



governmentattic.org

"Rummaging in the government's attic"

Description of document: Closing documents related to twenty (20) AMTRAK Office of Inspector General (OIG) Investigations, 2012

Request date: 25-March-2013

Released date: 31-July-2013

Posted date: 30-June-2014

Source of document: Office of the Inspector General
National Railroad Passenger Corporation
10 G St. NE, Suite 3W-300
Washington, DC 20002
Attn: FOIA Request
Fax: 202-906-4695 (ATTN: FOIA Request)

The governmentattic.org web site ("the site") is noncommercial and free to the public. The site and materials made available on the site, such as this file, are for reference only. The governmentattic.org web site and its principals have made every effort to make this information as complete and as accurate as possible, however, there may be mistakes and omissions, both typographical and in content. The governmentattic.org web site and its principals shall have neither liability nor responsibility to any person or entity with respect to any loss or damage caused, or alleged to have been caused, directly or indirectly, by the information provided on the governmentattic.org web site or in this file. The public records published on the site were obtained from government agencies using proper legal channels. Each document is identified as to the source. Any concerns about the contents of the site should be directed to the agency originating the document in question. GovernmentAttic.org is not responsible for the contents of documents published on the website.



July 31, 2013

Re: Freedom of Information Act Request

Enclosed are reasonably segregable portions of documents from Amtrak's Office of Inspector General (OIG) that are responsive to your March 25, 2013 Freedom of Information Act (FOIA) Request for copies of specific records for a specified list of closed investigations.

With regard to all of enclosed OIG records, the redacted portions were determined to be exempt from disclosure for the following reasons:

The names, titles, locations and other personal identifying information relating to suspects, targets, sources, witnesses and other individuals have been redacted and are being withheld pursuant to Exemptions 6 and 7(C). Exemption 7(C) provides protection for personal information contained in law enforcement records, recognizing that law enforcement records, such as these reports, are inherently more invasive of privacy than other types of records. An individual whose name or other personal identifying information is disclosed in connection with an investigation may become the subject of rumor and innuendo. Release of names and other personal identifying information could subject those individuals "to unanticipated and unwanted injury to their reputations, and to derogatory publicity or interferences arising from their connection to law enforcement." *See, e.g., Ruston v. DOJ*, No. 06-0224, 2007 WL 809698, at *5 (D.D.C. Mar. 15, 2007) and *Perlman v. DOJ*, 312 F.3d 100 (2d Cir. 2002) (concluding that "[t]he public's interest in learning the identities of witnesses and other third parties is minimal because the information tells little or nothing about either the administration of the INS program or the Inspector General's conduct of its investigation") (Exemptions 6 and 7(C)), vacated & remanded, 541 U.S. 970, on remand, 380 F.3d 110 (2d Cir. 2004) (per curiam). Names of individuals who are not Amtrak employees are likewise subject to redaction under Exemption 7(C), which permits categorical withholding of information that identifies third parties in law enforcement records, for the same reasons noted above.

In addition, Exemption 6 protects the privacy interest of individuals identified in connection with an OIG investigation, whose substantial interest in personal identity protection outweighs any public interest in disclosure of information that could be used to identify them. In cases

such as these, the public's interest in the identity of such individuals is minimal because the information reveals nothing about the activities or programs of Amtrak.

Similarly, OIG agent names are being withheld pursuant to Exemptions 6 and 7(C). Courts have consistently held that OIG law enforcement agents have "substantial interest[s] in nondisclosure of their identities and their connection[s] to particular investigations." *See, e.g., Neely v. FBI*, 208 F.3d 461, 464-66 (4th Cir. 2000) and *O'Keefe v. DOD*, 463 F. Supp. 2d 317; and

Other information has been redacted because it would reveal law enforcement techniques and procedures, which are protected from disclosure under Exemption 7(E). *See Banks v. DOJ*, 813 F. Supp. 2d 132, 146 (D.D.C. 2011) (noting that Exemption 7(E) provides for "categorical" protection of techniques and procedures under first clause of Exemption)

In addition, the company has requested redaction of (1) bidder pricing and technical proposal data under Exemption 4, which protects commercially sensitive information, the disclosure of which could cause competitive harm to the submitter, and (2) opinions, recommendations, and similar observations made during the proposal evaluation process, which are protected under Exemption 4 and under Exemption 5 as well based on the deliberative process privilege recognized therein.

