

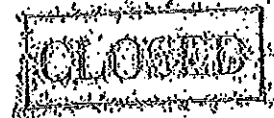
National Railroad Passenger Corporation
Office of the Inspector General
Office of Investigations

CLOSING REPORT

December 14, 2009

TO: [REDACTED]
Deputy Inspector General/Counsel

FROM: [REDACTED]
Chief Inspector



SUBJECT: [REDACTED] Safety Committee Funds Case # 09-186

BACKGROUND:

On December 3, 2009, Office of the Inspector General ("OIG"), Office of Investigations ("OI"), sent a Management report to [REDACTED] regarding the Safety Committee purchasing a soda vending machine to benefit the [REDACTED] crew base. Further information was that no reports had been forwarded to Management regarding the funds collected by the Safety Committee.

The purpose of this investigation was to establish whether the Safety Committee's purchase complied with Amtrak Policy PERS-24 (Titled Employee Vending Machine and food services fund).

OI RECOMMENDATIONS:

OI substantiated that the [REDACTED] Safety Committee funds were not collected or maintained in accordance with Amtrak Policy PERS-24 for the reasons which follow:

- A) Amtrak Policy PERS-24 applies to all vending machines and food services that are provided exclusively for employees.
- B) The minutes of the safety Committee failed to reflect any discussion or opposition to the purchase of the vending machine. (See note #C and F)
- C) The Safety Committee never exercised a vote to the expenditure of funds for the purchase of the vending machine. The policy states, *"The committee will also vote on requests for use of the vending commission funds consistent with this policy."*
- D) The funds collected by the Safety Committee have been withdrawn from the bank and is being maintained as a cash only account by [REDACTED]. The Policy states, *"At each location where vending machines and food services exist, a local checking account must be established. The account should be titled "Employee Vending Commission Fund" vending machine and food service receipts will be deposited in this account."*
- E) The Safety Committee has not established a protocol wherein senior management or the local designates can be apprised of the committee's actions. Although minutes have been written by appointed members of the committee those minutes have not been forwarded to senior management for review. The policy states, *"The senior management official will designate one committee member to be responsible for maintaining the checking account and related records. This includes making deposits, reconciling the account, issuing checks and securing check stock."*
- F) The Safety Committee failed to report to senior management regarding the activities of the Safety Committee as required. The policy states, *"Quarterly, a report of fund activity will be issued by the senior management official to the local Division*

Manager....In issuing the report, the senior management official should ensure that the account has been properly reconciled...."

OI identified that [REDACTED] improperly handled the Safety Committee fund, by acting independently, and without the approval of the Safety Committee members. OI found that his act was toward the overall good of the Safety Committee and the employees in the area. [REDACTED] believed, that his actions would allow the Safety Committee to become more financially independent. [REDACTED] Management should consider bringing the [REDACTED] crew base Safety Committee Fund into compliance with Amtrak policy PBR-24.

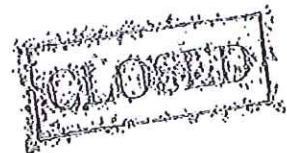
- 1) [REDACTED]'s, unilateral purchase of the vending machine was made without input from other members of the committee. Members of the Safety Committee agreed, with [REDACTED], that it was a good idea to purchase the vending machine. However, there was never a vote by the members to make such a large purchase (92% of the money collected) and leaving only \$72.33 in cash (Note: the funds are not in a bank or credit union to avoid paying \$12 monthly bank fees). The minutes should reflect at least after the fact that the Safety Committee members are in agreement with the purchase.
- 2) The Safety Committee should hold an election of officers to include a treasurer and Secretary. Such an election should exclude members of management who are there to support the committee and not to direct its activity.
- 3) The Safety Committee must open a local checking account titled "Employee Vending Commission Fund."
- 4) The Secretary of the Safety Committee must ensure that minutes are properly kept and forwarded to senior management within the SWD, in a timely manner.
- 5) The Treasurer of the Safety Committee should provide the committee and senior management with a financial report quarterly.
- 6) Management should advise and inform [REDACTED] that his role in the committee is to act as a facilitator; as such he must learn to delegate.

MANAGEMENT'S RESPONSE:

On December 14, 2009, OI received [REDACTED]'s management response from [REDACTED] which stated:

"The [REDACTED] management concurs with the recommendations and will ensure that the [REDACTED] Safety Committee which is composed of agreement and non-agreement employees, review and comply with Amtrak policy as stated in PERS-24. The following recommendations will be implemented:

- The Safety Committee will hold an election of officers
- The Safety Committee is to review, vote and approve requests
- A fund account will be established at a local financial institution
- Accurate and proper monthly and quarterly recordkeeping procedures"



RECOMMENDATIONS:

Close this case. [REDACTED] management has implemented all the recommendations made by OI.

Deputy Inspector General/Counsel _____ Cell _____ Date 12/17/2009