

SEMIANNUAL REPORT

TO THE UNITED STATES CONGRESS

April 1, 2021 – September 30, 2021 | #64



OFFICE of INSPECTOR GENERAL
NATIONAL RAILROAD PASSENGER CORPORATION



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“Work this period continued to focus on opportunities to increase the effectiveness and efficiency of Amtrak’s programs and operations, while making every effort to detect and deter instances of fraud, waste, and abuse.”



Kevin H. Winters | *Inspector General*

FROM THE INSPECTOR GENERAL

I am pleased to submit the Amtrak Office of Inspector General Semiannual Report to the United States Congress for the six months ending September 30, 2021. For the past six months, Amtrak continued its recovery after its ridership plunged—losing 97 percent at one point—at the onset of the coronavirus pandemic. During this reporting period, however, ridership has significantly returned, and Amtrak appears to be at an inflection point in its 50-year history with significant plans in the offing ranging from capital projects, to acquisitions, and to proposed new routes.

Unfortunately, the company experienced another serious derailment on September 25, 2021, while operating on a “host railroad” track, which is track not owned by Amtrak. The westbound Empire Builder train derailed in rural northern Montana, killing three passengers and injuring many others. Our thoughts remain with those who were lost and injured and for those who selflessly assisted in the immediate aftermath of the derailment—particularly local community members who offered an outpouring of help for the passengers and crew. While the cause of the derailment continues to be under investigation by the National Transportation Safety Board, our office is engaged as we remain committed to oversight of Amtrak’s safety and security programs and processes.

This April, we finished the third report in a series that examined Amtrak’s implementation of its safety management system (SMS), which is meant to redefine the company’s approach to safety by transitioning from a system that reacts to incidents and results in punitive actions to one that proactively identifies risks and mitigates them before safety incidents can occur. The report notes that Amtrak has made progress in implementing its SMS, including submitting its initial plan 28 months before the March 2021 deadline, executing key components of the plan ahead of the 2024 implementation deadline, and aligning its SMS with federal requirements. We found, however, that the company had lost several key staff members in the Safety department since 2019, which Amtrak is now addressing.

Other work this period continued to focus on opportunities to increase the effectiveness and efficiency of Amtrak’s programs and operations, while making every effort to detect and deter instances of fraud, waste, and abuse. Access to rail service remains one of our priorities, and we recently found that Amtrak cannot expect to complete its six-year, \$1.2 billion plan to bring its stations into compliance with the Americans with Disabilities Act (ADA) without first developing the requisite planning to achieve its timeline. While we credited the company with making improvements to its ADA program based on our prior work, we found that its ADA stations team is already stretched, and without a commensurate increase in staffing and contractors, the company will face challenges in bringing the 312 remaining stations into compliance by the fiscal year 2027 target date.

Fiscally, we credited Amtrak’s use, accounting, and reporting on the \$1 billion it received through the Coronavirus Response and Supplemental Appropriations Act of 2021. Our audit team found that Amtrak demonstrated good stewardship of pandemic-related funding provided by Congress, in part due to implementation of recommendations from our prior work, noting that it has opportunities to improve transparency in its communication with stakeholders about its employee furloughs and spending plans.



FROM THE INSPECTOR GENERAL

In May, our Office of Investigations responded to a reported arson case at Amtrak's Beech Grove Maintenance facility in Indiana where two storage facilities were burned to the ground and damages and cleanup costs totaled as much as \$1 million. Our office served as the lead agency throughout a six-week sprint in which our agents and supporting agencies gathered critical evidence, identified a suspect, safely led a search warrant operation at the suspect's house, and ultimately gathered compelling evidence not only for the arson at the maintenance facility, but also for a prior unsolved arson in the area.

Our investigations also unraveled several instances of health care fraud in which medical suppliers, medical marketers, and doctors participated in illegal kickback schemes that pushed unnecessary medical products, compounded drugs, or tests on patients in order to bill various employer insurance plans, including Amtrak's, for millions of dollars. Other health care fraud-related schemes identified by our agents included tax fraud, bogus medical diagnoses, and charging for office visits that never occurred. In one such case, which received an award for excellence from the Council of the Inspectors General on Integrity and Efficiency, an

Illinois chiropractor was sentenced to 20 months in prison and ordered to pay a \$25,000 fine and \$500,000 in restitution for submitting false claims and paying Amtrak employees kickbacks in exchange for their personally identifiable information.

It continues to be my privilege to work with all the dedicated professionals on our team, and I am deeply impressed by their commitment to our oversight mission. We also appreciate the continued interest and support for our work by Congress. Over the next reporting period, we will continue our focus on a number of high-impact company matters, to include our review of cost sharing on state supported routes, Amtrak's efforts to ensure it has the skilled management workforce it needs to recover from and rebuild after the pandemic, and its beginning role in the Gateway Program, a generational infrastructure investment that encompasses 11 separate projects in the Northeast Corridor. We trust that you will find this report informative.







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OFFICE OF AUDITS

Safety and Security

The Company Has Made Significant Progress Implementing New Safety Program

(Audit Report No. OIG-A-2021-008, April 8, 2021)

Amtrak's (the company) stated top priority is to ensure the safety of its employees and passengers, and it has devoted significant resources to this effort with mixed success. Since April 2020, we have been assessing the company's progress implementing its new Safety Management System (SMS), and we have issued two interim reports during our work. This third and final report assessed the company's overall progress implementing its SMS. We examined the structure and components of the company's program plan to determine whether it aligns with federal requirements and industry standards for similar programs.

We found that the company had made significant progress implementing its SMS. Early, proactive collaboration with the Federal Railroad Administration (FRA) helped the company to develop and submit its initial program plan 28 months before the March 2021 federally mandated deadline and to begin executing key components of the plan well ahead of the March 2024 implementation deadline. As of December 2020, the company's SMS aligned with federal requirements—such as developing a written safety plan that describes

the company's safety organization and goals—and with other passenger transportation industry safety programs. Moreover, and crucially, the SMS is designed as a continuous improvement program, so the company plans to reevaluate and adjust its efforts to improve safety outcomes as needed.

During our work, we identified one potential issue that could impact the company's efforts. Since August 2019, the company lost several key staff in the Safety department. Safety officials told us that these departures could create a gap in the skillsets needed to successfully implement the program, but they differed on the extent to which this was a challenge. Although the Chief Safety Officer had recently begun to assess and replace some of these positions, the company could not be sure it would be able to implement the program to its desired outcomes without a full assessment of the skillsets needed for the program's next phase and assurance that they are in place.

DURING OUR WORK, WE IDENTIFIED ONE POTENTIAL ISSUE THAT COULD IMPACT THE COMPANY'S EFFORTS. SINCE AUGUST 2019, THE COMPANY LOST SEVERAL KEY STAFF IN THE SAFETY DEPARTMENT. SAFETY OFFICIALS TOLD US THAT THESE DEPARTURES COULD CREATE A GAP IN THE SKILLSETS NEEDED TO SUCCESSFULLY IMPLEMENT THE PROGRAM.

Therefore, we recommended that the Chief Safety Officer continue to assess the Safety department's staffing needs and address any significant gaps that could impact the company's ability to execute the SMS. In commenting on a draft of this report, the Executive Vice President/Chief Safety Officer agreed with our recommendation and identified specific actions the company plans to take by September 30, 2021, to



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implement it. Because this program is the company's main tool to ensure safe operations, we plan to continue monitoring the program.

Ongoing Work

Assessing the Company's Actions in Response to Erosion at the Del Mar Bluffs. Our objective will be to assess the extent to which the company is taking actions to monitor, evaluate, and mitigate risks associated with operating service on these tracks.

Monitoring Positive Train Control (PTC). Our objective will be to monitor the company's efforts to operate PTC, measure its performance, and assess safety risks in keeping with the recommendations we made in our last audit report on PTC.



Governance

Better Planning and Coordination Could Help the Company Achieve its Aggressive Timeline for ADA Compliance

(Audit Report No. OIG-A-2021-012, September 2, 2021)

The Americans with Disabilities Act (ADA), which became law in 1990, required intercity rail station facilities to be accessible to persons with disabilities by July 26, 2010.¹ Amtrak missed this deadline. In 2011 and 2014, we reported that the company had made limited progress toward compliance, largely because of its program's fragmented management structure, which did not have clear lines of authority, responsibility, and accountability. Beginning in 2013, the FRA obligated Amtrak to spend \$50 million of its federal grant funding annually toward achieving compliance on activities such as station projects and staff to support them. From fiscal year (FY) 2015 through FY 2020, the company spent about \$346 million on these efforts. The company's most recently established target date to achieve compliance is FY 2027, and it plans to spend approximately \$1.2 billion to reach it. Given the statutory mandate and ongoing investment in this program, our objective was to assess the effectiveness of the company's efforts to achieve compliance. Our scope focused on the company's program management structure, planning, and funding for FY 2015 through FY 2020.

