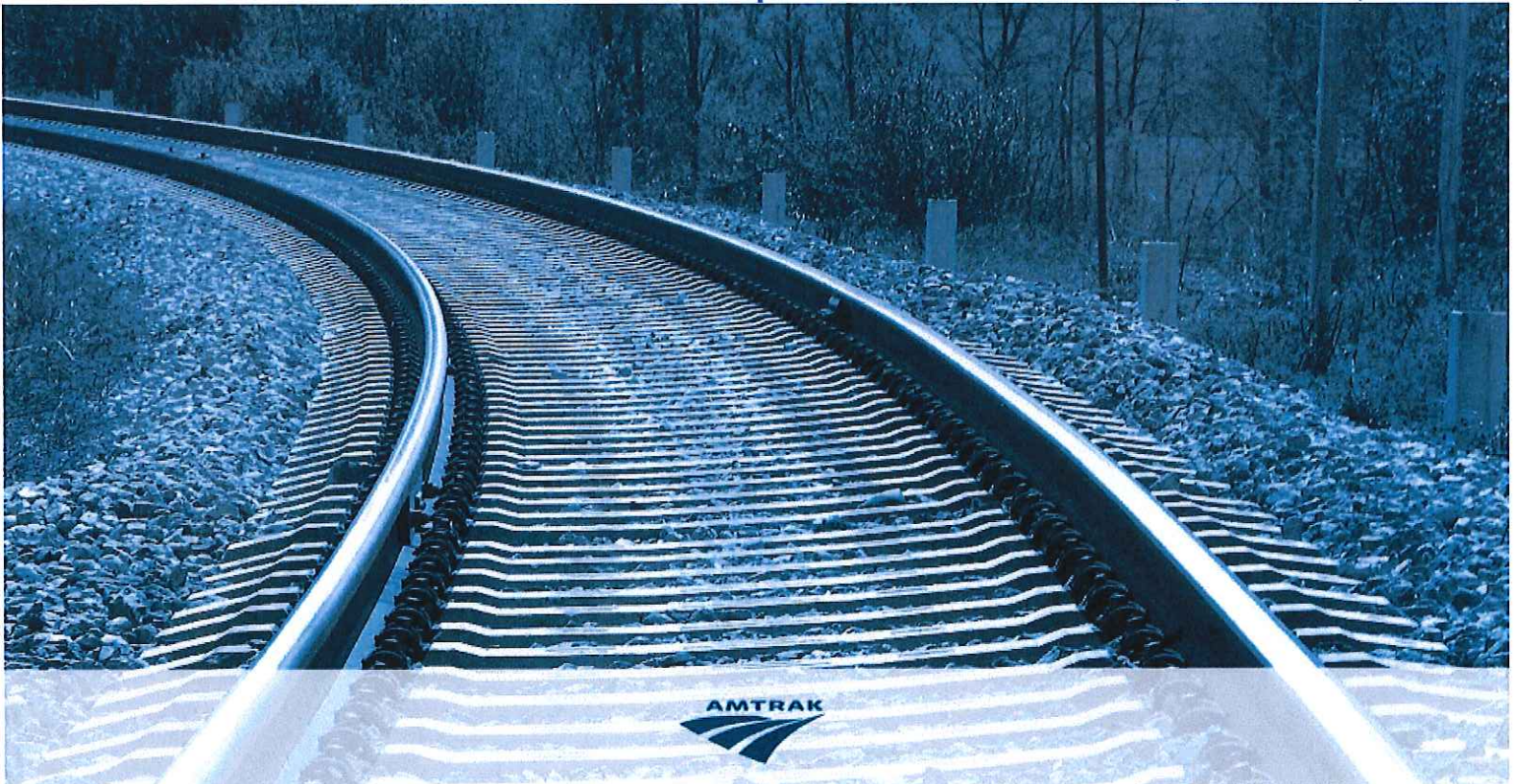


# AMTRAK

Office of  
Inspector General  
[www.amtrakoig.gov](http://www.amtrakoig.gov)

