




## Memorandum

**To:** Swati Sharma  
Acting Chief Financial Officer

**From:** Stephen Lord   
Assistant Inspector General, Audits

**Date:** February 26, 2019

**Subject:** Engagement Memo— Audit of the Financial Impact of the Company's On-Time Performance (Project code 007-2019)

Pursuant to the Conference Report (H.R. Rep. No. 116-9) accompanying the Consolidated Appropriations Act of 2019 ("Act"),<sup>1</sup> we are initiating an audit of the financial impact of Amtrak's (the company) on-time performance. The Conference Report directs us to update a 2008 Department of Transportation Office of Inspector General report titled "Effects of Amtrak's Poor On-Time Performance"<sup>2</sup> no later than 240 days after the enactment of the Act.

Our objective is to assess the company's efforts to quantify the revenue and cost impacts of on-time performance. During the audit, we plan to analyze documents and data related to the company's on-time performance, and interview cognizant officials. We will request this information as our work progresses. We will work to minimize the impact of the audit by coordinating interviews and observations with company offices and staff in advance. We may also potentially examine other issues regarding the company's efforts to improve on-time performance as well as mitigate its financial impacts during the course of this review.

Our work will be performed in accordance with generally accepted government auditing standards. Our interactions with the company will be consistent with P/12.1.3, which sets forth the relationship between our office and the company.

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<sup>1</sup> Consolidated Appropriations Act of 2019, Pub. L. No. 116-6 (Feb. 15, 2019).

<sup>2</sup> Department of Transportation Office of Inspector General, *Effects of Amtrak's Poor On-Time Performance*, CR-2008-047, March 8, 2008.

In particular, section 7.0 of the policy discusses coordination between company officials and our office of audits. To view this policy, see <http://wiki.corp.nrpc/display/APIM20/2.0+Inspector+General>

We request that your office arrange an entrance conference for us with the appropriate company officials at the earliest possible date. Because we are on a tight reporting timeline, we plan to reach out to departmental personnel immediately to begin our audit work. We will keep you advised of the status of our work and any material changes in our objective, should they occur.

David Grossman will be the audit manager for this engagement and reports to Leila Kahn, Senior Director – Audits. If you have any questions, please contact me at (202) 906-4600 ([stephen.lord@amtrakoig.gov](mailto:stephen.lord@amtrakoig.gov)), Jason Venner, Deputy Assistant Inspector General – Audits at (202) 906-4405 ([jason.venner@amtrakoig.gov](mailto:jason.venner@amtrakoig.gov)), or Leila Kahn at (202) 906-4325 ([leila.kahn@amtrakoig.gov](mailto:leila.kahn@amtrakoig.gov)).

cc: Stephen Gardner, Sr. Executive Vice President/Commercial, Marketing, & Strategy  
Eleanor Acheson, Executive Vice President/General Counsel & Corporate Secretary  
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