We found that the company had clearer lines of authority, responsibility, and accountability for the ADA program. Further, its reorganization, in line with our prior recommendations, helped it bring 36 more stations into compliance from October 2017 through April 2021. The company could not, however, reasonably expect to execute its aggressive plan to achieve compliance at the remaining 312 stations over the next 6 years without developing the

1. 42 U.S.C. § 12162(e)(2)(A)(ii)(I). Facilities include the station structure, platform, and parking. The ADA considers stations to be compliant when all components, including platforms, are completed.



requisite planning to achieve its timeline. Although the company appeared to be fully committed to achieving ADA compliance, it acknowledged that it did not have enough staff to manage additional projects or monitor the contractors it hired to support them. Specifically, it had not conducted and documented a comprehensive resource assessment that correlated its staffing needs to projects and contractor oversight. Obtaining cooperation from third parties at stations where the company has sole or shared responsibility also presented hurdles to timely completion of ADA work. The company had not, however, developed and implemented guidance to assist its program staff, including what to document so that third-party issues were addressed in a timely manner.

To more effectively plan and coordinate its program to achieve compliance, we recommended that the company assess whether it could achieve its ADA timeline, given its resources at the time. Our

ALTHOUGH THE COMPANY APPEARED TO BE FULLY COMMITTED TO ACHIEVING ADA COMPLIANCE, IT ACKNOWLEDGED THAT IT DID NOT HAVE ENOUGH STAFF TO MANAGE ADDITIONAL PROJECTS OR MONITOR THE CONTRACTORS IT HIRED TO SUPPORT THEM.

recommendations also included institutionalizing guidance for program staff to help the company resolve issues with third parties in a timely manner. In commenting on a draft of our report, the Executive Vice President/Planning and Strategy agreed with our recommendations and identified specific actions the company planned to take by December 31, 2021, to implement them. These included documenting a resource plan and establishing steps program staff can take when faced with a stalemate over station repair work.

Observations on the Company's Lost and Found Program

(Management Advisory Report No. OIG-MAR-2021-011, August 27, 2021)

From January 2020 through March 2021, Amtrak customers filed about 14,700 reports of items they lost or left behind on trains and in stations. These include sensitive items, such as identification and credit cards, and valuable items, such as cash, jewelry, and electronic devices. The company operates Lost and Found areas at approximately 150 of its 516 U.S. stations—primarily larger, staffed stations at the end of each route. In so doing, it entrusts its employees to safeguard these sensitive and valuable items and return them to customers in a timely manner. In October 2020, however, we reported that a Lost and Found clerk responsible for the program at Chicago Union Station abused this trust by stealing 13 state and government customer identification cards and 21 social security cards from the program's inventory,



exposing these customers to potential identity theft.² We initiated a review of the company's Lost and Found program to identify the internal control weaknesses that allowed this theft to occur and to assess the company's processes for overseeing and safeguarding items at selected stations.

We found that, since the incident in Chicago, the company added controls at Chicago Union Station to help prevent any further theft from the Lost and Found inventory at that station and had taken other steps across the program to better secure, track, and manage items. More broadly, company data showed that the company successfully returned about 31 percent of items that customers reported as lost. This generally aligned with the 30 percent average found at comparable organizations. Nonetheless, based on our limited review, the company had opportunities to better monitor the program, and we observed that management may wish to consider improving program monitoring, ensuring that staff are well trained, resuming monthly reporting, and ensuring that items found on trains or in maintenance yards are safeguarded until they are entered into the program's inventory. These opportunities could help the company better protect sensitive and valuable customer items, return them in a timely manner, and help protect the brand.

In commenting on a draft of this report, the Executive Vice President/Chief Operations Officer agreed with all four of our considerations for management and described actions the company plans to take to address each of them, along with expected completion dates.

Quality Control Review of Amtrak's Single Audit for Fiscal Year 2020

(Audit Report No. OIG-A-2021-010, May 27, 2021)

The company is required to have an independent audit of its compliance with federal financial assistance in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards (Uniform Guidance). The objective of the Single Audit was to test internal control over compliance with major federal program award requirements and determine whether the company complied with the laws, regulations, and provisions of contracts or grant agreements that may have a direct and material effect on its major federal programs.

As required by the Inspector General Act of 1978, we monitored the audit activities of Ernst & Young to help ensure audit quality and compliance with generally accepted government auditing standards. Our review disclosed no instances in which Ernst & Young did not comply, in all material respects, with generally accepted government auditing standards and Uniform Guidance requirements.

² *Employee Terminated for Stealing Customer Property from Lost and Found*, (OIG-WS-2021-326), March 29, 2021.

Amtrak Continues to Demonstrate Good Stewardship of Pandemic Relief Funds

(Management Advisory Report

No. OIG-MAR-2021-009, May 12, 2021)

Amtrak continues to experience low ridership and revenues as a result of the coronavirus pandemic. As the pandemic took hold, the company took actions to reduce costs, including cutting the frequency of some long distance trains and reducing its workforce through furloughs and other actions. Among other assistance, in December 2020, Congress provided \$998 million in pandemic relief funds through the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (Relief Act).³ Congress directed the company to use these funds to prevent further furloughs and service reductions, and to offset the capital and operating costs of state and Northeast Corridor operators. Our review objective was to assess the extent to which the company is accurately and transparently using, accounting for, and reporting on the Relief Act funds.

We found that the company continued to be a good steward of the funds Congress provided and was, in general, accurately using and accounting for funds provided in the Relief Act to address pandemic-related needs. Specifically, the company developed and was implementing a spending plan that incorporated a change in the allocation of funds for its state partners

WE FOUND THAT THE COMPANY CONTINUED TO BE A GOOD STEWARD OF THE FUNDS CONGRESS PROVIDED AND WAS, IN GENERAL, ACCURATELY USING AND ACCOUNTING FOR FUNDS PROVIDED IN THE RELIEF ACT TO ADDRESS PANDEMIC-RELATED NEEDS.

3. The Coronavirus Response and Relief Supplemental Appropriations Act of 2021, Pub. L. No. 116-260, div. M, title IV, 134 Stat. 1182 (2020), enacted December 27, 2020.

and the new funding for Northeast Corridor operators. We also identified two opportunities for the company to be more transparent in its communications and reporting on its planned spending and adherence to workforce provisions. First, proactively sharing its spending plans for these and any future pandemic-related funds with the FRA would allow the FRA to review and request changes before the company begins to spend the funds. Additionally, more comprehensive reporting on the status of all furloughed employees would provide stakeholders a more complete picture of the extent to which the company was able to use the Relief Act funds to prevent further furloughs.⁴

The company acknowledged the importance of our observations and identified specific actions it planned to complete by May 2021 to implement them. These include proactively sharing its spending plan with the FRA for the Rescue Plan and any future funds and reporting all furloughs to the FRA.

Ongoing Work

Monitoring the Work of the Independent Public Accountant Conducting the FY 2021 Audit of Amtrak's Consolidated Financial Statement. Our objectives will be to (1) determine whether the Independent Public Accountant (IPA) performed the audit of the company's Consolidated Financial Statements in accordance with generally accepted government auditing standards and (2) determine whether the IPA performed the Single Audit in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States and Office of Management and Budget, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR 200; and (3) monitor the company's administration and facilitation of the audit.

4. As a result of our oversight and conversations with the company and FRA about the issue of transparency, on April 12, 2021, the FRA began requiring the company to report all furloughs—including those unrelated to the coronavirus—in its weekly reports. On April 15, 2021, the company began reporting accordingly.

OFFICE OF AUDITS

Audit of the Company's Gateway Program Management and Oversight. Our objective will be to assess the company's planning, governance structure, and capacity to effectively manage and oversee its commitments to the program.

Audit of Amtrak's Unified Operations Center Program. Our objective will be to assess the company's management and oversight of the program, and the extent to which it has identified and mitigated risks.

Audit of Cost-Sharing on State-Supported Routes. Our objective will be to evaluate the company's actions to address longstanding concerns with cost-sharing methodology and the company's billing process with its state partners.

Monitoring the Work of Amtrak's Independent Public Accountant Conducting the FY 2021 A-133 Audit. The objective will be to determine whether the IPA performed the single audit in accordance with generally accepted government auditing standards and the Office of Management and Budget Circular A133.