## **AMTRAK INVOICE REVIEW:** Internal Control Weaknesses Lead to Overpayments (Southern Pacific)


Report No. OIG-A-2013-007 | March 13, 2013





## Memorandum

**To:** Gordon Hutchinson, Acting Chief Financial Officer

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

**Date:** March 13, 2013

**Subject:** *Amtrak Invoice Review: Internal Control Weaknesses Lead to Overpayments (Southern Pacific)* (Report No.OIG-A-2013-007)

The Office of Inspector General (OIG) conducted this audit because of previously identified control weaknesses and the significant amount of money associated with Amtrak's on-time-performance incentive and services payments to host railroads. Over time, our office has identified over \$85 million in overpayments and potential recoveries disclosed in OIG audit reports issued since 1995. This does not include about \$1.2 million identified in this report, but does include over \$19 million in overpayments that have already been collected. This report is part of a series of OIG audits of payments to host railroads. (See Appendix I for a list of prior reports.)

The objective of this audit was to determine whether Southern Pacific Transportation Company's (the host railroad) invoices to Amtrak for services from January 1997 through December 1999 were accurate. While diesel fuel and fuel-handling services and on-time-performance incentives were also included on the same invoices, these items were not the subject of this review.<sup>1</sup> For a detailed discussion of our audit scope and methodology, see Appendix I.

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<sup>1</sup> These items were reported in *Southern Pacific Transportation Company (SP) Diesel Fuel and Fuel Handling January 1997–December 1999* (Report No. 505-2009, March 18, 2009) and *On-Time-Performance Incentives: Inaccurate Invoices were Paid* (Report No. OIG-A-2012-013, June 29, 2012).

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## SUMMARY OF RESULTS

Southern Pacific's invoices to Amtrak for services from January 1997 through December 1999 were inaccurate in 7 of the 19 service categories reviewed. The inaccuracies included charges that were not adequately supported, amounts that were not specifically allowed by the amendment agreement, and duplicated services. As a result, Amtrak overpaid the host railroad \$1,123,512 for *maintenance of* [REDACTED] and \$82,114 for other services, for the 36-month period. These overpayments are in addition to about \$107,000 in errors detected by Amtrak's invoice-review process.

The billing inaccuracies went undetected because, as previously reported,<sup>2</sup> Amtrak did not have in place an adequate invoice-review process during that period. We recommended improvements to the process, including new invoice-review policies and procedures. Earlier this year, we reported that Amtrak completed implementing those recommendations. We believe that the actions Amtrak has taken, if sustained, should improve the review process and help ensure that invoice errors are detected before payments are made. We are recommending that Amtrak's Acting Chief Financial Officer take action to recover the \$1,205,626 in overpayments. The Acting Chief Financial Officer agreed.

## OPERATING AGREEMENT

Since 1971, Southern Pacific Transportation Company<sup>3</sup> provided services to Amtrak for Amtrak's operation of intercity rail passenger service under an operating agreement. Over time the operating agreement had been amended through amendment agreements. Effective November 1, 1983, Amtrak and Southern Pacific entered into the Third Amendment Agreement. The amendment agreement provisions were further

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<sup>2</sup> *On-Time-Performance Incentives: Inaccurate Invoices were Paid Due to Long-standing Weaknesses in Amtrak's Invoice-Review Process* (Report No. 403-2010, April 21, 2011).

<sup>3</sup> Southern Pacific merged with Union Pacific Railroad Company on February 1, 1998. Union Pacific is responsible for Southern Pacific routes and the invoicing for services provided to Amtrak under Southern Pacific's operating agreement with Amtrak.

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amended by subsequent amendment agreement change records.<sup>4</sup> We reviewed and used the amendment agreement and applicable amendment agreement changes as the basis for determining the accuracy of the host railroad's invoices for services. As authorized by the Third Amendment Agreement, the host railroad submitted a monthly invoice for the services provided to Amtrak. Appendix III of the amendment agreement listed in summary form the authorized services that comprised the monthly charges to Amtrak, while appendix IV provided the cost details of the authorized services listed in appendix III.

