

**American Recovery and Reinvestment Act:
Fewer Security Improvements than Anticipated Will be Made
and Majority of Projects Are Not Complete**

Audit Report No. 914-2010

June 16, 2011




**NATIONAL RAILROAD PASSENGER CORPORATION
OFFICE OF INSPECTOR GENERAL
10 G STREET, N.E.
WASHINGTON, D.C. 20002**



Memorandum

To: John O'Connor, Vice President and Chief of Police

From: David R. Warren 
Assistant Inspector General, Audits

Date: June 16, 2011

Subject: *Fewer Security Improvements than Anticipated Will Be Made and Majority of Projects Are Not Complete* [Report 914-2010]

Enclosed is our report entitled *Fewer Security Improvements than Anticipated Will Be Made and Majority of Projects Are Not Complete* (Report No. 914-2010). The objective of this audit was to review American Recovery and Reinvestment funded police and security projects to determine the extent to which planned security improvements were achieved.

Your response to our draft report can be found in Appendix I.

Thank you for your cooperation during the course of this audit. If you have any questions, please contact Michael Kennedy, Senior Director, at 202-906-4308 (michael.kennedy@amtrakoig.gov), or me at (202) 906-4372 (david.warren@amtrakoig.gov).

cc: DJ Stadtler, Chief Financial Officer
John Tewey, Deputy Chief, Corporate Security
Jessica Scritchfield, Principal Audit/Internal Controls Officer

Attachment

Amtrak Office of Inspector General
Fewer Security Improvements than Anticipated Will Be Made and Majority of Projects Are Not Complete
 Report No. 914-2010, June 16, 2011

Summary of Report 914-2010

Why OIG Performed This Audit

The American Recovery and Reinvestment Act of 2009 (ARRA) authorized the Federal Railroad Administration (FRA) to provide \$1.3 billion to Amtrak through a grant agreement. This agreement allocated about \$850 million for capital projects (the repair, rehabilitation, or upgrade of railroad assets or infrastructure), and about \$450 million for capital security projects, including life safety improvements. FRA retained about \$4.2 million for program oversight and we were allocated \$5 million for that purpose. The grant agreement required all projects to be completed by February 17, 2011 (as was the case with all Amtrak ARRA projects), and originally required Amtrak to take “extraordinary measures” before requesting a waiver to extend project completion beyond the deadline.

The Amtrak Police Department (APD) received funds under the capital security portion of the grant agreement to improve security at stations, around bridges and tunnels, and for some nationwide security projects. The APD ARRA budget is \$95.1 million.

Our objective was to review ARRA-funded police and security projects to determine the extent to which planned security improvements were achieved. This is one in series of reports we plan to issue on Amtrak’s use of Recovery Act funds.

What OIG Recommends

To avoid wasting \$1.7 million spent on canceled projects, we recommend that the Vice President/ Chief of Police give canceled ARRA projects priority when making future security improvement project selection decisions.

In commenting on a draft of this report, the Vice President and Chief of Police agreed with our recommendation and indicated that initial steps have been taken to utilize the designs from some canceled security projects.

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What OIG Found

ARRA funding enabled the Amtrak Police Department to make some security improvements, but the improvements will be fewer than originally planned and budgeted. Between April 2009 and November 2010, ARRA funding for police and security projects was cut by more than half, from \$196 million to \$95 million. This decrease caused 33 projects to be canceled, and the budget and scope of work for 16 additional projects was reduced (see table below). Funding was reduced primarily because the grant language drove project selection toward those that could be completed by the February 17, 2011, deadline, and in some cases bids were significantly higher than budgeted amounts. Amtrak spent about \$1.7 million on canceled APD projects. To the extent that these projects are not funded in the future, these funds are at risk of being wasted.