Human Resources

Ongoing Work

Audit of Amtrak's Downsizing of its Management Workforce. Our objective will be to assess the effectiveness of the company's efforts to ensure it has the skilled management workforce it needs to recover from and rebuild after the COVID-19 pandemic.

Information Technology

Ongoing Work

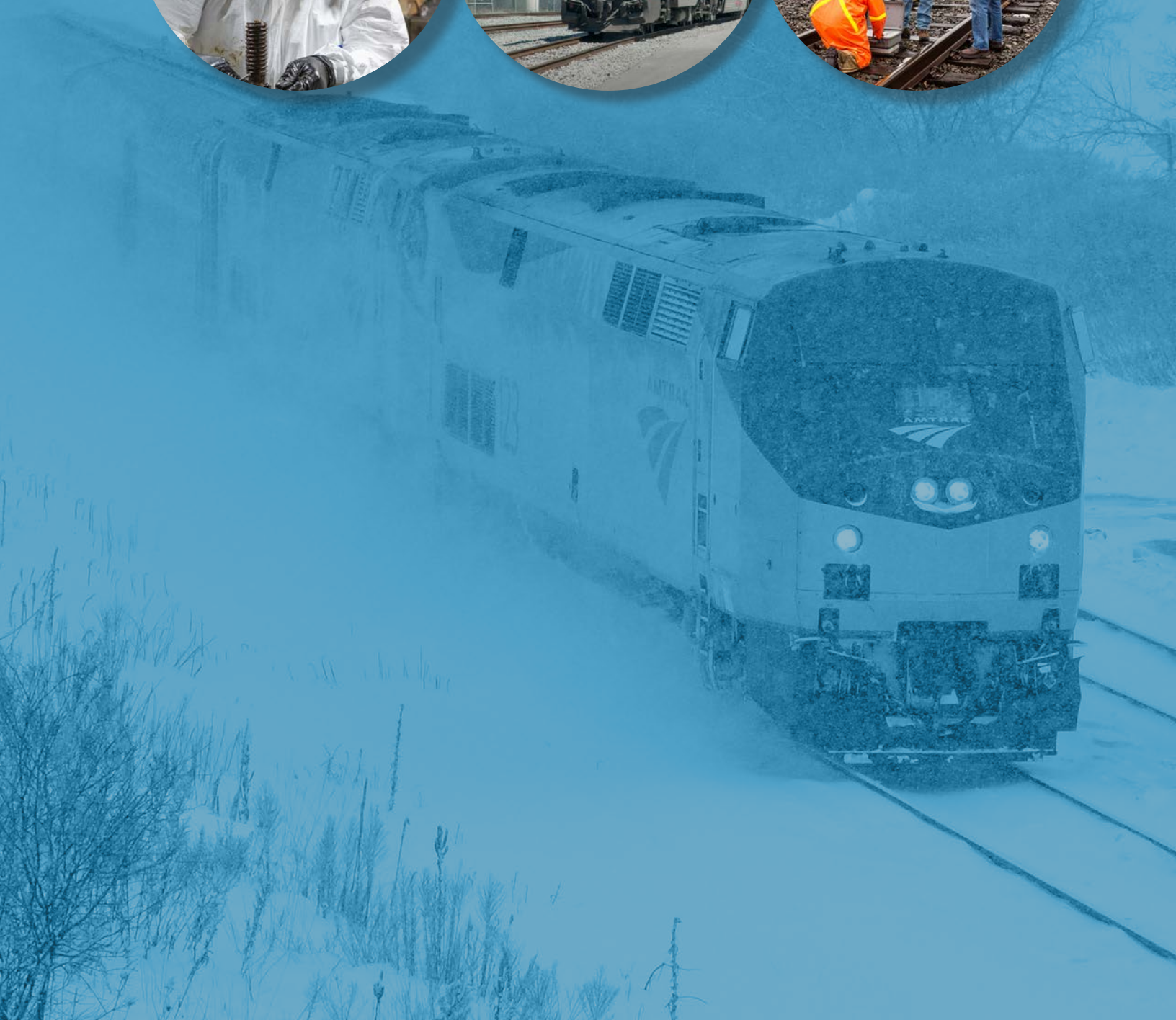
Audit of the Company's Processes to Determine its Information Technology Needs. Our objective will be to assess how the company's departments identify their IT needs and collaborate with the IT department to prioritize and meet them.

Financial Management

Ongoing Work

Review of the Company's Payment Request Practices. Our objective will be to assess the company's controls to ensure that employees comply with payment request policies and are getting the best value for these purchases.





OFFICE OF INVESTIGATIONS

Health Care Fraud

Medical Assistant Pleads Guilty to Multiple Health Care Fraud Charges

September 2021

Judy Azar, a medical assistant based in Los Angeles, pleaded guilty in U.S. District Court, Central District of California, on September 24, 2021, to health care fraud, bank fraud, identity theft and tax fraud. Our investigation found that Azar participated in a scheme to defraud health care benefit programs by using false and fraudulent pretenses in connection with the delivery of, and payment for, health care benefits and services.

Azar forged a doctor's signature to fraudulently authorize prescription refills and then sold a portion of the filled prescriptions to interested buyers. The buyers paid Azar with checks made payable to the doctor. Azar then forged the doctor's signature to endorse the checks, which were then deposited in bank accounts controlled by Azar. As a result of the scheme, Amtrak's insurance providers were fraudulently charged approximately \$13,500.

California Doctor Sentenced in Illegal Kickback Scheme

September 2021

Phong Hung Tran, a licensed physician and surgeon in California, was sentenced in U.S. District Court, Southern District of California, on September 13, 2021, to time served, two years' probation and 12 months of home confinement for conspiracy to commit honest services mail fraud and health care fraud.

OUR INVESTIGATION FOUND THAT TRAN AND OTHER DOCTORS ARRANGED FOR AND ACCEPTED KICKBACK PAYMENTS FROM SUPPLIERS OF HEALTH CARE SERVICES AND PRODUCTS

Our investigation found that Tran and other doctors arranged for and accepted kickback payments from suppliers of health care services and products. The kickback scheme involved the referral of prescriptions for medically unnecessary compounded drugs and other items that were reimbursed by health care benefit programs. As a result of the scheme, Amtrak's insurance providers were fraudulently charged approximately \$22,000. Criminal judicial proceedings for other defendants in this case are pending.

Medical Marketer Sentenced in Illegal Kickback, Compounded Drug Scheme

September 2021

Joseph Kieffer, a marketer from Los Angeles, was sentenced on September 8, 2021, in U.S. District Court, Central District of California, to six months in prison, three years' probation, a \$10,000 fine, and he was ordered to pay restitution in the amount of \$1.25 million and a money judgment of forfeiture of \$328,835. Kieffer previously pleaded guilty to paying kickbacks to marketers and some patients to obtain medically unnecessary compounded drugs, which allowed Fusion Rx Compounding Pharmacy to bill health care providers for those drugs. Many of the prescription claims were reimbursed at rates much higher than average medications. The owner of Fusion Rx Compounding Pharmacy was also charged for his role in the scheme. Amtrak's health insurance plan was fraudulently billed \$17,000 as a result.

Three Plead Guilty to Health Care Fraud, Conspiracy Charges

August 2021

Mark Hernandez, a psychiatrist based in Miami, Florida; Brian Dublynn, Vice President of Safe Haven Recovery Inc; and a medical marketer, Jennifer Sanford, pleaded guilty on August 17, 2021, in U.S. District Court, Southern District of Florida, to conspiracy charges related to a health care fraud investigation.



The defendants conspired to defraud private health companies by causing Safe Haven, a substance abuse treatment facility in Miami, along with several clinical laboratories, to submit false and fraudulent claims to health insurance plans for addiction treatment services that were not provided as billed and laboratory tests that were not medically necessary. As a result of the scheme, Amtrak's insurance providers were fraudulently charged approximately \$86,130.

Medical Marketer Sentenced for Health Care Fraud, Conspiracy
August 2021

John Pangelinan, a medical marketer based in Los Angeles was sentenced on August 2, 2021, in U.S. District Court, Central District of California, to time served and two years' probation for conspiracy to commit honest services mail fraud and health care fraud. Pangelinan brokered kickbacks and bribe payments to doctors in exchange for their referrals of compounded medications, durable medical equipment, and other health care goods to certain providers. Our investigation found that Pharmacy Acquisition LLC provided medically unnecessary compounded drug prescriptions to Precise Compounding Pharmacy that were reimbursed by health care benefit programs, including Amtrak's plan. As a result of the scheme, Amtrak's insurance providers were fraudulently charged approximately \$22,000.