## **INACCURACIES WERE FOUND IN SEVEN SERVICE CATEGORIES**

Southern Pacific's invoice amounts for services were not consistently accurate. We found inaccuracies in 7 of 19 service categories reviewed, including inaccuracies in *maintenance of* [REDACTED] totaling over \$1.1 million. Inaccuracies in the other six categories totaled over \$82,000. For these seven categories, the host railroad billed for (1) services without adequate supporting documentation, (2) amounts that were not specifically allowed by the amendment agreement, or (3) duplicated services. These billing inaccuracies, which are in addition to about \$107,000 in invoice errors detected by Amtrak's review process, equate to about 5 percent of over \$24 million<sup>5</sup> paid by Amtrak for services during the 36-month audit period.

Table 1 summarizes Southern Pacific's invoice inaccuracies for seven service categories.

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<sup>4</sup> An Amtrak official confirmed that the amendment agreement change records we used represent all amendments to the agreement that are applicable to the audit.

<sup>5</sup> The over-\$24 million in services payments excludes diesel fuel and [REDACTED] on-time-performance-incentive payments, and miscellaneous net credits to Amtrak.

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**Table 1. Southern Pacific's Service Categories having  
 Invoice Inaccuracies, January 1997–December 1999**

| Service Category                                  | Amtrak<br>Payment<br>Total | Amount<br>Overpaid | Invoice Inaccuracy  |
|---|----------------------------|--------------------|---|
| 1. Maintenance of<br>[redacted] <sup>a</sup>      | \$3,195,141                | \$1,123,512        | ➤ [redacted] costs not adequately supported; exceeded our reasonableness test for costs, based on amendment agreement changes |
| <b>Other Service Categories, Items 2–7</b>        |                            |                    |   |
| <b>Other Reimbursable<br/>Services, Items 2–5</b> | 1,036,157                  | 29,087             | ➤ Costs not consistent with amendment agreement changes   |
| 2. [redacted]                                     |                            |                    |   |
| 3. [redacted]<br>and Other<br>Expenses            |                            |                    |   |
| 4. [redacted]<br>Charges                          |                            |                    |   |
| 5. [redacted]                                     |                            |                    |   |
| 6. [redacted]                                     | 181,944                    | 28,249             | ➤ Duplicate charges   |
| 7. [redacted]                                     | 252,223                    | 24,778             | ➤ Costs not specifically allowed by amendment agreement changes   |
| <b>Subtotal, Other<br/>Service Categories</b>     | <b>\$1,470,324</b>         | <b>\$82,114</b>    |   |
| <b>Grand Total</b>                                | <b>\$4,665,465</b>         | <b>\$1,205,626</b> |   |

<sup>a</sup> Included in Amtrak's payment of over \$3.1 million was over \$240,000 for services in period prior to January 1997

Source: OIG analysis of Southern Pacific and Amtrak data, January 1997 through December 1999

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Amtrak did not detect these additional inaccuracies because, as previously reported,<sup>6</sup> it did not have in place an adequate invoice-review process during the audit period. We recommended improvements to that process, including new invoice-review policies and procedures. In February 2013,<sup>7</sup> we reported that Amtrak had completed implementing these recommendations. We believe that the actions Amtrak has taken, if sustained, should improve the review process and help ensure that invoice errors are detected before payments are made (see Appendix III for further discussion of this issue).

The following section and Appendix II discuss the inaccuracies found in these seven service categories.

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<sup>6</sup> Report No. 403-2010, April 21, 2011.

<sup>7</sup> *Amtrak Invoice Review: Undetected Inaccuracies Resulted in Overpayments* (Report No. OIG-A-2013-006, February 15, 2013).