Changes to ARRA Police and Security Funding (dollars in millions)

| Category | Number of projects | Funding | |
|----------------------------------|--------------------|----------|---------|
| Original scope—April 2009 | 67 | | \$196.1 |
| Projects canceled | 33 | (\$49.1) | |
| Projects with reduced budgets | 16 | (82.2) | |
| Projects with increased budgets | 17 | 30.3 | |
| Project with no change in budget | 1 | | |
| Final scope | 34 | | \$95.1 |

Source: OIG analysis of Amtrak Police Department and Finance Department data

According to APD, just under one third of the 34 projects were complete and just over half of the \$95.1 million funding for police and security projects was spent as of February 28, 2011 (see table below). Based on our May 2010 recommendation, the grant agreement was amended in August 2010 to eliminate the “extraordinary measures” requirement before requesting a waiver to extend a project completion beyond the grant deadline. Between December 2010 and February 2011, the APD requested and received a waiver from FRA to extend the deadline from 2 to 6 months for 21 projects (see below); as a result, \$41.5 million was put to better use because Amtrak did not have to take actions that could increase the risk of waste and efficiency. Completion dates were extended primarily because of delays in awarding contracts due to higher than anticipated bids and other issues that arose during construction. For example, a project to provide security improvements around the Bear maintenance facility in Delaware was delayed 4 months because it took longer than expected to issue the solicitation and award a contract, along with labor problems that arose during construction.

Reported Status of Police and Security Projects as of February 28, 2011 (dollars in millions)

| Category | Number of projects | Funding | Expenditures |
|-----------------------------|--------------------|---------------|---------------|
| Projects completed | 13 | \$21.6 | \$18.1 |
| Waiver to extend completion | 21 | 73.5 | 32.0 |
| Total | 34 | \$95.1 | \$50.1 |

Source: OIG analysis of Amtrak Police Department and Finance Department data

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INTRODUCTION

On February 17, 2009, the President signed the American Recovery and Reinvestment Act of 2009 (ARRA) to preserve and create jobs and promote economic recovery, and to invest in transportation and other infrastructure to provide long-term benefits. The Recovery Act authorized the Federal Railroad Administration (FRA) to provide \$1.3 billion to Amtrak through a grant agreement. The grant agreement allocated \$850 million for capital projects for the repair, rehabilitation, or upgrade of railroad assets or infrastructure, and \$450 million for capital security projects, including life safety improvements.¹ Under the grant agreement, all projects were to be completed by February 17, 2011. The grant agreement also required Amtrak to take “extraordinary measures” before requesting a waiver to extend a project’s completion date. In May 2010, we reported that this requirement may have the unintended consequence of encouraging Amtrak to take actions that increase the risk of waste and inefficiency.² We recommended that Amtrak request the FRA amend the agreement to allow Amtrak to apply for a grant waiver in instances in which reasonable measures had failed to ensure that a project would be completed by the grant deadline. Amtrak management agreed with our recommendation and in August 2010, the FRA amended the grant agreement waiver provision to eliminate the extraordinary measures requirement.

Background

In April 2005, Amtrak entered into an agreement with the Department of Homeland Security to use Transportation Security Grant Program (TSGP) funds to perform an assessment of Amtrak facilities and critical assets. The assessment was performed by the Science Applications International Corporation in three phases from 2005 through 2008. It identified assets that would represent the greatest challenge to Amtrak if successfully interdicted, damaged, or destroyed. The assessment coincided with Amtrak’s Office of Strategic Security and Special Operations³ development of a security strategy that focused on securing and hardening facilities and identifying other

¹ FRA retained approximately \$4.2 million for program oversight, and the Office of Inspector General was allocated \$5 million.

² *Assessment of Project Risks Associated with Key Engineering Projects* (Report No. 912-2010, May 14, 2010).

³ In May 2009, the Office of Security Strategy and Special Operations was merged into the Amtrak Police Department.

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solutions to improve passenger safety. The Office of Strategic Security and Special Operations was in charge of corporate security at this time.