Four Medical Marketers Sentenced for Tax Fraud
July 2021

Allan Lummer, Farshad Sassounian, Sidney Cobos, and Ashkan Kohanpour, medical marketers based in Los Angeles, were sentenced in U.S. District Court,

Central District of California, in July 2021 for aiding and assisting in the preparation of a false tax return. They pleaded guilty to the charge in April 2021. Sassounian, Cobos, and Kohanpour were each sentenced to six months in prison and ordered to pay \$24,147.50 in restitution. Lummer was sentenced to two years' probation for his role in the scheme. Our investigation found that the four defendants aided in the preparation and presentation of a false tax return to the Internal Revenue Service for Pharmacy Acquisition LLC. The defendants knew the tax return falsely claimed a deduction for expenses that were actually distributions made to them as owners of the pharmacy. Further, our investigation found that Pharmacy Acquisition LLC provided medically unnecessary compounded drug prescriptions to Precise Compounding Pharmacy that were reimbursed by health care benefit programs, including Amtrak's plan. As a result of the scheme, Amtrak's insurance providers were fraudulently charged approximately \$22,000.

Medical Marketer Sentenced in Health Care Fraud Scheme
June 2021

Jonathan Lasko, a resident of Hollywood, Florida, pleaded guilty in the Circuit Court of the Fifteenth Judicial Circuit for Palm Beach County on June 15, 2021, to charges related to a health care fraud scheme. Lasko, who owned addiction treatment facilities in Florida and California, engaged in a scheme where he paid kickbacks to marketers, also known as "patient brokers," for the referral of patients to his facilities. Lasko pleaded guilty to first degree felony organized scheme to defraud and was sentenced to five years of probation. He admitted to defrauding insurance companies, including Amtrak's insurance administrator, Aetna, in an aggregate amount exceeding \$50,000.

Medical Marketer Sentenced for Illegal Kickback Scheme

June 2021

Jean Francois Picard, a medical marketer based in Los Angeles, was sentenced in U.S. District Court, Southern District of California, on June 14, 2021, to 10 months in prison and 3 years of probation for payment of illegal remunerations. Our investigation found that Picard paid kickbacks to other marketers for facilitating the referral of prescriptions for medically unnecessary compounded drugs and other items reimbursed by health care benefit programs. As a result of the scheme, Amtrak’s insurance providers were fraudulently charged approximately \$22,000.

Chiropractor Found Guilty in \$2.2 Million Health Care Fraud Scheme

June 2021

A former California chiropractor was found guilty of several federal criminal charges related to a \$2.2 million health care fraud scheme. Susan H. Poon, 56, of Dana Point, was found guilty of five counts of health care fraud, three counts of making false statements relating to health care matters, and one count of aggravated identity theft in a criminal jury trial held in U.S. District Court, Central District of California.

Over the course of her scheme, Amtrak’s health care plan and plans from other companies were fraudulently billed for services that were never provided, bogus medical diagnoses, office visits that never occurred, and medical devices that were falsely prescribed. Poon unlawfully gathered personal information from her victims at health fairs where she solicited employees’ information and that of their dependents. As part of the scheme, Amtrak’s health care plan was billed \$17,310 and paid \$7,145.

Medical Marketer Sentenced for Illegal Kickbacks, Compounded Drug Scheme

June 2021

Joshua Pearson, a marketer from St. George, Utah, was sentenced on June 3, 2021, in U.S. District Court, Central District of California, to three years’ probation, six months’ home confinement, and was ordered to forfeit \$1.25 million. Pearson previously pleaded guilty to receipt of illegal kickbacks related to a health care fraud scheme after our joint investigation found that he received kickbacks from Sheridan Medical for patient referrals for compounded drugs—drugs that were medically unnecessary. A marketer from Sheridan Medical and the owner of Fusion Rx Compounding Pharmacy, both in Los Angeles, were also charged for their role in the scheme. Amtrak’s health insurance plan was fraudulently billed \$17,000 as a result of the scheme.



Illinois Chiropractor Sentenced for Defrauding Insurance Providers

April 2021

An Illinois-based chiropractor was sentenced to 20 months in federal prison and was ordered to pay a \$25,000 fine and more than \$500,000 in restitution for defrauding insurance providers, including Amtrak's, by submitting false claims for treatment that was not provided. John Kosloski, 57, billed private insurers from 2010 to 2017 for services that he purportedly provided to Amtrak employees and their family members, knowing that he was not actively treating them or had never seen them as patients. To further his scheme, Kosloski obtained personally identifiable information of former Amtrak employees or that of their dependents in exchange for cash kickbacks he provided to the employees. Amtrak incurred a loss of approximately \$504,347 as a result of Kosloski's crimes.

AN ILLINOIS-BASED CHIROPRACTOR WAS SENTENCED TO 20 MONTHS IN FEDERAL PRISON AND WAS ORDERED TO PAY A \$25,000 FINE AND MORE THAN \$500,000 IN RESTITUTION FOR DEFRAUDING INSURANCE PROVIDERS, INCLUDING AMTRAK'S, BY SUBMITTING FALSE CLAIMS FOR TREATMENT THAT WAS NOT PROVIDED.

Ticket Fraud

New York Resident Pleads Guilty in Ticket Fraud Scheme

August 2021

Kevin Nelson, a resident of New York, pleaded guilty in U.S. District Court, Eastern District of New York, on August 30, 2021, to aggravated identity theft for his involvement in an Amtrak eVoucher scheme. Nelson and his co-conspirators used stolen credit card and personal information to make unauthorized purchases



of Amtrak tickets and then cancelled or exchanged those tickets for eVouchers. Subsequently, they sold the fraudulently obtained eVouchers on the internet. The approximate loss to Amtrak from the scheme was \$450,000.

New York Resident Sentenced for Ticket Fraud.

June 2021

Lamont Brown, of Brooklyn, New York, was sentenced in U.S. District Court, Eastern District of New York, on June 2, 2021, to a prison term of time served, probation for 36-months, and was ordered to pay restitution of \$97,210 to Amtrak. Brown previously pleaded guilty to conspiracy to commit wire fraud for his involvement in an Amtrak eVoucher scheme. Our investigation found that Brown and his co-conspirators used stolen credit card information to make unauthorized purchases of Amtrak tickets, canceled or exchanged those tickets for eVouchers, and then sold the fraudulently obtained eVouchers on the internet.



Pennsylvania Man Sentenced for Ticket Fraud

April 2021

Ryan Kane, a resident of Pennsylvania, was sentenced in U.S. District Court, Northern District of Illinois, to time served, three years supervised release, and a \$100 special assessment for his part in an Amtrak ticket fraud scheme. As part of his sentence, Kane was ordered to pay \$124,544 in restitution, \$35,000 of which is owed solely by Kane and \$89,544 of which is owed jointly with co-conspirator Christian Newby. As a condition of his release, Kane was sentenced to 12 months of home detention with electronic monitoring. Kane previously pleaded guilty to theft of government funds after our investigation found that he participated in a scheme to defraud Amtrak and others by using stolen credit card information from more than 10 credit cards to purchase Amtrak tickets online.

BROWN AND HIS CO-CONSPIRATORS USED STOLEN CREDIT CARD INFORMATION TO MAKE UNAUTHORIZED PURCHASES OF AMTRAK TICKETS, CANCELED OR EXCHANGED THOSE TICKETS FOR EVOUCHERS, AND THEN SOLD THE FRAUDULENTLY OBTAINED EVOUCHERS ON THE INTERNET.

Policy Violations and Employee Misconduct

Self-Employment Interfering with Job Duties, Inappropriate Leave Use

September 2021

A sheet metal worker/mechanic based in Beech Grove, Indiana, resigned from the company on September 14, 2021, following the release of our investigative report. Our investigation found that the former employee violated company policies by engaging in self-employment that interfered with his job duties and responsibilities. On some occasions, he used a personal leave of absence and leave granted under the Americans with Disabilities Act to operate his lawn care service.

Outside Employment on Medical Leave of Absence

September 2021

A passenger conductor based in Florence, South Carolina, was terminated from employment on September 2, 2021, following his administrative hearing. Our investigation found that the former employee violated company policy by engaging in outside employment while on a medical leave of absence from the company and by being dishonest on his pre-employment physical exam form when responding to questions regarding previous injuries and hospitalizations.