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**Maintenance of [REDACTED] Services Were Not Adequately Supported**

Southern Pacific's invoices for *maintenance of [REDACTED]* contained \$1,123,512 in overpayments—about 35 percent of the \$3,195,141 paid by Amtrak for this service from January 1997 through December 1999. Table 2 summarizes the overpayment for this service.

| <b>Table 2. Maintenance of [REDACTED]</b> |                    |
|---|--------------------|
| <b>Overpayment</b>                        | <b>Total</b>       |
| Payment Total                             | \$3,195,141        |
| Audit Total                               | 2,071,629          |
| <b>Due Amtrak</b>                         | <b>\$1,123,512</b> |

*Source:* OIG analysis of Southern Pacific and Amtrak data, January 1997 through December 1999

Amtrak agreed to reimburse the host railroad [REDACTED] paid for [REDACTED] and related [REDACTED] for the maintenance of [REDACTED]. Under the applicable amendment agreement changes, the reimbursements for this item were limited to costs incurred in accordance with specified [REDACTED].

In our review of invoices and other supporting documents provided by the host railroad, we did not find source documentation, such as time records showing employees' entries of time worked, to support the host railroad's labor costs billed to Amtrak.<sup>8</sup> Further, the host railroad's labor summary reports did not provide sufficient detail to show that all hours incurred were chargeable to Amtrak. The host railroad was required to maintain supporting records related to services provided.

Since the host railroad did not provide adequate documentation to support its maintenance of [REDACTED] costs, we performed an analysis to determine the reasonableness of the host railroad's charges. In our analysis, we compared the host railroad's billed [REDACTED] against our calculated costs. To develop our maintenance of [REDACTED] costs, we used the [REDACTED] costs in the [REDACTED] table specified in the applicable amendment agreement changes<sup>9</sup> as our basis and considered other cost

<sup>8</sup> We identified a similar finding in a prior audit, *Southern Pacific Transportation Proposed Dollar Adjustments in Billing Statements* (Report No. 99-501, December 23, 1998), covering August 1993 through December 1996. In that audit, Southern Pacific did not provide any [REDACTED] to support maintenance of [REDACTED] costs billed for the item.

<sup>9</sup> In our review of applicable agreement amendment changes over the audit period, we noticed that the [REDACTED] levels and associated [REDACTED] charges remained the same between January 1997 and December 1999. The [REDACTED] table listed [REDACTED] costs for a specified number of [REDACTED]

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factors. We increased the [REDACTED] costs to account for additional [REDACTED]<sup>10</sup> and factored in yearly increases in [REDACTED] costs<sup>11</sup> to account for changes in year-to-year [REDACTED] costs during the audit period.

Our calculation showed that Amtrak should have paid about \$2 million in maintenance of [REDACTED] costs, rather than the over \$3.1 million billed by the host railroad.

### Invoice Inaccuracies in Other Service Categories

Appendix II contains more detailed discussions of the invoice inaccuracies in the other service categories— [REDACTED] and [REDACTED] and other expenses; use of [REDACTED] charges; [REDACTED] and [REDACTED]—which totaled \$82,114 in overpayments.

### RECOMMENDATION

We recommend that Amtrak's Acting Chief Financial Officer take action to recover the \$1,205,626 that Amtrak overpaid the host railroad for services.

### MANAGEMENT COMMENTS AND OIG ANALYSIS

In commenting on a draft of this report, management stated that the report provides useful information on which Amtrak management can take action. Management also indicated its intent to enter into appropriate conversations with Union Pacific once this report is issued. Specifically, management stated that the Managing Deputy General Counsel, on behalf of Amtrak's Transportation and Finance departments, will pursue any amounts that are recoverable under the law and within the terms of the applicable agreement between Amtrak and the host railroad. Additionally, management stated that it remains committed to making valuable improvements to the host railroad

<sup>10</sup> In correspondence dated September 13, 1996, from Amtrak Contract Management to Southern Pacific, Amtrak agreed to pay [REDACTED] costs associated with additional [REDACTED]

<sup>11</sup> We increased year-to-year [REDACTED] costs using the [REDACTED] Cost Index for [REDACTED]



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invoice-administration review process and has progressively improved the invoice-review process. Management's comments meet the intent of our recommendation.