Since 2005, Amtrak has contracted with several other entities to develop and implement a range of security solutions. Based on these efforts and guidance from DHS, Amtrak's Office of Security Strategy and Special Operations produced a comprehensive security roadmap in 2008 that addressed deterrence, detection, prevention, response, and recovery priorities. These priorities were translated into the following initiatives:

- *Planning and Assessments*—Assessments and analytical tools to mitigate Amtrak's security risks.
- *Communications and Situational Awareness*—Solutions to enhance Amtrak's capabilities to plan for and respond to potential acts of terrorism and related incidents.
- *Infrastructure Protection*—Strategies to create setbacks consistent with federal standards for protection against vehicle-borne and improvised explosive devices and minimizing unauthorized access to assets; and installation of protective bollards, high-security fencing, closed-circuit television systems, blast curtains/Mylar film protection, and airborne particulate detection systems.
- *Training and Public Awareness*— Activities to familiarize Amtrak employees, customers, and stakeholders with security issues and Amtrak's security policies and programs.
- *Exercises*—Activities to test security initiatives, ensure compliance with security standards, and provide opportunities to enhance policies and programs.

To address these priorities, in 2010 APD developed a program management system, called the "Quilt," to assist managers in deciding which security improvement projects should be funded at each asset. Assets (stations) with high criticality were programmed for a higher level of security improvements, while stations with low ridership or less criticality were programmed for fewer security improvements.

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The grant agreement allocated \$446 million for security projects including life safety improvements. Approximately \$196.1 million was allocated for security projects and about \$250 million for life safety improvements. This report addresses the \$196.1 million allocated for security projects.

Prior to May 2009, the Office of Security Strategy and Special Operations managed the ARRA police and security program. In May 2009, this office was merged into the Amtrak Police Department and the newly formed Corporate Security Division became responsible for managing the ARRA police and security program. Prior to receiving ARRA funds, security improvement projects were funded under TSGP. Since 2005, Amtrak Police and Security has received approximately \$100 million in TSGP funding.

Objective

Our objective was to review ARRA-funded police and security projects to determine the extent to which planned security improvements were achieved. This is the second in a series of reports on Amtrak's ARRA program (see footnote 2). We also plan to issue a report on the status of ARRA-funded engineering projects.

FINDING AND RECOMMENDATION

FEWER SECURITY IMPROVEMENTS THAN PLANNED

ARRA funding enabled Amtrak to address some security risks, but fewer security improvements will be made using ARRA funds than originally planned and budgeted. ARRA funding for police and security projects was reduced by more than half, from \$196 million to \$95 million. This was primarily because the grant language drove project selection toward projects that could be completed by the February 17, 2011, deadline, and bids were significantly higher than budgeted amounts for some projects. APD reported that 13 of the 34 projects were complete and about \$50 million (53 percent) of the \$95 million in funding for police and security projects had been spent as of February 28, 2011. Based on our prior recommendation, the grant agreement was amended in August 2010 to less restrictive language regarding conditions for requesting a waiver to extend project completion beyond the grant deadline. APD requested and received a waiver from FRA to extend the deadline from 2 to 6 months for 21 projects; as a result, over \$41 million was put to better use because Amtrak did not have to take actions that could increase the risk of waste and efficiency.

Reprogramming of Funds Significantly Reduced Funding for Security Improvements

The decrease in funding resulted in 32 projects being canceled, and the budget and scope of work for 17 additional projects was reduced. The Police Department spent \$1.7 million on the canceled projects. APD participated with other Amtrak departments, in a Finance Department ARRA review process, to identify projects that were at risk of not being completed by the February 17, 2011 deadline. The purpose of the review process was to reprogram funds to other priorities selected by Amtrak leadership where the funds could be spent by the deadline. These reprogramming decisions were made before it was decided that waivers could be obtained to extend project completion beyond the February 17, 2011, deadline.

Table 1 shows the decrease in funding for police and security projects and the resulting differences in funding:

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**Table 1: Changes to Police and Security Funding
 (dollars in millions)**

| Category | Number of projects | Funding | |
|----------------------------------|--------------------|----------|---------|
| | | | |
| Original scope | 67 | | \$196.1 |
| Projects canceled | 33 | (\$49.1) | |
| Projects budget reduced | 16 | (82.2) | |
| Projects budget increased | 17 | 30.3 | |
| Project with no change in budget | 1 | | |
| Final scope | 34 | | \$95.1 |

Source: OIG analysis of Amtrak Police Department and Finance Department data

The canceled projects consisted of planned security improvements at rail stations, maintenance facilities, and access to bridges and tunnels.