Failure to Investigate Workplace Violence Incident*August 2021*

A senior manager based in Beech Grove, Indiana, was terminated from employment on August 30, 2021. Our investigation found that the former employee violated company policy by failing to formally document, investigate, and report a workplace violence incident involving an employee and by encouraging another employee to change his statement regarding the incident. Another manager at the Beech Grove facility received a letter of written warning for failure to ensure the incident was properly investigated.

THE FORMER EMPLOYEE VIOLATED COMPANY POLICY BY FAILING TO FORMALLY DOCUMENT, INVESTIGATE, AND REPORT A WORKPLACE VIOLENCE INCIDENT INVOLVING AN EMPLOYEE AND BY ENCOURAGING ANOTHER EMPLOYEE TO CHANGE HIS STATEMENT REGARDING THE INCIDENT.

Failure to Report Convictions, Operating Company Vehicles without a License*August 2021*

A trackman/flagman based in Chicago, Illinois, resigned from employment on August 5, 2021, prior to his administrative hearing. Our investigation found that the former employee violated company policies by driving and operating company-owned vehicles without a valid driver's license on a routine basis. We further determined that he was arrested and convicted on two occasions for operating a vehicle while intoxicated and did not report the incidents to the company as policy required.

Claiming Pay for Hours Not Worked*July 2021*

An electronic technician based in Boston resigned from the company on July 12, 2021, prior to his disciplinary hearing. From March 30, 2021, through April 30, 2021, the former employee violated company policies by fraudulently claiming and accepting payment for over 62 hours of straight time and overtime hours that he did not work or was not authorized to work, for which he received over \$2,825 in compensation. When we interviewed the employee, he initially lied about his actions but eventually admitted that he did not work all the hours he claimed. The technician is not eligible for rehire.

Failure to Report Arrest*July 2021*

A clerk based in Bear, Delaware, was terminated on July 8, 2021, for failing to report his December 2020 arrest for drug-related charges. Company policy requires employees to notify the company as soon as practicable after an arrest, or within 48 hours after being released from incarceration. The employee's disclosure occurred nearly six months later, and only after he was formally asked about the arrest during our investigation.

Failure to Report Conviction, Using Sick Leave While Incarcerated*June 2021*

A sheet metal worker/mechanic based in Chicago, Illinois, was terminated from employment on June 18, 2021, following his administrative hearing. Our investigation found that the former employee violated company policy by failing to disclose a conviction to the company during his employment and by using sick leave while serving time in jail and while confined to his home on electronic monitoring.

OFFICE OF INVESTIGATIONS

Misuse of GSA Fuel Card

June 2021

A foreman was terminated from employment on June 18, 2021, for misusing a General Services Administration (GSA) fuel card in violation of Amtrak policy. The employee admitted to using the fuel card from July 2019 to June 2021 to make over \$7,400 in fuel purchases for his personal vehicle and vehicles belonging to other family members. The investigation was conducted with the GSA OIG.

Failure to Report Arrests, Convictions

June 2021

A coach cleaner based in Chicago, Illinois, was terminated from employment on June 10, 2021, following his administrative hearing. Our investigation found that the former employee violated company policy by failing to report his arrest and conviction for driving under the influence and failing to report two other criminal convictions while employed by the company.

Intimidation, Coercion

May 2021

A procurement manager was terminated from employment on May 21, 2021, after our investigation found she violated company policies by repeatedly mischaracterizing the relationship with and misrepresenting actions by our office to intimidate and coerce Amtrak employees and vendors from taking certain actions or into conducting certain actions on multiple occasions. Although the employee admitted to her misconduct, she was also evasive and provided inconsistent responses to our agents during her interview with us.

Inappropriate Social Media Posts

May 2021

A specialist based in Philadelphia was issued a letter of warning on May 4, 2021, for violating company policies by admittedly posting inappropriate and

offensive images on her Facebook account that publicly identified her as an Amtrak employee, in violation of company policy.

Unexcused Absences During Incarceration

April 2021

A yard conductor based in Washington, D.C., was terminated on April 29, 2021, for excessive consecutive days of absence without authority. The employee was arrested on April 6, 2021, and remained in custody for at least a week on several charges.

THE FORMER EMPLOYEE VIOLATED COMPANY POLICY BY FAILING TO DISCLOSE A CONVICTION TO THE COMPANY DURING HIS EMPLOYMENT AND BY USING SICK LEAVE WHILE SERVING TIME IN JAIL.

Leaving Post Without Authorization

April 2021

A customer service representative based in Kansas City, Missouri, resigned from employment on April 12, 2021, prior to his administrative hearing. Our investigation found that the former employee violated company policies by leaving his post between two and four hours at a time during his shifts without authorization to do so and without clocking out. In addition, the former employee also violated company policy by initially lying to our agents about his abovementioned actions.

THE FORMER EMPLOYEE VIOLATED COMPANY POLICIES BY LEAVING HIS POST BETWEEN TWO AND FOUR HOURS AT A TIME DURING HIS SHIFTS WITHOUT AUTHORIZATION TO DO SO AND WITHOUT CLOCKING OUT.

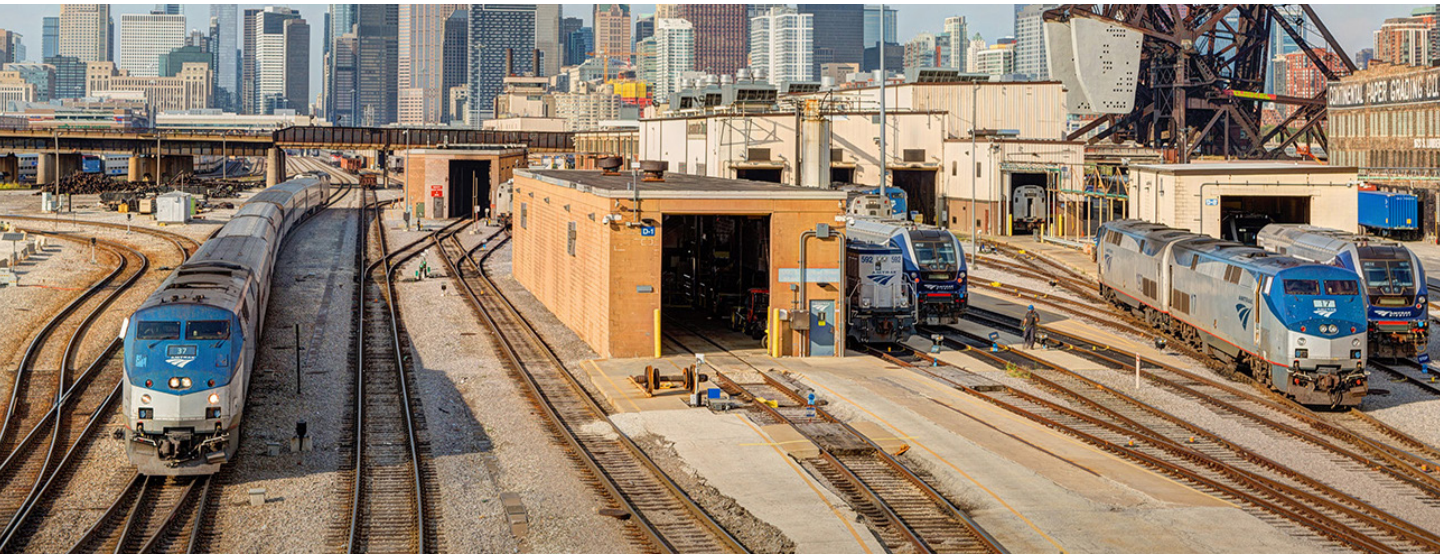


PENNSYLVANIA STATION

AMTRAK

601

601



Settlements

Pennsylvania Company Agrees to Settlement to Resolve Claims it Failed to Adhere to “Buy American” Requirements

May 2021

Wescott Electric Company of Aston, Pennsylvania, agreed to pay \$54,983 and implement enhanced compliance measures to resolve claims arising from its use of Chinese-made parts during a fire alarm installation and renovation project at Amtrak’s 30th Street Station in Philadelphia, according to a May 20, 2021, announcement from the Eastern District of Pennsylvania’s U.S. Attorney’s office.

Companies contracting with Amtrak are responsible for complying with a federal regulation which establishes a preference for using American-made parts when fulfilling those contracts.⁵ The United States alleges that Wescott neither determined that its parts were American-made nor worked through Amtrak’s process for obtaining a waiver to this rule. The renovation at William H. Gray 30th Street Station was funded by a grant from the U.S. Department of Transportation.

The claims resolved by the settlement are allegations only; there has been no determination of liability.