Amtrak's memorandum commenting on the draft report is reprinted in its entirety as Appendix IV.

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**Appendix I**

**SCOPE AND METHODOLOGY**

This report provides the results of our review to determine the accuracy of Southern Pacific's services invoiced to Amtrak from January 1997 through December 1999. We performed our work from October 2009<sup>12</sup> through December 2012 in Los Angeles. We provided a draft of this report to Amtrak management on December 11, 2012, and requested a written response within 30 calendar days. Management provided its response. Certain information in this report has been omitted due to its confidential nature.

For the 36-month period from January 1997 through December 1999, Amtrak paid the host railroad over \$24 million<sup>13</sup> for services.

The authority to perform an audit of Southern Pacific's invoices is established in Section 5.2 (b) of the amendment agreement with Amtrak. This section allows Amtrak to audit and evaluate any payment relating to either financial or operational issues. Under Article V, Section 5.2 (c), the host railroad is required to maintain supporting accounting, operating, and mechanical department records and any other data related to the performance of services for Amtrak, and those records are to be made available for inspection and copying.

To determine if Southern Pacific's invoices for services were accurate, we performed substantive testing. First, we conducted a risk analysis of the 32 service categories invoiced. We judgmentally selected categories to review, taking into consideration risk factors such as highest dollar invoiced items, the potential for recovery, prior audit

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<sup>12</sup> This audit started in November 1999 with the intention of auditing on a sample basis, but the audit was delayed when Union Pacific insisted on a 100-percent review. [After a merger, Union Pacific became responsible for Southern Pacific's invoices to Amtrak; see footnote 3.] In December 2004 we presented the preliminary audit results to Union Pacific, but due to subpoena-related investigative work, we were unable to proceed with discussion of our audit findings until 2008. In February 2008 we again presented our preliminary audit results to Union Pacific, but no resolution of the audit findings was reached. In October 2009 we restarted the audit to finalize our work.

<sup>13</sup> The over-\$24 million in services payments excludes certain items; see footnote 5.

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reviews, the service category's complexity, and any significant one-time charges. Based on our risk analysis, we selected 19 service categories<sup>14</sup> for review.

In addition to these items, we included any prior period adjustments and exception notices<sup>15</sup> that affected the reviewed service categories. We reviewed the Third Amendment Agreement, effective November 1, 1983, and subsequent amendment agreement changes, to establish our criteria, focusing on amendment agreement appendices III and IV that list and detail service categories. We then reviewed relevant prior audit reports, such as OIG Report 99-501, which showed the audit results of our review of Southern Pacific's invoices prior to 1997; and OIG Report 401-2008, regarding management's internal controls over payments to the host railroad (see *Prior Coverage*, below).

We reviewed the host railroad's invoices and the documentation provided to support the invoices submitted to Amtrak. We compared the selected invoices against the host railroad's supporting documents and/or Amtrak records. Finally, we identified any inaccuracies and calculated the overpayment and/or underpayment amounts resulting from inaccurate host railroad invoices.

Our work was performed in accordance with generally accepted government auditing standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

## **Internal Controls**

We did not review Southern Pacific's internal control structure from March 1997 through January 2000, the time period during which it submitted its invoices. However, we performed and relied on substantive testing to determine the dollar amounts

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<sup>14</sup> Diesel fuel [REDACTED] and on-time-performance incentive costs were also selected as a result of our risk analysis. However, we did not include these items in this audit because the accounts were previously reviewed and included in separate audit reports.

<sup>15</sup> Exception notices are adjustments made to the current-period invoice amounts by Amtrak management prior to payment.

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attributable to errors invoiced by the host railroad. In addition, while we did not assess Amtrak's internal controls in its monthly invoice reviews, we did rely on our prior audit work, which had addressed the adequacy of those controls.

### **Computer-Processed Data**

We used computer-processed data contained in the hard copies of Amtrak's electronic records of Southern Pacific's invoices. To test the validity of the data, we compared Amtrak's records against the host railroad's invoices. We then compared the total amount paid on Amtrak's records against the total amount paid in the Accounts Payable module of Amtrak's Accounting Materials and Purchasing System<sup>16</sup> for a judgmental sample. Based on these tests, we concluded that the data were sufficiently reliable to be used in meeting the assignment's objective.