APD planned to make security improvements at 24 rail stations. Examples of these improvements included (1) the installation of bollards around the perimeter of the stations to provide greater standoff protection; (2) installation of surveillance cameras that would be connected through an integrated video management system; (3) installation of airborne particulate-detection systems; and (4) development of a public awareness systems to warn of dangers and screen passengers for chemical, biological, radiological, or nuclear explosives. According to Police Department officials, projects at 12 stations with an estimated budget of \$28.7 million were canceled, as follows:

- Projects at seven stations in the West with a budget of \$16.8 million were canceled because Amtrak did not own the stations and negotiations with the station landlords were not proceeding quickly enough to enable the security improvements to be completed by February 17, 2011.
- Projects at four stations in the Northeast with a budget of \$9.4 million were canceled because an agreement could not be negotiated with the property management at three stations to enable the projects to be completed by the deadline and, at another station, because of archeological and state historic preservation requirements.
- A project at one station in the Midwest with a budget of \$2.5 million was canceled because agreements could not be reached with station landlords to enable projects to be completed by February 17, 2011.

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APD initially planned 18 projects to improve security around access to bridges and tunnels. These improvements included installing hardware and alarm systems, high-security fencing, surveillance cameras, and airborne particulate-detection systems. However, 13 of these projects with an estimated budget of \$14.5 million were canceled. According to Police Department officials, two of these projects were canceled because the bridges were scheduled to be replaced within 5 years. APD plans to include security improvements when the bridges are eventually replaced. The remaining eleven projects were canceled because the bids far exceeded the budget and the limited availability of force protection staff and track time to complete the projects. For example, the Police and Security budget for security improvements around a bridge in the New York Division was \$1.6 million, but the bids ranged from \$2.8 million to \$4.8 million. APD officials believed the bids were unreasonable and canceled the project.

Finally, APD also planned projects to improve security around nine maintenance facilities. These improvements included installing hardware and alarm systems, high-security fencing, surveillance cameras, and airborne particulate-detection systems. However, five of the projects, with an estimated budget of \$4.8 million were canceled because they could not be completed by the ARRA deadline due to space constraints for additional construction workers based on other ARRA engineering projects at these facilities.

APD spent approximately \$1.7 million on the preliminary design for 30 projects that were canceled. For example, approximately \$399,000 was spent on project design for security improvements at another bridge in the New York Division, and approximately \$113,000 on project design for security improvements at bridge in the Midwest Division. APD officials stated that a 30-percent design was received for all the canceled projects, which can be used if the projects are funded in the future. These funds are at risk of being wasted if projects are not completed.

Projects Reduced in Scope

The budget for 16 security improvement projects was reduced by about \$82.2 million. National projects—whose scope affected a wide range of employees or locations—accounted for approximately \$71.1 million (86 percent) of this decrease. The remaining \$11.1 million reduction occurred in projects to improve security at specific stations or around bridges and tunnels.

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In April 2009, the Police Department developed a \$51 million ARRA project to provide a video-based intrusion-detection system along the station perimeter and rail track leading to two stations in the Northeast, one station in the Midwest, and one station in the West. However, the budget was reduced to only about \$5 million (10 percent of the original amount) over concern that the scope of the project was too large, the project could not be completed by the deadline, and the future operational and maintenance cost would be cost prohibitive. As a result of these reductions, the project will now provide a video-based intrusion-detection system along the rail track leading to only one station in the northeast; it will also consolidate this station's closed-circuit television systems.