If you wish to appeal OIG's claim of exemption for any of the documents described above, you may file an appeal with Ted Alves, Inspector General, at the address below, within thirty days of the date of this letter. We apologize for the unavoidable delay in responding to your request. We have not assessed any charges to you for processing this request.

If you have any questions concerning this response to your request, please contact me.

Sincerely,



Kathleen L. Ranowsky
Deputy Counsel to the Inspector General
National Railroad Passenger Corporation
10 G Street, N.E., Suite 3E-576
Washington, D.C. 20002

cc: Sharron Hawkins, Amtrak FOIA Officer

Amtrak



**Office of Inspector General
Office of Investigations**

Amtrak Case Number MD-09-0005-S

March 19, 2012

Subject:

[REDACTED]

Engineering Department

[REDACTED]

Engineering Department

HNTB
1628 John F. Kennedy Blvd.
Philadelphia, PA 19103

Case Closing Report:

On November 18, 2008, the OIG-OI Agent [REDACTED] received information from an anonymous source alleging that HNTB, a contractor, has a no bid contract with Amtrak because HNTB has hired former Amtrak employees that have close ties with current Amtrak personnel. The anonymous source also alleges that current Amtrak employees are able to provide the same services that HNTB has contracted with Amtrak to provide.

The anonymous letter indicated that HNTB had not been involved in railroad maintenance of way work until [REDACTED], former Amtrak employee, became the [REDACTED] for HNTB's Railroad Operations in 2003 or 2004. [REDACTED] recruited the following former Amtrak instructors: [REDACTED]

[REDACTED]. In most cases, these former employees were mentors to current Amtrak employees. The source has suggested that current Amtrak employees that work so closely with HNTB may be positioning themselves for employment with HNTB subsequent to retirement from Amtrak. For example, [REDACTED] has been employed by HNTB for less than six months and has been able to secure a contract with Amtrak's Engineering Department for HNTB to provide a standardized mentoring program for track foremen and inspectors. The source indicated that there are no validated statistics that show any problems with track foremen and inspectors performance.

Agents conducted interviews of Amtrak and HNTB personnel.

Agents obtained Blanket Purchase Order #B-035-13954 and Blanket Purchase Order #B-035-13958 from the Procurement Department file room and noted the following:

Blanket Purchase Order #B-035-13954 (Track Mentoring Program)

On June 25, 2007, Engineering Department personnel prepared an RFP that provided a general overview of a contract for Track Mentoring Inspection Program and specifications as it related to the following

7748

APPR: rk

CLASSIFICATION:

FOR OFFICIAL USE ONLY

WARNING

This document is the property of the Amtrak Office of Inspector General and is on loan to your agency. Contents may not be disclosed to any party under investigation nor may this document be distributed outside the receiving agency without the specific prior authorization of the Assistant Inspector General for Investigations.

work product: scope of work; inspector requirements (Type #1, #2, #3); deliverables; safety; lodging; and, pricing lump sum. On July 17, 2007, the Engineering Department provided [REDACTED] with a list of engineering consulting firms qualified to bid on the RFP. The bidders list included the following consulting engineering firms and a contact representative: LTK [REDACTED]; HNTB [REDACTED]; HDR [REDACTED]; SYSTRA [REDACTED]; DMJM Harris (no name given); and, Parsons Brinkerhoff [REDACTED].

Procurement file documentation indicated that six (6) firms were solicited to competitively bid on the RFP for the Engineering Department; however, only HNTB responded to the RFP and was subsequently awarded the contract. Since HNTB was the only bidder on the RFP, the Engineering Department was not required to convene a Technical Evaluation Committee (TEC). According to Engineering Department personnel, HNTB is a highly recommended firm with an excellent track record with Amtrak. [REDACTED], [REDACTED] – Engineering, prepared and issued Blanket Purchase Order #B-035-13954 dated August 15, 2007 to HNTB in the amount of \$ [REDACTED] for track mentoring inspection program for the period from August 15, 2007 to August 31, 2010. HNTB is located at 8 Penn Center, 1628 John F. Kennedy Blvd., 7th Floor, Philadelphia, PA 19103. The Purchase Order was awarded for three years with two one year options for renewal. Procurement file records indicated that [REDACTED], [REDACTED] – Procurement, exercised the first option from September 2010 to August 2011 and the second option from September 2011 to August 2012.