### **Prior Coverage**

Our review of prior Amtrak OIG reports found previously identified control weaknesses and significant dollar amounts associated with Amtrak's payments to host railroads. We reviewed the following reports and used information from them in conducting our audit:

*Amtrak Invoice Review: Undetected Inaccuracies Resulted in Overpayments* (Report No. OIG-A-2013-006, February 15, 2013). **Over \$2.1 million in overpayments found.**

*On-Time-Performance Incentives: Inaccurate Invoices were Paid* (Report No. OIG-A-2012-013, June 29, 2012). **Over \$1.4 million in overpayments found.**

*Amtrak Invoice Review: Inaccurate Invoices Were Paid, But Progress is Being Made to Improve the Invoice-Review Process* (Report No. OIG-A-2012-005, February 16, 2012). **Over \$700,000 in overpayments found.**

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<sup>16</sup> The system was a comprehensive set of software modules that support the accounting, inventory, and purchasing business functions. Material, supplies, and services were requested, ordered, received, and paid for through the system.

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*On-Time-Performance Incentives: Inaccurate Invoices were Paid Due to Long-standing Weaknesses in Amtrak's Invoice-Review Process (Report No. 403-2010, April 21, 2011). Over \$500,000 in overpayments found.*

*Southern Pacific Transportation Company (SP) Diesel Fuel and Fuel Handling January 1997–December 1999 (Report No. 505-2009, March 18, 2009). Over \$400,000 in overpayments found.*

*Host RRCA & Operations Management Controls (Report No. 401-2008, August 21, 2008).*

*Southern Pacific Transportation Corporation Proposed Dollar Adjustments in Billing Statements August 1993–December 1996 (Report No. 99-501, December 23, 1998). Over \$9 million in overpayments found.*

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**Appendix II**

## INVOICE INACCURACIES IN OTHER SERVICE CATEGORIES

### Other Reimbursable Services

Southern Pacific's invoices contained \$29,087 in inaccuracies for reimbursable services from January 1997 through December 1999. These categories included [REDACTED] and [REDACTED] and other expenses; [REDACTED] and [REDACTED] expenses. Amtrak agreed to pay amounts as specified in the amendment agreement for these services. Table 3 summarizes the overpayments found for these categories.

| Table 3. Other Reimbursable Service Categories | Payment Total      | Overpayment Total |
|--|--------------------|-------------------|
| [REDACTED]                                     | \$ 326,804         | \$ 4,206          |
| [REDACTED]                                     | 509,585            | 2,221             |
| [REDACTED]                                     | 179,712            | 17,872            |
| [REDACTED]                                     | 20,056             | 4,788             |
| <b>Total</b>                                   | <b>\$1,036,157</b> | <b>\$ 29,087</b>  |

*Source:* OIG analysis of Southern Pacific and Amtrak data, January 1997 through December 1999

The host railroad did not bill Amtrak according to the specified costs allowed by the amendment agreement. The cost differences resulted in \$29,087 in overpayments.

### **Oakland [REDACTED] Service**

Amtrak overpaid \$28,249 in Oakland [REDACTED]. According to the amendment agreement, [REDACTED] supplied to Amtrak equipment at the Oakland coach yard is reimbursed based on actual costs incurred. Table 4 summarizes the overpayments for [REDACTED].

| Table 4. [REDACTED] | Total            |
|---------------------|------------------|
| Payment Total       | \$ 181,944       |
| Audit Total         | 153,695          |
| <b>Due Amtrak</b>   | <b>\$ 28,249</b> |

*Source:* OIG analysis of Southern Pacific and Amtrak data, January 1997 through December 1999

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For the audit period, Amtrak paid the host railroad \$181,944 for [REDACTED] as billed in its June 1997 statement of charges. This was the only [REDACTED] charge paid by Amtrak for the audit period. Our review of the invoice and supporting documents provided by the host railroad revealed that Southern Pacific included [REDACTED] for December 1995 and January 1996 in its invoices. However, Amtrak had already paid for [REDACTED], which had been included in the host railroad's invoices for those months. Therefore, we question the \$28,249 in duplicate payments.