In another case, the Police Department planned a \$27-million project known as Pantheon. Its purpose was to provide a set of technological solutions to enhance security in the rail environment. The project originally consisted of the following three components:

- *Atlas*—conducting engineering assessments of structural designs for stations, rail structures, and tunnels to identify the risks of catastrophic consequences from a terrorist attack;
- *Nanite*—using technology to monitor concrete for structural damage; and
- *Nemesis*—designing and pilot-testing deployment of a nuclear- and radiological-detection network at stations and on luggage cars, to prevent exploitation of intercity rail as a means of delivering a weapon.

The project was envisioned to cover 30 to 40 locations and about 230 linear miles of track, depending on design and configuration.

In February 2010, the Police Department reduced the project budget by \$10 million and the Nanite component was eliminated and in August 2010, the budget was reduced by another \$4 million by eliminating the Nemesis component. According to APD, these components were eliminated because they involved experimental technologies that were not developing as fast as anticipated. As a result, the project will now provide single point of failure assessment for 39 locations that will be used to determine hardening techniques at these locations.

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Finally, the budget for security improvement projects at eight stations was decreased by \$8.9 million. For example, one New England Division station originally had a budget of \$2.4 million to install blast curtains; Mylar; bollards and fencing; security cameras; airborne particulate detection systems; heating, ventilation, and air conditioning analysis mitigation; and pedestrian flow modeling. According to APD officials, the project's scope was reduced because the bids were significantly higher than the budget. The bids ranged from \$4 million to \$4.5 million. In August 2010, the APD reduced the project's scope to the installation of security cameras and adjusted the budget to \$550,000.

**Most Police and Security Projects
 Not Completed by Deadline**

APD data shows that 13 police and security projects with a budget of \$21.6 million were completed by February 17, 2011. However, the scope of many of these projects was significantly reduced to enable the projects to be completed by the deadline. Between December 2010 and February 2011, as mentioned, the APD requested and received waivers from FRA to extend the deadline from 2 to 6 months for the remaining 21 projects. Project completion dates were extended primarily because of delays in awarding contracts due to higher than anticipated bids and various issues that arose during construction.

As seen in Table 2, Amtrak Police Department reports spending \$50.3 million or 53 percent of the budget for police and security projects as of February 28, 2011. Finance Department officials noted that actual expenditures will be higher because some projects were completed in February and Amtrak has not yet been billed for the work.

Table 2: Status of Police and Security Projects as of February 28, 2011
(dollars in millions)

| Project category | Number of projects | Budget | Reported Expenditures^a | Remaining funds |
|---------------------------|---------------------------|---------------|--|------------------------|
| Completed | 13 | \$21.6 | \$18.1 | \$3.5 |
| Waiver to extend deadline | 21 | 73.5 | 32.0 | 41.5 |
| Total | 34 | \$95.1 | \$50.1 | \$45.0 |

Source: OIG analysis of Amtrak Police Department and Finance Department data

Note: ^aExpenditures does not include project costs in the work in process account as of February 28, 2011.

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Although 13 projects were completed by the ARRA deadline, the scope of nine of these was reduced, enabling them to be completed by the deadline.

Two examples illustrate how projects were reduced in scope to meet the deadline. At stations in the Midwest and New England Divisions, plans had been made to spend \$2.4 million to \$2.5 million to improve security. This would have entailed installing blast curtains, bollards, airborne particulate-detection system—and signs to increase public awareness in the event of a terrorist attack. After cutting funding to a total of \$250,000-\$500,000 per project, only signs were installed at the station in the Midwest Division and security cameras at the station in New England Division.

Waivers to Extend Completion Date Received for Many Projects

Between November 2010 and February 2011, the APD Department requested and received waivers from FRA to extend the completion date for 21 projects that could not be completed by the grant deadline. As a result, \$41.5 million in funding will be put to better use because Amtrak did not have to take actions that could increase the risk of waste and efficiency. As mentioned, according to APD, estimated completion dates for projects were extended largely due to issues that arose during construction. Three examples of projects with approved deadline waivers and extended completion dates follow.