5. 41 U.S.C. §§ 8301–8305

Other Crimes

Former Employee Pleads Guilty to eVoucher Theft *September 2021*

John Flores, a former reservation sales agent based in Riverside, California, pleaded guilty on September 29, 2021 in U.S. District Court, Central District of California, to theft from programs receiving federal funds. Our investigation found that Flores stole hundreds of eVouchers valued at over \$25,000 from customers’ accounts by exploiting the company’s computer system and resold them for his own personal gain. Flores previously resigned from the company on May 2, 2017.

New Jersey Gas Station Manager Arrested, Charged for Fraudulent Fuel Charges *August 2021*

A New Jersey gas station manager was charged August 5, 2021, in connection with entering fraudulent charges on fuel credit cards assigned to at least four Amtrak vehicles. Umer Hassan Mir, 39, of South Amboy, was charged by complaint with knowingly and intentionally stealing and converting to his own use approximately \$9,600 in money of a department or agency of the United States. He was also charged with making false statements to federal law enforcement.

According to court documents, from July 2019 through August 2021, Mir allegedly caused numerous fraudulent fuel charges to be entered on GSA fuel credit cards which were assigned to Amtrak vehicles. Mir allegedly collected information from the GSA credit cards during legitimate transactions and used that information to make manual transactions in the point-of-sale terminal. Following each false transaction, Mir allegedly withdrew money from the cash register in the amount of the fraudulent transaction.

Employee Sentenced for Stalking

July 2021

Henry Abdelnoor, a former lead services attendant based in New York, was sentenced in the Superior Court of New Jersey, Burlington County, on July 7, 2021, to three years of probation for stalking. The criminal charge resulted from Abdelnoor's conduct prior to a company disciplinary hearing for posting inappropriate comments on Facebook. Prior to the hearing, Abdelnoor attempted to influence a victim's complaint against him by allegedly offering the victim a \$5,000 payment in exchange for recanting her statement in court. Abdelnoor previously pleaded guilty to the criminal charge on May 26, 2021. He resigned from the company on March 4, 2021, and is ineligible for rehire.

Arson Suspect Arrested, Charged

June 2021

A Beech Grove man was arrested June 28, 2021, in Indianapolis on federal criminal charges for allegedly setting fire to two buildings at the Amtrak Facility in Beech Grove in the early morning on May 2, 2021. Casey Sage, 34, was charged with arson, and, if convicted, faces a 5- to 20-year sentence in prison.

According to court documents, Sage trespassed onto the grounds of Amtrak's Beech Grove maintenance facility on the night of May 1, 2021. Surveillance video captured Sage as he moved around the Amtrak facility rail yard. In the early morning hours of May 2, 2021, Sage allegedly entered two storage buildings in the

rail yard containing various flammable or hazardous chemicals and other materials and ignited each building and its contents using railroad flares he picked up at the site. Both buildings quickly erupted in flames, and video surveillance captured several explosions and flying debris as first responders arrived and fought the flames. The buildings and their contents were destroyed, and Amtrak has estimated that the fires resulted in approximately \$1 million in damages.

Former Employee Pleads Guilty to Falsely Claiming Unemployment Benefits

June 2021

Robert Barrows, a former assistant conductor, pleaded guilty in U.S. District Court, District of Massachusetts, on June 17, 2021, to making a false statement to obtain federal employee's compensation in 2016. Barrows falsely claimed on his unemployment benefits claim form that he had no income during the claim period when he applied for Railroad Retirement Board (RRB) unemployment benefits. Our investigation was conducted jointly with the RRB Office of Inspector General.

Former Employee Pleads Guilty to Financial Institution Fraud

June 2021

A former electrician in Chicago pleaded guilty in the Circuit Court of Cook County, Illinois, to Financial Institution Fraud on June 9, 2021. The former employee was sentenced on the same date to one year probation and paid \$11,944.44 in restitution to U.S. Bank. Our investigation found that the former employee established a business and used it to engage in fraudulent credit card schemes.

APPENDIX A: STATISTICAL DATA

TABLE A.1. FINANCIAL IMPACT

MONETARY BENEFIT TYPE	AMOUNT THIS PERIOD
Better Use of Funds	—
Questioned Costs	\$81,000,000
Recoveries and Restitution	\$771,461.61
Forfeitures	\$1,590,780.34

TABLE A.2. AUDIT ACTIVITY DURING THE PERIOD

REPORT INFORMATION	BETTER USE OF FUNDS	QUESTIONED COSTS
The Company Has Made Significant Progress Implementing New Safety Program <i>Issued April 8, 2021 Report OIG-A-2021-008</i>	—	—
Amtrak Continues to Demonstrate Good Stewardship of Pandemic Relief Funds <i>Issued May 12, 2021 Report OIG-MAR-2021-009</i>	—	—
Quality Control Review of Amtrak’s Single Audit for Fiscal Year 2020 <i>Issued May 27, 2021 Report OIG-A-2021-010</i>	—	—
Observations on the Company’s Lost and Found Program <i>Issued August 27, 2021 Report OIG-MAR-2021-011</i>	—	—
Better Planning and Coordination Could Help the Company Achieve its Aggressive Timeline for ADA Compliance <i>Issued September 2, 2021 Report OIG-A-2021-012</i>	—	\$81,000,000
Total Monetary Impact	—	\$81,000,000

TABLE A.3. ONGOING AUDITS

ONGOING PROJECT STATUS	NUMBER OF PROJECTS
Audit Projects In-process, as of 3/31/2021	14
Audit Projects Canceled	—
Canceled Audit Projects Not Disclosed to the Public	—
Audit Projects Started Since 3/31/2021	1
Audit Products Issued Since 3/31/2021	5
Audit Projects In-process, as of 9/30/2021	10

TABLE A.4. ADVISORY FUNCTIONS DURING THE PERIOD

ACTIVITY	ACTIONS
Freedom of Information Act (FOIA) Requests Received	18
FOIA Requests Processed	18
FOIA Requests Referred to Amtrak	11
FOIA Requests with Responses Pending	—
FOIA Appeals Received	—
FOIA Appeals Processed	—
Legislation Reviewed	1
Regulations Reviewed	5
Outside Agency Consultation	1



APPENDIX

TABLE A.5. INVESTIGATIVE ACTIVITY DURING THE PERIOD

INVESTIGATIVE CASELOAD	NUMBER
Investigations Opened	43
Investigations Closed	46
Closed Investigations of Senior Employees Not Publicly Disclosed	—

CASES OPENED	NUMBER
Major Misconduct and General Crimes	35
Health Care Fraud	4
Contract and Procurement Fraud	3
Federal Employers' Liability Act and Other Claims Fraud	1

HOTLINE ACTIVITY	NUMBER
Referred to Amtrak Management	112
Referred to Customer Service	120
Referred to Amtrak Police Department	3
Referred for Audit	—
Referred for Investigation	7
Referred to Other Agency	—
Request from Other Agency	2
No Action Warranted	40

JUDICIAL AND ADMINISTRATIVE ACTIONS	NUMBER
Criminal Referrals to Department of Justice	29
Criminal Referrals to State and Local Prosecuting Authorities	9
Criminal Referrals Declined	12
Arrests	9
Indictments/Informations	13 ^a
Convictions	21
Investigative Reports Issued to the Company	14
Administrative Actions	14

^a Indictments/Informations include all indictments, informations, and complaints sealed and unsealed, of individuals who were charged during this reporting period by federal, state, and local prosecutors. Of the 13 indictments/informations/complaints reported during this reporting period, 8 were referred in the current reporting period and 5 were referred for prosecution in a prior reporting period.