### ***Timetable Printing Services***

Amtrak overpaid \$24,778 for [REDACTED] services. According to the amendment agreement, Amtrak agreed to pay a portion of the [REDACTED] costs for third-party [REDACTED] shipping incurred due to schedule changes. [REDACTED] the audit period, Amtrak paid a one-time charge, totaling \$252,223, for [REDACTED] [REDACTED] services, in January 1999.

| <b>Table 5.</b>   |                  |
|-------------------|------------------|
|                   | <b>Total</b>     |
| Payment Total     | \$ 252,223       |
| Audit Total       | 227,445          |
| <b>Due Amtrak</b> | <b>\$ 24,778</b> |

*Source:* OIG analysis of Southern Pacific and Amtrak data, January 1997 through December 1999

Southern Pacific's invoice erroneously billed for services for *system* [REDACTED] and [REDACTED] *development* [REDACTED]. These services were not specifically allowed in the amendment agreement. Further, the host railroad did not provide any explanation or justification for including billings for these services. Table 5 shows the overpayment of \$24,778 due Amtrak for [REDACTED] services.

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**Appendix III**

**AMTRAK'S ACTIONS TO IMPROVE ITS  
INVOICE-REVIEW PROCESS**

Since 2008, we have made recommendations aimed at helping Amtrak improve its invoice-review process. A summary of our recommendations—and the company's responses—are detailed below.

In August 2008, we reported<sup>17</sup> that management controls over Amtrak's invoice-review process were inadequate and ineffective. The host railroad invoices consistently had errors that went undetected and the invoices were paid. As a result, Amtrak in many cases overpaid for incentives and services. We recommended improvements to the invoice-review process. Amtrak, in the last 6 months, has completed implementing these recommendations.

Specifically, we made recommendations with regard to the functions, responsibilities, and organizational structure of the two groups responsible for host railroad activities. Amtrak has restructured its organization. The group responsible for reviewing and approving payment of monthly host railroad invoices previously reported to the Vice President, Transportation. In October 2010, this group—now called the Host Railroad Invoice Administration (HRIA) group—began reporting to the Chief Financial Officer.

We also recommended that Amtrak develop and implement formal procedures that clearly define the invoice-review group's objectives and responsibilities. In response to our recommendation, Amtrak has implemented detailed procedures that clearly define the group's objectives and responsibilities.

We further recommended that Amtrak perform a real time, thorough, and complete review of railroad invoices prior to approving payment, and automate the invoice-review process. Amtrak has now begun performing real-time, thorough, and complete reviews of railroad invoices prior to payment. HRIA has increased its staff by three positions. Amtrak has also developed and implemented an HRIA checklist for the invoice-review process. The checklist holds employees accountable for making

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<sup>17</sup> *Host RRCA & Operations Management Controls* (Audit Report 401-2008, August 21, 2008).



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complete invoice reviews; it also provides managers with an understanding of the steps taken to review the invoice and any issues that prevent a full review from being performed. Additionally, group officers certify, by signing the checklist, that they have reviewed the appropriate documentation and recalculated the invoice prior to approving it for payment. Finally, HRIA has worked with the Information Technology Department to develop reports to facilitate a thorough and complete review of invoices prior to payment.

We believe that the actions Amtrak has taken, if sustained, should improve the review process and help ensure that invoice errors are detected before payments are made. At some future point, we will conduct a follow-up review of Amtrak's invoice-review process.