Procurement file documentation indicated that six (6) change orders have been issued to the Blanket Purchase Order. The table below illustrates the date of change order, purchase requisition number, change order number, change order increase and not to exceed amount:

Date	Purchase Req #	Change Order #	Increase	Not to Exceed
12/03/07	PR1000404011	1	\$ [REDACTED]	\$ [REDACTED]
07/11/08	PR1000461213	2	\$ [REDACTED]	\$ [REDACTED]
09/05/08	PR1000479580	3	\$ [REDACTED]	\$ [REDACTED]
10/27/08		4	Change inspection rate	
12/31/08	PR1000503806	5	\$ [REDACTED]	\$ [REDACTED]
08/13/10		6	exercise option year	

Documentation in the case file indicated that HNTB had invoiced Amtrak over \$ [REDACTED] for services rendered.

Blanket Purchase Order #B-035-13958 (Concrete Tie Inspection)

On June 25, 2007, Engineering Department personnel prepared an RFP that provided a general overview of a contract for Track Asset Inspection, Data Collection and Reporting of Concrete Tie conditions and specifications as it related to the following work product: scope of work; inspector requirements; deliverables; pricing lump sum; and, pricing requirements. On July 7, 2007, the Engineering Department provided [REDACTED] with a list of engineering consulting firms qualified to bid on the RFP. The bidders list included the following consulting engineering firms and a contact representative: LTK [REDACTED]; HNTB [REDACTED]; HDR [REDACTED]; SYSTRA [REDACTED]; DMJM Harris (no name given); and, Parsons Brinkerhoff [REDACTED].

Procurement file documentation indicated that six (6) firms were solicited to competitively bid on the RFP for the Engineering Department; however, only HNTB responded to the RFP and was subsequently

CLASSIFICATION:

FOR OFFICIAL USE ONLY

WARNING

This document is the property of the Amtrak Office of Inspector General and is on loan to your agency. Contents may not be disclosed to any party under investigation nor may this document be distributed outside the receiving agency without the specific prior authorization of the Assistant Inspector General for Investigations.

awarded the contract. Since HNTB was the only bidder on the RFP, the Engineering Department was not required to convene a Technical Evaluation Committee (TEC). According to Engineering Department personnel, HNTB is a highly recommended firm with an excellent track record with Amtrak. The Procurement Department prepared and issued Purchase Order #B-035-13958 dated August 23, 2007 to HNTB in the amount of \$ [REDACTED] for concrete tie inspection services for the period from August 23, 2007 to August 31, 2010. The Purchase Order was awarded for three years with two one year options for renewal. Procurement file records indicated that Amtrak exercised the first option from September 2010 to August 2011 and the second option from September 2011 to August 2012.

Procurement file documentation indicated that eight (8) change orders have been issued to the Blanket Purchase Order. The table below illustrates the date of change order, purchase requisition number, change order number, change order increase and not to exceed amount:

Date	Purchase Req #	Change Order #	Increase	Not to Exceed
11/29/07	PR1000404002	1	\$ [REDACTED]	\$ [REDACTED]
02/27/08	PR1000424613	2	\$ [REDACTED]	\$ [REDACTED]
07/07/08	PR1000461210	3	\$ [REDACTED]	\$ [REDACTED]
09/05/08	PR1000479591	4	\$ [REDACTED]	\$ [REDACTED]
09/05/08		5	\$ [REDACTED]	\$ [REDACTED]
12/16/08	PR1000503807	6	\$ [REDACTED]	\$ [REDACTED]
08/10/10	PR1000674627	7	\$ [REDACTED]	\$ [REDACTED]
10/10/11	PR2000064620	8	\$ [REDACTED]	\$ [REDACTED]

Documentation in the case file indicated that HNTB had invoiced Amtrak over \$ [REDACTED] for services rendered.