- *Security Improvements at Mid-Atlantic Division Station*— This project was delayed because of an issue that arose during construction. In January 2011, APD was notified that the existing door locks and card readers were not compatible with new equipment that had been installed and that some hardware for the closed-circuit television was missing. As result, the project completion date was extended by 2 months to correct the problems. This project has a budget of \$2,025,000; through February 28, 2011, a total of \$1,245,074 had been spent (61 percent).
- *Security Improvements at New England Division Station*— This project was initially delayed because contractor bids were much higher than the authorized budget. In May 2010, APD awarded the work to a contractor having an open purchase order.⁴ However, the project was further delayed in January 2011 when the contractor

⁴ An open purchase order is an order that has been issued to a contractor against which purchases can be made for a specific time period.

determined that the electrical power was deemed insufficient to support the security cameras on the platforms and in the station, and that additional material had to be purchased. The project completion date was extended by 3 months. The project's budget is \$1,150,000, of which \$816,473 had been spent through February 28, 2011 (71 percent).

- *Security Improvements at Mid-Atlantic Maintenance Facility*— The project was initially delayed 5 months because it took longer than expected to negotiate a contract. After construction started, Amtrak's in-house workforce began evaluating the work it could perform. It took 4 months to resolve this issue which resulted in a revised construction schedule that extended the completion date 4 months. The project has a budget of \$5,075,000; the amount spent through February 28, 2011, was \$1,966,918 (39 percent).

CONCLUSIONS

ARRA funding enabled the Amtrak Police Department to address some security risks, but significantly fewer security improvements will be made than originally planned and budgeted. The initial focus on projects that could be completed by the ARRA grant deadline resulted in significant reductions in funding for Police and Security projects. Amtrak senior management decided toward the end of the grant agreement period to request waivers to extend the estimated completion for projects that were not going to be finished by the grant deadline. As a result, some funds are at risk of being wasted to the extent that designs for canceled projects are not used in the future.

RECOMMENDATION

To avoid wasting \$1.7 million spent on canceled projects, we recommend that the Vice President/Chief of Police give priority to canceled ARRA projects in selecting projects to fund with Department of Homeland Security grant funding.

MANAGEMENT COMMENTS AND OIG ANALYSIS

In commenting on a draft of this report, Amtrak's Vice President and Chief of Police agreed with our recommendation and indicated that initial steps have been taken to utilize the designs from some canceled security projects. If implemented, Amtrak's cited actions will be responsive to our recommendation. Technical comments were also provided and included in this report where appropriate. Amtrak's comments are reprinted in Appendix I.

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Appendix I

**COMMENTS FROM AMTRAK'S
VICE PRESIDENT AND CHIEF OF POLICE**

NATIONAL RAILROAD PASSENGER CORPORATION
60 Massachusetts Avenue, NE, Washington DC 20002
tel 202 906.3042 fax 202 906.3090

Memo



| | | | |
|------|------------------------------|------------|--|
| Date | June 3, 2011 | From | John J. O'Connor  Vice President and Chief of Police |
| To | Ted Alves, Inspector General | Department | Amtrak Police Department |
| | | Subject | OIG ARRA Report No. 914-2010 |
| | | cc | DJ Stadtler, Jessica Scritchfield David Warren, Michael Kennedy |

Message

This letter is in response to the Office of Inspector General ("OIG") report relative to the American Recovery and Reinvestment Act, report # 914-2010.

The Amtrak Police Department (APD) has reviewed the draft audit report for security related ARRA projects and provides the following response:

The Amtrak Police Department (APD) agrees with the recommendation outlined in the OIG audit report regarding ARRA-funded police security projects, and has taken initial steps to utilize \$1.7 million that was spent on designs for security projects that were canceled due to the required February 17, 2011 completion date.

Recommendation: To avoid wasting \$1.7 million spent on canceled projects, we recommend that the Vice President/Chief of Police give canceled ARRA projects priority when making future security improvement project decisions.

