

**NATIONAL RAILROAD PASSENGER CORPORATION
OFFICE OF THE INSPECTOR GENERAL
OFFICE OF INVESTIGATIONS**

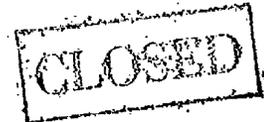
CLOSING REPORT

Case Number: 08-002

December 29, 2008

To: Colin C. Carriere
Deputy Inspector General/Counsel

From: [REDACTED]
Chief Inspector



Background:

On November 6, 2007, OI received a request from [REDACTED] Amtrak OIG- [REDACTED] requesting that OI assist in an inquiry regarding several charge-backs to Salinas Station where several deposits had either not been made, or deposits were short of the actual cash sales reported.

Accounts Receivable reported charge-back amounts to [REDACTED] Station on the following dates in 2006 : 1/12/06 \$1,483.90, 2/27/06 \$297.55, 5/27/06 \$65.25, 11/14/06 \$ 100.00 the total of missing funds for 2006 was \$1,946.70.

Accounts Receivable reported charge-back amounts to [REDACTED] Station on the following dates in 2007 : 4/10/07 \$100.00, 5/19/07 \$100.00, 5/25/07 \$596.70 6/25/07 \$ 400.75, 6/26/07 \$163.00, 7/7/07 \$290.00, 7/27/07 \$300.00, 7/28/07 \$200.00, 8/22/07 \$ 273.65, 8/23/07 \$508.35, 9/10/07 \$323.08, 9/21/07 \$ 1,100.65, 9/24/07 \$ 252.24, the total of missing funds for 2007 was \$4708.22

Based upon the above, Revenue Accounting has reported that a total of \$6654.92 has been charged back to [REDACTED] Station for missing funds from reported station deposits.

Findings:

On December 19, 2007, OIG Agents [REDACTED] and [REDACTED] traveled to [REDACTED], [REDACTED] and conducted a review of [REDACTED] Station Records. This review was to determine how funds entrusted to [REDACTED] Station personnel had turned up missing. This initial review would determine whether there was sufficient documentation to conduct a complete audit of station deposits. Unfortunately, the records maintained at [REDACTED] Station lacked any organization and were found in total disrepair. Some records were found in desk drawers, some records were located in unlabeled boxes and others were found in mislabeled file drawers. OI's intent was to take possession of station records, which dealt with the 24 separate dates listed above, wherein deposits were either not made or deposits which were made and reported short. This simple task which, normally should have only taken 2 hours to accomplish, took OI agents and the [REDACTED] of Stations [REDACTED] a full day and a half to gather those records, which we were able to locate.¹ OI issued a receipt for the records gathered and transported them to [REDACTED] for review and auditing by OIG Audit staff [REDACTED] with the assistance of [REDACTED].

¹ OI also noted that three dates were not located neither station records or records of deposits were found

The result of that audit identified that [REDACTED] ([REDACTED] Agent) had prepared the deposits and been present many of the instances when the Brinks Armored Car arrived at the Station to pick-up the deposit. OI determined that [REDACTED] had failed to safeguard Amtrak Funds left in her care and custody. As the Station Agent, [REDACTED] had a responsibility to maintain clear and concise records of funds taken in and deposited as required by Amtrak. Her failure to maintain records made it difficult to determine at what point the funds were removed.

On one such incident dated January 12, 2006, a deposit of \$1,483.90 was prepared and the Brinks Drive signed for the deposit. OI and APD were informed that nearly an hour later the Brinks Driver returned and alleged that he had forgotten to take the deposit, that deposit was never received by the bank. APD Detective [REDACTED] was not immediately notified of the missing deposit. [REDACTED] did not notify [REDACTED] until March 16, 2006 (3 months after the incident) at which time he responded and began to investigate the incident. However, Detective [REDACTED] failed to interview the Brinks driver ("[REDACTED]"). Detective [REDACTED]'s investigative report relied exclusively on information provided by the Brinks driver's supervisor ([REDACTED]). OI has been unable to locate or speak with either the driver ([REDACTED]) or [REDACTED].

OI and OIG-Audit reviewed those files collected from [REDACTED] Station. That review was unable to support a criminal filing because the records were haphazardly maintained, some of which were missing and lacking a chain of custody to indicate a specific person responsible for the missing funds. However, [REDACTED] was the responsible party for the poor condition of the files and as the [REDACTED] she was responsible for not only the records but also of ensuring that the deposits were made and properly recorded.

On January 29, 30 and 31, 2008 OI accompanied OIG-Auditors [REDACTED] and [REDACTED] to [REDACTED], [REDACTED] to complete the station audit and interview [REDACTED] regarding the missing funds and missing documents. [REDACTED] was unable to offer any valid reason for the shortages. She acknowledged that she had poorly maintained the station records and that she had also acknowledged that she had intentionally failed to report shortages of her own cash drawer.

[REDACTED] was removed from service by [REDACTED] and charged for failing to attend to her duties. On February 7, 2008, Hearing Officer [REDACTED] opened a company Hearing (under case # [REDACTED]) to investigate the five (5) instances where [REDACTED]'s bank deposits were short by a total of \$1,260.48.