TABLE A.6. REPORTS DESCRIBED IN PREVIOUS SEMIANNUAL REPORTS FOR WHICH CORRECTIVE ACTIONS ARE NOT COMPLETE^{a,b}

REPORT INFORMATION	BETTER USE OF FUNDS	QUESTIONED COSTS
Background Checks Process Has Improved, but Some Inefficiencies and Gaps Persist <i>Issued 11/1/2018 Report OIG-A-2019-001</i>	—	—
Improving Management Processes Could Reduce Costs and Generate Additional Revenues <i>Issued 3/29/2019 Report OIG-A-2019-006</i>	\$17,600,000	—
Rightsizing Workforce and Using It More Flexibly Could Reduce Costs at Preventative Maintenance Facilities <i>Issued 9/3/2019 Report OIG-A-2019-012</i>	\$6,300,000 ^c	—
Better Estimates Needed of the Financial Impacts of Poor On-Time Performance <i>Issued 10/14/2019 Report OIG-A-2020-001</i>	—	—
Better Management of Reimbursable Projects Could Help the Company Consider Benefits and Recover its Costs <i>Issued 10/23/2019 Report OIG-A-2020-002</i>	\$10,400,000	—
Stronger Controls Would Help Identify Fraudulent Medical Claims Sooner and Limit Losses <i>Issued 12/10/2019 Report OIG-A-2020-003</i>	—	\$57,000,000
Mobile Device Security Needs to Improve to Better Protect Company Data from Compromise <i>Issued 5/8/2020 Report OIG-A-2020-010</i>	—	—
Management of the Police Department Has Recently Improved, but Foundational Decisions Are Needed on its Role and Priorities <i>Issued 7/1/2020 Report OIG-A-2020-012</i>	—	—
More Effective Planning and Coordination of Track Outages Would Help Achieve a State of Good Repair <i>Issued 9/14/2020 Report OIG-A-2020-016</i>	—	—
The Company Can Take Steps to Evaluate Its Current Safety Culture <i>Issued 10/2/2020 Report OIG-A-2021-001</i>	—	—
Expanded Random Drug Testing Could Help Further Detect and Deter Prescription Opioid Misuse <i>Issued 10/27/2020 Report OIG-A-2021-003</i>	—	—
Amtrak Expects Positive Train Control will be Interoperable with Other Railroads but Could Better Measure System Reliability <i>Issued 12/11/2020 Report OIG-A-2021-004</i>	—	—
Total Monetary Impact	\$34,300,000	\$57,000,000

^a We received comments for all audit reports within 60 days.

^b Please visit <https://www.amtrakoig.gov/reports/audits> for a copy of the reports listed in this table.

^c \$2.1 million annually projected over three years.



TABLE A.7. RESOLUTION STATUS OF AUDITS WITH QUESTIONED COSTS

RESOLUTION STATUS	NUMBER	DOLLAR VALUE
Reports with No Management Decision Made by the Commencement of the Reporting Period	—	—
Reports Issued During the Reporting Period	1	\$81,000,000
MANAGEMENT DECISIONS DURING THE PERIOD		
Amounts Agreed to by Management	1	\$81,000,000
Amounts Not Agreed to by Management	—	—
NO MANAGEMENT DECISION AT END OF PERIOD		
Reports Carried Over to Next Reporting Period	—	—

TABLE A.8. RESOLUTION STATUS OF AUDITS WITH RECOMMENDED FUNDS TO BE PUT TO BETTER USE BY MANAGEMENT

RESOLUTION STATUS	NUMBER	DOLLAR VALUE
Reports with No Management Decision Made by the Commencement of the Reporting Period	—	—
Reports Issued During the Reporting Period	—	—
MANAGEMENT DECISIONS DURING THE PERIOD		
Amounts Agreed to by Management	—	—
Amounts Not Agreed to by Management	—	—
NO MANAGEMENT DECISION AT END OF PERIOD		
Reports Carried Over to Next Reporting Period	—	—

APPENDIX B: REVIEW OF LEGISLATION, REGULATIONS, AND MAJOR POLICIES

Section 4(a)(2) of the Inspector General Act of 1978, as amended, provides that the Inspector General shall review existing and proposed legislation and regulations relating to programs and operations of such establishment. Also, the Inspector General shall make recommendations in the semiannual reports concerning the impact of such legislation or regulations on the economy and efficiency in the administration of such programs and operations administered or financed by such establishment—or the prevention and detection of fraud and abuse in such programs and operations.

During the last reporting period, we reviewed and provided comments on five Amtrak corporate policies or mandates and continued its efforts to ensure the American taxpayers' dollars entrusted to Amtrak were protected.

APD Memorandum of Understanding (MOU). In April 2021, the Office of Counsel assisted the Office of Investigations (OI) in coordinating, updating, and revising the MOU with the Amtrak Police Department (APD). This MOU serves to formalize the working relationship between our two organizations and is intended to better manage and identify investigative responsibility in certain areas and establish guiding principles and conditions under which OI may coordinate investigative efforts and/or provide mutual assistance. The MOU further represents the joint commitment of trust and mutual respect for both organizations and acknowledges that without cooperation, the APD and OIG cannot fully realize their respective missions.

While there are many updates to the MOU, most notably is that the MOU now includes enhanced language that solidifies APD's responsibility to timely notify the OIG of any information it receives alleging misconduct involving Amtrak employees, contractors, and vendors or any fraud, waste, or abuse associated with Amtrak programs or operations. In turn, the OIG agrees to review the information and timely advise APD whether it will initiate an investigation, understanding that with many of these matters, OIG and APD will agree to work as partners to bring the matter to resolution.

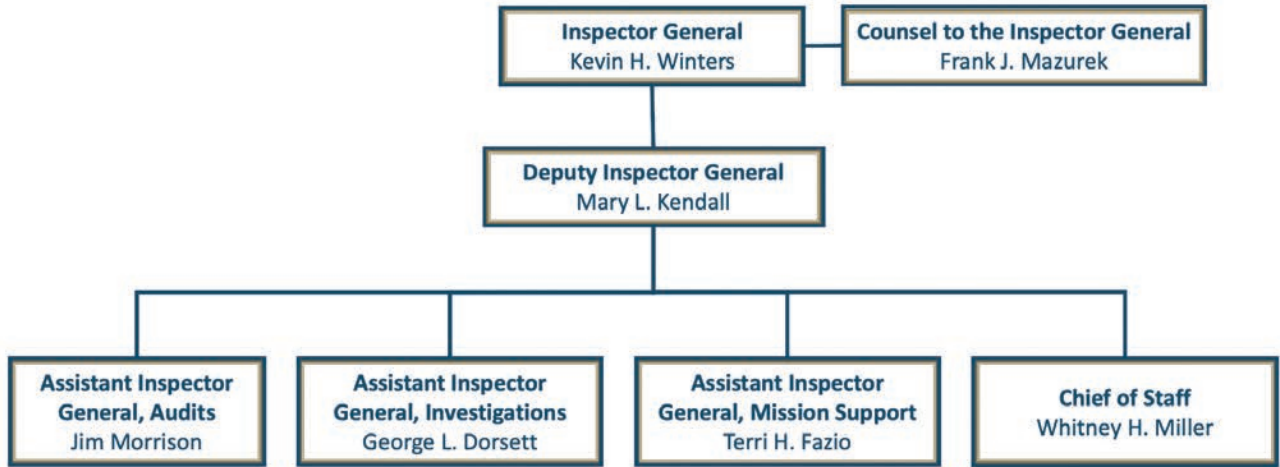
With this and many other revisions, the newly updated MOU encourages and supports the continued and appropriate ongoing collaboration between our organizations at all levels.

PRAC MOU. In June 2021, our Office of Counsel assisted in the coordination and drafting of an MOU with the Council of the Inspectors General on Integrity and Efficiency (CIGIE) Pandemic Response Accountability Committee (PRAC). The MOU serves to allow the OIG to detail two Senior Special Agents on part-time basis to assist the PRAC in carrying out its mission and investigations relating to the PRAC's oversight of covered funds and the Coronavirus response. To the extent feasible, the OIG's Senior Special Agent detailees will focus on oversight matters involving funds expended by Amtrak in response to the Coronavirus, though they may also offer support to other PRAC efforts unassociated with Amtrak that protect American tax dollars.

H.R. 3684. On August 10, 2021, the U.S. Senate approved the roughly \$1 trillion H.R. 3684 – Infrastructure Investment and Jobs Act (IIJA). The bill includes the surface transportation reauthorization slated to expire at the end of September 2021. IIJA includes \$550 billion in new federal investment, of which about \$274 billion would go to the U.S. Department of Transportation. Of that amount, \$110 billion would be allocated for roads, bridges, and other major projects, \$66 billion would be reserved for passenger rail and freight, and more than \$39 billion for public transit.

The bill proposes up to \$58 billion over five years in grants to Amtrak to support its intercity passenger rail service on the Northeast Corridor (NEC) and the National Network, and other various grant programs. The bill also authorizes appropriations up to \$137.5 million over five years for Amtrak OIG to provide oversight of this significant investment by the American taxpayers.

APPENDIX C: OIG ORGANIZATION



The OIG headquarters is based in Washington, D.C., with field offices in Boston, Chicago, Los Angeles, Miami, New York City, and Philadelphia.

The Inspector General provides policy direction and leadership for the OIG and serves as an independent and objective voice to management, the Board of

Directors, and Congress by identifying opportunities and promoting solutions for improving the company’s programs and operations, while preventing and detecting fraud, waste, and abuse. The Deputy Inspector General serves in the stead of the Inspector General, as required, and leads the operational and support staffs within the OIG.