Since OI has recently received additional information about [REDACTED] and [REDACTED] from [REDACTED] Department, OI's Senior Management has decided to close this case file and incorporate the case information with the new case file (NY-12-0199-O). All case documentation in AIM will be transferred to the new case file.

Prepared by: [REDACTED]
Special Agent
Amtrak Office of Inspector General
Office of Investigations
New York, NY

Distr: HQ File; Amtrak OIG-I, Washington, DC

CLASSIFICATION:

FOR OFFICIAL USE ONLY

WARNING

This document is the property of the Amtrak Office of Inspector General and is on loan to your agency. Contents may not be disclosed to any party under investigation nor may this document be distributed outside the receiving agency without the specific prior authorization of the Assistant Inspector General for Investigations.

Amtrak



**Office of Inspector General
Office of Investigations**

Amtrak Case Number CA-10-0047-S

January 3, 2012

Subject: [REDACTED]
[REDACTED]

Case Closing:

On October 8, 2009, The Office of the Inspector General (OIG), Office of Investigations (OI) received information from [REDACTED], Amtrak's [REDACTED] that [REDACTED], Conductor, failed to remit funds from 146 tickets from December 3, 2008 to June 28, 2009. According to [REDACTED], [REDACTED] was issued 17 Ticket Stock books, which contained 425 tickets. However, [REDACTED] failed to remit the funds associated with the 146 tickets. [REDACTED] stated to [REDACTED] OIG-OI that the tickets had an actual value of \$5,719.55. In addition, [REDACTED] stated while conducting [REDACTED]'s Annual Conductor's Remittance Review on September 9, 2009, he discovered that the remaining 279 tickets were unaccounted for or sold by [REDACTED] at a value estimated at \$8,246.77. Subsequently, [REDACTED] resigned from his position after being notified by Amtrak of the alleged shortages.

On July 13, 2010, [REDACTED] referred the matter to [REDACTED], Assistant United States Attorney, [REDACTED]. However, [REDACTED] stated the matter did not meet prosecution guidelines and there was no misdemeanor associated with the specific conduct.

On March 14, 2011, [REDACTED], Special Agent, OIG-OI, advised the reporting person that the aforementioned case would be transferred for appropriate handling.

On April 14, 2011, [REDACTED] told the reporting agent she was not interested in pursuing the matter against [REDACTED] until she had the opportunity to review a similar case involving Amtrak funds. However, [REDACTED] stated she would allow the reporting agent to present the case to her if the circumstances had changed or new evidence was discovered.

On October 31, 2011, [REDACTED] notified the reporting agent that her office would not pursue any criminal charges against [REDACTED] due to the low estimated loss to Amtrak.

All criminal, civil, and administrative actions have been completed. This investigation is closed.

Prepared by: Special Agent [REDACTED]
Amtrak Office of the Inspector General
Office of Investigation

2320
APPR: rk

CLASSIFICATION:

FOR OFFICIAL USE ONLY

WARNING

This document is the property of the Amtrak Office of Inspector General and is on loan to your agency. Contents may not be disclosed to any party under investigation nor may this document be distributed outside the receiving agency without the specific prior authorization of the Assistant Inspector General for Investigations.

Washington, DC

DISTR: HQ File; Washington, DC

CLASSIFICATION:

FOR OFFICIAL USE ONLY

WARNING

This document is the property of the Amtrak Office of Inspector General and is on loan to your agency. Contents may not be disclosed to any party under investigation nor may this document be distributed outside the receiving agency without the specific prior authorization of the Assistant Inspector General for Investigations.



**Office of Inspector General
Office of Investigations**

Case Number PA-10-0065-S

January 5, 2012

Subject: Conflict of Interest 09-188

[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]

Closing Report:

On November 19, 2009, [REDACTED] Engineering Department reported an allegation that two employees hired to run the "Radio Access Program" had no prior background in radio maintaining/communications and were not licensed to perform radio maintenance related work. [REDACTED] stated that [REDACTED], [REDACTED] Engineering Department hired the two employees, [REDACTED] and [REDACTED]. [REDACTED] alleged [REDACTED] and [REDACTED] passed the entry test given by Amtrak's Human Resource Department because they were prepped by [REDACTED] believes that [REDACTED] and [REDACTED] knew each other outside of work and attended the same church. In addition to questioning the hiring qualifications of [REDACTED] and [REDACTED] [REDACTED] alleges that overtime rules and procedures are not being followed properly since these two new employees are given overtime opportunities ahead of senior employees.