The Hearing Officer sustained the charges by the testimony and evidence offered by [REDACTED], [REDACTED], Inspector General's Office. [REDACTED] performed an audit at the Salinas station with respect to remittances of Amtrak funds. [REDACTED] found that on five (5) occasions between April 7, 2007, and September 7, 2007, that bank deposits prepared and signed by you were either short or non-existent. Deposits were audited for the entire months of these transactions. Neither the shortages, nor the missing remittances could not be reconciled with the bank deposits. The missing remittances resulted in a loss to Amtrak of \$1,260.48. [REDACTED] offered no explanation or defense on her behalf.

On February 15, 2008, [REDACTED] was terminated from Amtrak's employment by [REDACTED].

During the course of this investigation OI also identified additional shortages in [REDACTED] stations that had been outstanding for an excessive period of time (2004 through 2007). On January 31, 2008, OI met with [REDACTED], ([REDACTED]) and

delivered an Over-Short Ledger for the stations which were under his supervision. These shortages spanned a period over the past 3 1/2 years totaling \$ 13,337.68 which was still outstanding and remained uncollected. These amounts have been reported as various shortages by 49 station/ticketing personnel. Despite the notices sent to each employee no effort was made to ensure that those funds were collected.

On May 15, 2008, [redacted] reported to OI that the shortages identified as being owed by those 49 individual employees had been reduced by \$ 10,839.60. [redacted] indicated that as of May 15, 2008 there were eight employees remaining from the list which ended in 2007 who still owed Amtrak \$2,498.08 and were being scheduled for a Notice of Intend Hearing on May 19, 2008. Unless they agreed to repay the owed amount they would be charged for failing to remit funds belonging to Amtrak. The following list identified those individuals, their assignments and amount owed:

[redacted]	\$ 43.47
[redacted]	\$ 58.84
[redacted]	\$ 43.35
[redacted]	\$ 653.85
[redacted]	\$ 47.95
[redacted]	\$ 407.81
[redacted]	\$ 1,124.87
[redacted]	\$ 117.94
Total Owed	\$ 2,498.08

On October 17, 2008, OI made a follow-up visit to [redacted] Station and inquired of [redacted], the status of any remaining debts owed to Amtrak as a result of shortages. [redacted] reported that, eight employees remained on the active shortage list. [redacted] provide OI an updated list of those employees. OI noted that during the current year (2008) five employees of the eight identified by [redacted] owed less than \$40.00, they were, [redacted]. One individual ([redacted]) owed \$ 91.25. OI also noted that two employees, [redacted] and [redacted] owed \$809.05 and \$1468.28 respectively. The total owed to Amtrak for 2008 by these eight employees is \$2,514.22. On October 17, 2008, OI met with the [redacted] to determine what was intended regarding the shortages which were as yet uncollected. [redacted] assured OI that by October 31, 2008 all funds would be either collected or the individuals would be charged and disqualified from those positions.

OI contacted [redacted] to establish any procedures which have been implemented as a result of these shortages. [redacted] reported that he has directed [redacted] to distribute the shortage list to the three [redacted] managers responsible for the [redacted] Division stations ([redacted]). [redacted] indicated that it is their responsibility to follow-up on recovering those shortages or at least addressing any possible paper shortage if it is a clerical error.

Recommendations:

Close this case. OI and the auditing staff have been unable to substantiate that [redacted] was the sole source of the loss from [redacted] Station. During this same time period Amtrak Management had discovered other financial improprieties at [redacted] Station wherein the [redacted] had resigned. OI also identified an earlier incident where \$1,483.90 was picked up by Brinks Armored transport and never deposited which was reported to the Amtrak Police Department, Detective [redacted] but no timely follow-up was ever made by Amtrak P.D. The

records of [redacted] Station were haphazardly maintained, some of which were missing and lacking a chain of custody to indicate a specific person responsible for the missing funds. These factors were considered, while evaluating whether this case should be presented to a local prosecutor.

Management ([redacted]) has taken this opportunity to standardize the recordkeeping procedures throughout the [redacted] Route and the practices are currently being reformulated to comply with company record keeping practices in [redacted].

Lastly, after OI identified shortages which had not been collected in the [redacted], Management has aggressively pursued the recovery of those funds. As of December 29, 2008 OI has verified with management that \$ 5,012.30 in Station shortages has been either collected or scheduled to be collected by payroll deduction. As a result of this investigation [redacted] has implemented a monthly review of the over/short ledger to ensure that shortages are addressed in a more, timely manner.

[redacted] has advised OI that the new procedure that is currently in place on the shortage letters being sent to employees states, "...if this shortage is not taken care by (date on letter) employee will be disqualified from ticketing and a formal hearing will be scheduled. All Station Manager will follow the current procedures, to ensure shortages are paid in timely manner. Employees with two abnormal shortages in a row will be put on notice, if a third shortage occurs within the next month the employee will be disqualified from ticketing." [redacted] further advised that [redacted] has all supporting documents for all paid shortages.

Deputy Inspector General/Counsel [Signature]

Date 1/7/2009

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