



## Memorandum

**To:** Gerald Sokol, Jr.  
Chief Financial Officer

**From:**   
David R. Warren  
Assistant Inspector General, Audits

**Date:** April 4, 2014

**Subject:** Engagement Memo – Review of Long-Distance Car Manufacturing Contractual Performance (Project No. 008-2014)

The Office of Inspector General is initiating an audit of the company's contract with CAF USA for the manufacture of 130 long-distance, single-level rail cars. The objective of this audit is to assess the adequacy of the Mechanical department's project oversight and administration of contractual requirements for the long-distance rail car purchase focusing on the areas of cost, schedule, and performance.

During this audit, we plan to interview company personnel, particularly from the Procurement, Mechanical, and Finance departments, analyze documents associated with the procurement of the cars, and review contract and invoice files. Requests for documents will be made as our work progresses. We will work to minimize the impact by coordinating interviews and observations with staff in advance.

Our work will be performed in accordance with Generally Accepted Government Auditing Standards. Our interactions with the company will be consistent with P/I2.1.3 which sets forth the relationship between the OIG and the company. In particular, section 7.0 of the policy discusses coordination between Amtrak officials and the OIG on audits and evaluations. P/I2.1.3 can be found at <http://wiki.corp.nrpc/download/attachments/3586/OIG=Relationship+Policy+111101.pdf?version=1>

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 audit objectives.

Cheryl Chambers will be the Audit Manager for this project and will report to Matt Simber, Senior Director, Audits. If you have any questions, please contact me 202-906-4742 or by email at [David.Warren@amtrakoig.gov](mailto:David.Warren@amtrakoig.gov), or Matt Simber 215-349-1077 or by email at [Matt.Simber@amtrakoig.gov](mailto:Matt.Simber@amtrakoig.gov).

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