[REDACTED] Labor Relations Department, was contacted on December 19, 2011. He advised under the International Brotherhood of Electrical Workers Labor Agreement, effective September 1, 1975 as revised through October 1, 2010, Appendix N, employees hired as a [REDACTED] [REDACTED] conducting radio maintenance related work were not required to have a Federal Communications Commission license to perform their duties.

[REDACTED] Associate General Counsel, Amtrak Law Department, was contacted on December 20, 2011. [REDACTED] advised the Ethics and Compliance Hotline received four complaints concerning the issues raised in this allegation. The complaints were referred to [REDACTED] Operations Department for investigation and response. [REDACTED] said Amtrak management appropriately investigated and addressed the issues raised in the complaints.

3426
APPR: rkRJK

CLASSIFICATION:

WARNING

FOR OFFICIAL USE ONLY

This document is the property of the Amtrak Office of Inspector General and is on loan to your agency. Contents may not be disclosed to any party under investigation nor may this document be distributed outside the receiving agency without the specific prior authorization of the Assistant Inspector General for Investigations.

Per Amtrak Human Resources Department records, both [REDACTED] and [REDACTED] were hired on July 24, 2009 into union positions titled [REDACTED] with the Communications and Signals Department (C&S) in [REDACTED]. The new positions were created for an ARRA project - NEC ACSES Construction Project. On September 22, 2009, [REDACTED] job was upgraded to a [REDACTED] [REDACTED] due to his passing the test for a FCC license. On July 5, 2010, [REDACTED] was hired into Amtrak management as an [REDACTED] for the Engineering Department. [REDACTED] continues to work for C&S in [REDACTED]. Amtrak records show [REDACTED] retired from Amtrak on April 3, 2010, and per Amtrak's Organizational Chart, he currently works as an Amtrak contractor.

This matter was transferred to the Reporting Agent in December of 2009. Limited investigative activity occurred on this investigation due to training requirements and other investigative priorities. This investigation is closed based on the administrative actions taken and [REDACTED] retirement from Amtrak.

Prepared by: Special Agent [REDACTED]
Amtrak Office of Inspector General
Office of Investigation
Philadelphia, PA

DISTR: File

CLASSIFICATION:

FOR OFFICIAL USE ONLY

WARNING

This document is the property of the Amtrak Office of Inspector General and is on loan to your agency. Contents may not be disclosed to any party under investigation nor may this document be distributed outside the receiving agency without the specific prior authorization of the Assistant Inspector General for Investigations.



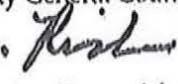
Office of Inspector General



Memorandum

To: Emmett Fremaux, Jr
VP Marketing and Product Development

Cc: William Herrmann
Managing Deputy General Counsel

From: Adrienne Rishi 
Assistant Inspector General for Investigations

Date: January 11, 2012

Subject: Management Referral re:  Reservations

Enclosed is a closing report on OIG investigation case number PA-11-0066-O.

The report details the results of our investigation into allegations that  used Amtrak funds to improperly host an event at Washington Union Station where alcohol was served.

We are forwarding this for your information and consideration for appropriate action. Please advise us within thirty days of any actions taken.

Please direct questions or responses to LaVan Griffith, Deputy Assistant Inspector General for Investigations at 202-906-4319.

Amtrak

Office of Inspector General
Office of Investigations



Amtrak Case Number PA-11-0066-O

January 6, 2012

Subject: [REDACTED]

Case Closing:

On February 17, 2010, the Office of Inspector General (OIG), Office of Investigations (OI), received information from [REDACTED] that [REDACTED] Amtrak's [REDACTED] hosted an event at Union Station, Washington, DC in partnership with McIntosh Associates (McIntosh). McIntosh is an Amtrak contractor. Additionally, alcohol was served at the event. This information was developed through an unrelated investigation.

