



**ETHICS POLICY VIOLATION**  
**APRIL 15, 2015**  
**CASE OIG-I-2015-506**

We conducted an investigation of an Amtrak executive based on multiple allegations involving nepotism in hiring practices, steering of contracts to a particular vendor, and using an Amtrak contractor who later became a full-time employee to assist him with personal work. Our investigation confirmed that the executive engaged in improper hiring, conflicts of interest, and gross mismanagement of Amtrak resources. In one instance, we found that the executive hired his friend's son, who was wholly unqualified for an Amtrak position. He then directed this new employee to help him with a personal book-writing project that involved editing and copying draft book manuscripts during regular Amtrak business hours. Inexplicably, the executive also directed the hiring of a foreign national sub-contractor by an Amtrak primary contractor at a cost of over \$520,000 to provide certain expertise on a rail project. However, our investigation disclosed that the sub-contractor lacked adequate knowledge of safety, construction, and regulatory issues for domestic railroads, and there was no statement of work for the contracted services. In sum, Amtrak received little to no value for the sub-contractor's services. Finally, the executive directed and subsequently mismanaged the construction of passenger platforms for Amtrak and another rail entity. Not only were they delivered late, but their construction may have been unnecessary from the outset. Consequently, management dismissed the executive, the employee involved in the book-writing project, and the foreign national sub-contractor from service at Amtrak.