The \$1.7 million dollars identified in the audit resulted in the development of infrastructure protection design specifications, including access control, target hardening, and CCTV installation. The APD had always planned to utilize these ARRA developed designs by completing the projects with future TSGP funding. In fact, project progress has begun on 10 of the 33 projects involving a budget of \$7 million and is anticipated to be complete in fiscal year 2012. Additionally, funding has been identified for 19 of the 33 projects involving a budget of \$11 million and projects will be started or completed in fiscal year 2013. The remaining 4 projects (4 tunnels) are currently unfunded. An estimated cost of securing the tunnels is approximately \$25 million.

It must be noted, however, that the ability for APD to move forward with implementing all of these security improvements using the design specifications created and providing a specific target completion date, is contingent upon several factors including, but not limited to: the specific nature of the security improvement and its association with established risk ranked infrastructure priorities across all Amtrak assets, resource availability including staffing, labor clearances, track outages, etc., and the continuing availability and allocation of funds.

Appendix II

SCOPE AND METHODOLOGY

This audit covers 34 ARRA-funded police and security projects with a budget of \$95.1 million (see Appendix III for a complete list of projects). We performed this audit from August 2010 through April 2011, in accordance with generally accepted government auditing standards. Those standards require that we plan and perform our work to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on the objectives. We believe that the evidence obtained during this audit provides a reasonable basis for our findings and conclusions based on our audit objectives.

To determine the extent to which planned security improvement were achieved, we analyzed changes to the ARRA-funded police and security projects from the time the grant agreement was signed in March 2009 through December 2010. We interviewed officials in Amtrak's Police Department to identify reasons why projects were canceled, as well as why project budgets increased or decreased. We obtained data from the Police Department on funds spent on canceled projects. We reviewed the project status reports for each project, and the documentation regarding Amtrak Police Department waiver requests to extend the completion date for projects. We also interviewed project managers to identify reasons why projects could not be completed by the ARRA deadline. We obtained data on actual expenditures by project as of February 28, 2011, from the Amtrak Finance Department.

Use of Computer-Processed Data

We utilized computer-processed reports to obtain budget and expenditure data on all Police and Security projects. These data represent the actual expenditures as reported to FRA. We did not validate these numbers but relied on the data based on a general and application review of financial systems performance as part of the financial statement audit performed by Amtrak's external auditors.

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Internal Controls

We reviewed Amtrak Police Department's internal controls related to project budgeting, planning, and implementation. We evaluated these controls by determining the status of all projects and the process for making changes to project scope and budget.

Prior Coverage

Assessment of Project Risks Associated with Key Engineering Projects (Report No. 912-2010, May 14, 2010).

Opportunities and Challenges Facing Amtrak in FY 2011 and Beyond, Statement of Ted Alves, Inspector General, National Railroad Passenger Corporation, before the Subcommittee on Transportation, Housing and Urban Development, and Related Agencies, Committee on Appropriations, United States Senate, April 29, 2010.

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Appendix III

ARRA-FUNDED POLICE AND SECURITY PROJECTS

The following table shows project budgets, reported expenditures, and whether the project was completed or a waiver granted to extend the completion date.

Table 3: Status of Police and Security Projects as of February 28, 2011

| Project | Budget (\$000) | Expenditures (\$000) | Status | |
|---|-------------------|-------------------------|-----------|---------------------------------|
| | | | Completed | Waiver to extend deadline |
| Pantheon | \$13,000 | \$11,574 | X | |
| Police equipment modernization | 12,950 | 10,157 | | X |
| Project management | 7,859 | 1,658 | | X |
| Security improvements—Northeast Division station | 6,000 | 1,850 | | X |
| Virtual fence, Mid-Atlantic Division station | 5,990 | 1,946 | | X |
| Security improvements, Mid- Atlantic maintenance facility | 5,075 | 1,967 | | X |
| Security improvements—Mid- Atlantic maintenance facility | 4,066 | 1,847 | | X |
| Enhanced employee ID card | 4,000 | 1,141 | | X |
| Secure network and incident management | 4,000 | 541 | | X |
| Canine team training | 3,900 | 2,114 | | X |
| Security improvements—New England Division maintenance facility | 3,580 | 192 | | X |
| Security improvements—Mid- Atlantic Division station | 3,315 | 2,139 | | X |
| Security improvements—Mid- Atlantic maintenance facility | 2,705 | 1,175 | | X |
| Security improvements—Northeast Division station | 2,249 | 1,290 | | X |
| Security improvements—Mid- Atlantic station | 2,025 | 1,245 | | X |
| Supervisory Control and Data Acquisition | 1,808 | 764 | X | |
| Security improvements—Mid- Atlantic Division station | 1,300 | 1,581 | X | |