Counsel to the Inspector General. This office provides legal assistance and advice to OIG senior management and supports audits, investigations, and special reviews. The Office of Counsel also coordinates OIG legal matters with external entities, such as the Department of Justice, and federal and state law enforcement.

Audits. This office conducts independent and objective audits across the spectrum of the company’s programs and operational activities. It produces reports aimed at improving the company’s economy, efficiency, and effectiveness, while seeking to detect and prevent fraud, waste, and abuse.

Investigations. This office pursues allegations of fraud, waste, abuse, and misconduct that could affect the company’s programs, operations, assets, and other resources. It refers investigative findings to the Department of Justice for criminal prosecution or civil litigation, or to management for administrative action. It also develops recommendations to reduce vulnerability to abuse and criminal activity.

Mission Support. This office provides budget and financial management; contracting and procurement; IT; general administrative support and human capital, which ensures that the best qualified people are hired, developed, retained, and rewarded appropriately in accordance with applicable laws, regulations, and OIG policy. It also ensures that an effective and efficient performance management system is implemented to provide employees with timely and meaningful feedback and coaching on performance.

APPENDIX D: PEER REVIEW RESULTS

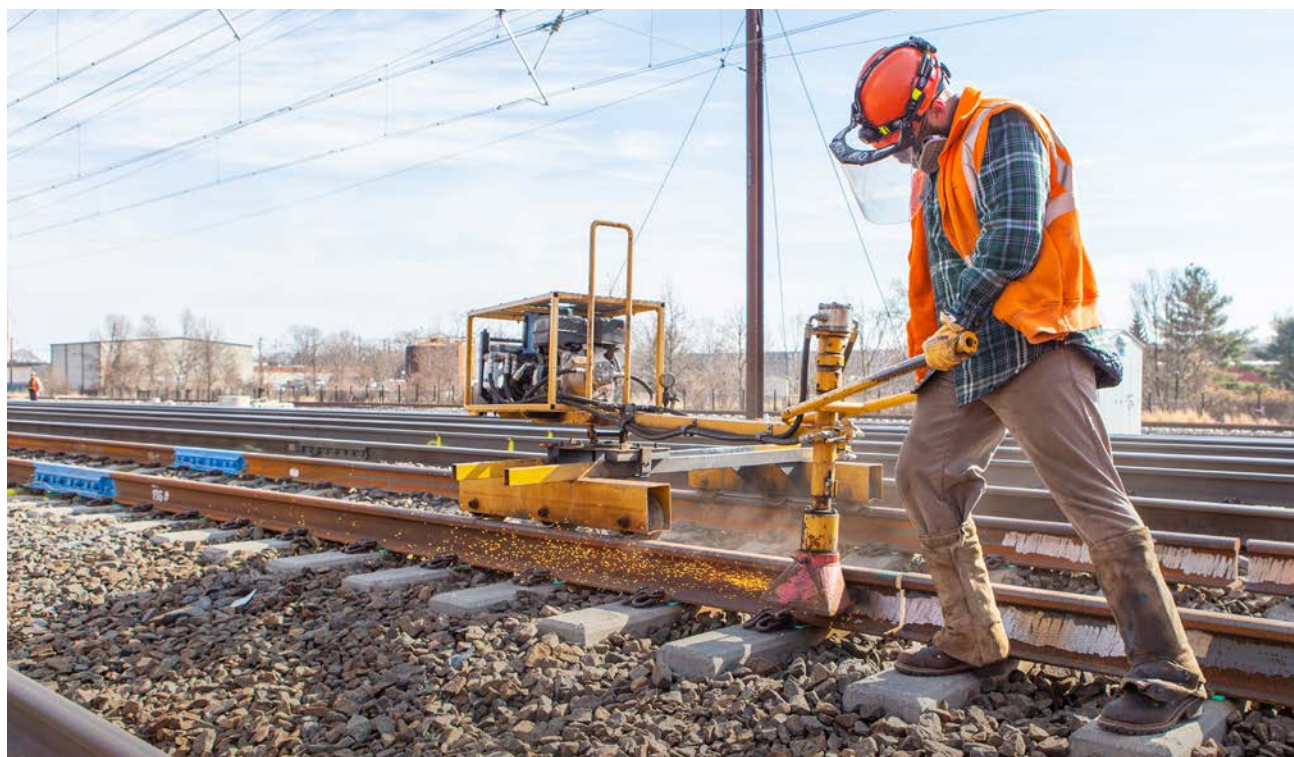
The Dodd-Frank Wall Street Reform and Consumer Protection Act (P. L. 111–203, July 21, 2010) requires that OIGs include in semiannual reports to Congress the results of any peer review conducted by another OIG during the reporting period, or—if no peer review was conducted—a statement identifying the date of the last peer review. Also required is a list of all peer reviews conducted during the period by the OIG of another OIG, and the status of any recommendations made to or by the OIG.

During FY 2019, our Office of Audits was the subject of a CIGIE peer review by the Tennessee Valley Authority (TVA) OIG. The TVA OIG determined that the system of quality control for our audit function has been suitably designed and complied with to provide reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects.

Accordingly, the TVA OIG provided a “pass” rating and made no recommendations. The report was released on April 15, 2019.

Also during FY 2019, our Office of Investigations was the subject of a CIGIE peer review by the Federal Deposit Insurance Corporation (FDIC) OIG. The FDIC OIG concluded that the system of internal safeguards and management procedures for our investigative function was in compliance with the quality standards established by CIGIE and the Attorney General’s Guidelines for Offices of Inspector General with Statutory Law Enforcement Authority. The FDIC OIG identified a number of best practices in our investigative operations that they believed warranted acknowledgement.

Our office did not complete any peer reviews of any other OIG during the reporting period.



APPENDIX E: ABBREVIATIONS

ADA	Americans with Disabilities Act
APD	Amtrak Police Department
CIGIE	Council of the Inspectors General on Integrity and Efficiency
FRA	Federal Railroad Administration
FDIC	Federal Deposit Insurance Corporation
FOIA	Freedom of Information Act
FY	Fiscal Year
GSA	General Services Administration
IPA	Independent Public Accountant
IJA	Infrastructure Investment and Jobs Act
IT	Information Technology
MOU	Memorandum of Understanding
NEC	Northeast Corridor
OI	Office of Investigations
OIG	Office of Inspector General
PRAC	Pandemic Response Accountability Committee
PTC	Positive Train Control
RRB	Railroad Retirement Board
SMS	Safety Management System
TVA	Tennessee Valley Authority



APPENDIX F: REPORTING REQUIREMENTS

INSPECTOR GENERAL ACT CITATION	REPORTING REQUIREMENT	PAGE
4(a)(2)	Review of Legislation and Regulations	27
5(a)(1)	Significant Problems, Abuses, and Deficiencies	5-21
5(a)(2)	Recommendations for Corrective Action to Significant Problems	5-21
5(a)(3)	Audit Reports Described in Previous Semiannual Reports for Which Corrective Actions are Not Complete	25
5(a)(4)	Matters Referred to Prosecutive Authorities	24
5(a)(5)	Information Assistance Refused or Not Provided	N/A
5(a)(6)	Audit Reports Issued in This Reporting Period	22
5(a)(7)	Summary of Significant Reports	5-21
5(a)(8)	Audit Reports with Questioned Costs	26
5(a)(9)	Audit Reports with Recommendations That Funds Be Put to Better Use	26
5(a)(10)	Previous Audit Reports Issued with No Management Decision Made by End of This Reporting Period	26
5(a)(11)	Significant Revised Management Decisions	N/A
5(a)(12)	Significant Management Decisions with Which the OIG is in Disagreement	N/A
5(a)(13)	Federal Financial Management Improvement Act-Related Reporting	N/A
5(a)(14–16)	Peer Review Results	29
5(a)(17-18)	Investigative Reporting Statistical Tables	24
5(a)(19)	Investigations on Senior Government Employees Where Allegations are Substantiated	N/A
5(a)(20)	Instances of Whistleblower Retaliation	N/A
5(a)(21)	Instances of Interference with Independence or Restrictions on Access	N/A
5(a,b)(22)	Instances of Inspections, Evaluations, Audits, and Investigations Not Disclosed to the Public	23-24

MISSION

The Amtrak OIG's mission is to provide independent, objective oversight of Amtrak's programs and operations through audits 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.

OBTAINING COPIES OF REPORTS AND TESTIMONY

Available at our website www.amtrakoig.gov

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Report suspicious or illegal activities to the OIG Hotline www.amtrakoig.gov/hotline or **800-468-5469**

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