




Memorandum

To: Tracie Winbigler
Executive Vice President and Chief Financial Officer

From: Jim Morrison 
Assistant Inspector General, Audits

Date: July 16, 2020

Subject: Engagement Memo—Cost-Sharing on State-Supported Routes
(Project Code 015-2020)

We are initiating an audit of Amtrak's processes for managing cost-sharing on state-supported routes. Our objective will be to evaluate the company's actions to address longstanding concerns with the PRIIA 209 cost-sharing methodology and the company's billing process with its State partners. We may expand our scope or modify our objective during the audit.

During the audit, we plan to analyze documents, invoices, and agreements related to State partner billing. We also plan to interview Amtrak and State government officials knowledgeable about the cost-sharing methodology and the state-supported billing process. We will work to minimize disruptions to the company by coordinating meetings with staff in advance.

We will perform our work in accordance with generally accepted government auditing standards. Our interactions with the company will be consistent with P/I 2.1.3, which sets forth the relationship between our office and the company. In particular, section 7.0 of the policy discusses coordination between company officials and our Office of Audits.

We request that your office arrange an entrance conference for us with the appropriate company officials at the earliest possible date. We will keep you advised of the status of our work and any material changes in our objective, should they occur.

Jana Brodsky will be the Audit Manager for this engagement and reports to J.J. Marzullo, Senior Director, Audits. If you have any questions, please contact me at

(703) 975-5237 or james.morrison@amtrakoig.gov; Eileen Larence, Deputy Assistant Inspector General, Audits, at (703) 400-6831 or eileen.larence@amtrakoig.gov; or J.J. Marzullo at (443) 257-5435 (John.Marzullo@amtrakoig.gov).

cc: Stephen J. Gardner, Senior Executive Vice President, Chief Operating and Commercial Officer
Eleanor D. Acheson, Executive Vice President, General Counsel & Corporate Secretary
Roger Harris, Executive Vice President, Chief Marketing and Revenue Officer
Scot Naparstek, Executive Vice President, Chief Operations Officer
Dennis Newman, Executive Vice President, Planning & Strategy
Steve Predmore, Executive Vice President and Chief Safety Officer
Qiana Spain, Executive Vice President and Chief Human Resource Officer
DJ Stadtler, Executive Vice President and Chief Administrative Officer
Christian Zacariassen, Executive Vice President and Chief Information Officer
Joe McHugh, Vice President State Supporting Services Business Development
Mark Richards, Senior Director, Risk Management and Controls
Mark Benedict, Director, Risk Management and Controls