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| Project | Budget (\$000) | Expenditures (\$000) | Status | |
|---|-----------------------------|-------------------------|-----------|---------------------------------|
| | | | Completed | Waiver to extend deadline |
| Security improvements—Mid-Atlantic Division station | 1,190 | 1,056 | X | |
| Security improvements—Traction Power Office | 1,155 | 509 | | X |
| Security improvements—New England Division station | 1,150 | 816 | | X |
| Security improvements—Southern Division maintenance facility; and Western Division maintenance facility | 1,100 | 31 | | X |
| Security improvements—New England Division station | 950 | 458 | | X |
| Security improvements— CNOC ^a and CETC ^a facilities | 905 | 436 | X | |
| Security improvements—Mid-Atlantic Division bridge | 855 | 388 | | X |
| Security improvements—Northeast Division bridge | 800 | 738 | X | |
| Security improvements—Mid-Atlantic Division bridge | 580 | 537 | | X |
| Security improvements—CETC ^a facility | 577 | 609 | X | |
| Security improvements—Mid-Atlantic Division station | 559 | 635 | X | |
| Security improvements—New England Division station | 550 | 425 | X | |
| Security improvements—Northeast Division station | 250 | 238 | X | |
| Security improvements—Midwest Division station | 250 | 13 | X | |
| Security improvements—Midwest Division station | 250 | 27 | X | |
| Security improvements—CETC ^a facility | 50 | 17 | X | |
| Security improvements—Northeast Division bridge | 50 | 3 | | X |
| Total | \$95,043^c | \$50,117 | 13 | 21 |

^a CNOC—Consolidated National Operations Center

^b CETC—Centralized Electrification and Traffic Control

^c \$50,000 from a canceled project had not been reallocated to another project when we completed our work

Source: Amtrak Police Department and Finance Department.

Amtrak Office of Inspector General
**Fewer Security Improvements than Anticipated Will Be
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Report No. 914-2010, June 16, 2011

Appendix IV

ABBREVIATIONS

| | |
|------|--|
| APD | Amtrak Police Department |
| ARRA | American Recovery and Reinvestment Act of 2009 |
| DHS | Department of Homeland Security |
| FRA | Federal Railroad Administration |
| OIG | Office of Inspector General |
| TSGP | Transportation Security Grant Program |

Amtrak Office of Inspector General
**Fewer Security Improvements than Anticipated Will Be
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Appendix V

OIG TEAM MEMBERS

This report was prepared and the review conducted under the direction of Michael Kennedy, Senior Director, Audit. Staff members who conducted the audit and/or contributed to the report include:

David Burrell

Michael P. Fruitman

John Weinle

Roy Wiegand

OIG MISSION AND CONTACT INFORMATION

Amtrak OIG's Mission

Amtrak OIG's mission is to

- conduct and supervise independent and objective audits, inspections, evaluations, and investigations relating to Amtrak programs and operations;
- promote economy, effectiveness, and efficiency within Amtrak;
- prevent and detect fraud, waste, and abuse in Amtrak's programs and operations;
- review security and safety policies and programs; and
- review and make recommendations regarding existing and proposed legislation and regulations relating to Amtrak's programs and operations.

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Congressional Affairs & Public Relations

E. Bret Coulson
Congressional Affairs and Public Relations

Mail Amtrak OIG
10 G Street, N.E., 3W-300
Washington, DC 20002

Phone: 202-906-4134

Email: bret.coulson@amtrakoig.gov