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**Appendix IV**

**COMMENTS FROM AMTRAK'S  
 ACTING CHIEF FINANCIAL OFFICER**

NATIONAL RAILROAD PASSENGER CORPORATION  
 40 Massachusetts Avenue, N.E. 20002

**Memo**



Date January 17, 2013

From *G. J. Hutchinson*  
 Gordon Hutchinson, Acting Chief  
 Financial Officer

To David Warren, Assistant Inspector  
 General, Audits

Department Finance

Subject Southern Pacific On-Time Performance  
 Incentives

cc William Herrmann, *Managing Deputy  
 General Counsel, Litigation*  
 Jean Dober, *Associate General Counsel  
 Litigation*  
 David A. Nichols, *Chief Transportation  
 Officer*  
 Paul Vilter, *Assistant Vice President  
 Host Railroads*  
 Bob Thomas, *Assistant Controller*  
 Melantha Paige, *Senior Audit Liaison*

This letter is in response to Office of Inspector General ("OIG") draft audit report number 502-2010 "On-Time Performance Incentives: Inaccurate Invoices Were Paid," dated December 11, 2012. The subject of the audit are service costs invoiced in the period January 1997 to December 1999 by Southern Pacific Transportation Company ("Southern Pacific" or "SP"), pursuant to the November 1, 1983 Third Amendment Agreement between Amtrak and Southern Pacific.

The OIG audit report provides useful information on which Amtrak management can take action. Management remains committed to making valuable improvements to the host railroad invoice administration review process and has progressively improved the invoice review process. With this information, the Managing Deputy General Counsel, on behalf of Amtrak's Transportation and Finance Departments, will pursue any amounts that are recoverable under the law and within the terms of the applicable Agreements between Amtrak and Southern Pacific, which is a predecessor entity of Union Pacific Railroad Company ("Union Pacific"). As soon as the final version of this report is issued, we will initiate appropriate conversations with Union Pacific and will keep the OIG apprised of our progress.



Management reserves the right to request redaction of all privileged and confidential information contained herein.

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**Appendix V**

**ABBREVIATIONS**

|      |                                      |
|------|--------------------------------------|
| HRIA | Host Railroad Invoice Administration |
| OIG  | Office of Inspector General          |
| RRCA | Railroad Contract Administration     |

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**Appendix VI**

**OIG TEAM MEMBERS**

|                     |                                  |
|---------------------|----------------------------------|
| See See Young       | Senior Director, Audits          |
| Anil Gunaratne      | Senior Auditor                   |
| Edgardo Carlos      | Senior Auditor                   |
| Trig Alonso         | Auditor                          |
| Michael P. Fruitman | Principal Communications Officer |

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**Amtrak Invoice Review: Internal Control Weaknesses**  
**Lead to Overpayments (Southern Pacific)**  
 Report No. OIG-A-2013-007, March 13, 2013

## OIG MISSION AND CONTACT INFORMATION

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| <b>Amtrak OIG's Mission</b> | The Amtrak OIG's mission is to provide independent, objective oversight of Amtrak's programs and operations through audits, inspections, evaluations, and investigations focused on recommending improvements to Amtrak's economy, efficiency, and effectiveness; preventing and detecting fraud, waste, and abuse; and providing Congress, Amtrak management, and Amtrak's Board of Directors with timely information about problems and deficiencies relating to Amtrak's programs and operations. |
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| <b>Obtaining Copies of OIG Reports and Testimony</b> | Available at our website: <a href="http://www.amtrakoig.gov">www.amtrakoig.gov</a> |
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| <b>To Report Fraud, Waste, and Abuse</b> | Report suspicious or illegal activities to the OIG Hotline (you can remain anonymous): |
|  | Web: <a href="http://www.amtrakoig.gov/hotline">www.amtrakoig.gov/hotline</a>          |
|  | Phone: 800-468-5469  |

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| <b>Congressional and Public Affairs</b> | E. Bret Coulson, Senior Director   |
|   | Congressional and Public Affairs   |
|   | Mail: Amtrak OIG<br>10 G Street, N.E., 3W-300<br>Washington, DC 20002              |
|   | Phone: 202.906.4134  |
|   | E-mail: <a href="mailto:bret.coulson@amtrakoig.gov">bret.coulson@amtrakoig.gov</a> |

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