



OIG identifies fraud risks facing Amtrak as it expands into large acquisitions and infrastructure programs

For Immediate Release
May 17, 2023

WASHINGTON – Amtrak’s Office of Inspector General released a report today outlining fraud risks Amtrak could face as it leverages significant federal investments for major acquisitions and capital projects.

According to the report, historic levels of federal funding from the Infrastructure Investment and Jobs Act will, in part, advance the company’s long-term, large-scale infrastructure goals and significantly expand its traditional passenger rail operations mission to now include a major capital delivery mission. The sheer size and nature of this expansion will, however, increase the company’s fraud risk, the report said.

The report identified four high-risk fraud areas the company faces: contracts and procurements, health care, employee wrongdoing, and cybercrime. It includes examples of how such fraud manifests, and potential fraud mitigations for consideration. For example, the OIG’s prior work exposed contract steering and bid rigging schemes, overcharging by contractors, schemes in which employees conspired with doctors to bill Amtrak’s health care plan, employee theft, and cybercrimes involving Amtrak’s e-voucher program.

To develop the report, the OIG leveraged its experience from 99 fraud-related investigations and 22 audits conducted since 2017, as well as industry research on fraud schemes and best practices to prevent and detect fraud.

The OIG credits Amtrak for establishing its Integrated Risk and Compliance Program (IRCP) to monitor fraud risks and establish capabilities to proactively identify fraudulent activity. The report notes that the IRCP could bolster Amtrak’s enterprise-wide fraud defenses, a culture of integrity, and employee awareness of fraud schemes and indicators.

For its part, the OIG committed in the report to “aggressively continuing [its] oversight mission, which includes actively investigating and prosecuting fraud cases, identifying opportunities to improve related internal controls, and proactively sharing [its] insights on fraud risks for company consideration.”

Reports of fraud, waste, or abuse; criminal or unethical acts affecting Amtrak’s property or operations; or mismanagement in Amtrak programs or operations can be made 24 hours a day via the Amtrak OIG Hotline at 1-800-468-5469 or online at <https://direc.to/hPAu>.

More information is included in the full report which can be downloaded on the OIG’s website: <https://direc.to/jQdU>.

-###-