The investigation determined that [REDACTED] approved a contract with America Restaurant, Union Station, Washington, DC, to host the "Call Center of Excellence" (CCE) semi-annual reception, which took place on October 27, 2009. A review of the bills relating to the reception identified a \$285.39 payment by McIntosh for the reception bar bill. The investigation also determined that [REDACTED] had approved a sole source contract awarded to McIntosh on July 14, 2009 in the amount of \$99,025, to conduct an assessment of Amtrak call centers.

The food and non-alcoholic beverage costs of the subject CCE reception were paid with Amtrak funds. Amtrak funds were also used to pay for the services of a bartender. The CCE reception was a semi-annual event that was hosted by various companies who belonged to the McIntosh sponsored CCE; a professional organization of companies that utilized call centers. The participants took turns sponsoring the receptions. The October 2009 reception was hosted by Amtrak and [REDACTED] was the Amtrak authorized representative that was responsible for the reception.

On April 22, 2011, the reporting agent interviewed [REDACTED] Amtrak's [REDACTED] regarding the July 2009 sole source contract with McIntosh. [REDACTED] stated that in 2009 Amtrak decided to contract with McIntosh to conduct a projection assessment on the outsourcing of the Amtrak Call Centers. [REDACTED] said that based on a decision by [REDACTED] and [REDACTED] Sales Distribution and Customer Service, he submitted a requisition to sole source the contract to McIntosh because their company was familiar with Amtrak operations. [REDACTED] stated that McIntosh met

CLASSIFICATION:

FOR OFFICIAL USE ONLY

WARNING

This document is the property of the Amtrak Office of Inspector General and is on loan to your agency. Contents may not be disclosed to any party under investigation nor may this document be distributed outside the receiving agency without the specific prior authorization of the Assistant Inspector General for Investigations.

with Amtrak management personnel on numerous occasions during the term of the contract and successfully fulfilled their contractual obligations to Amtrak.

On May 23, 2011, the reporting agent interviewed [REDACTED] regarding the subject contract and the CCE event he hosted. [REDACTED] provided background information regarding Amtrak contracting with McIntosh. He stated that in 2004 Amtrak initially hired McIntosh to help determine whether to outsource the call centers. [REDACTED] stated that [REDACTED] Amtrak's [REDACTED] [REDACTED] was working with McIntosh at that time on the outsourcing issues on behalf of Amtrak. [REDACTED] stated he had met with [REDACTED] McIntosh, at some point prior to 2009, to discuss work performed under the previous contracts with Amtrak. [REDACTED] was [REDACTED] point of contact for the contract awarded in July 2009 and [REDACTED] also worked with [REDACTED] to organize the CCE reception. Regarding the 2009 contract with McIntosh, [REDACTED] advised that he wanted McIntosh to conduct a projection assessment to compare Amtrak's Call Centers with the industry and that based on McIntosh's previous experience with Amtrak they would be best suited for the contract. [REDACTED] supervisor, [REDACTED] Amtrak's [REDACTED] [REDACTED] was interviewed and stated that he and [REDACTED] made the decision to approve subject sole source contract award to McIntosh based on McIntosh's prior experience with Amtrak.

[REDACTED] explained that in his capacity of providing oversight for all the call centers at Amtrak, he received approval to host a CCE conference in 2009 at Union Station in Washington, DC. [REDACTED] entered into the contract with America Restaurant to hold the CCE event and stated that the cost of \$150 for bartender services was included in the contract. Although he included the services of a bartender in the contract [REDACTED] stated it was his understanding that he was not permitted to purchase alcohol with Amtrak funds and advised [REDACTED] of this fact. [REDACTED] offered to pay for the bar bill because of these restrictions. It was verified through Etrax that [REDACTED] received approval to pay for the event from [REDACTED] [REDACTED] confirmed that he approved the expenditures and fully understood the nature of the expenditures.

On November 4, 2011, [REDACTED] McIntosh, was interviewed regarding the McIntosh/Amtrak contract. [REDACTED] stated McIntosh had performed three or four Amtrak projects in the past. [REDACTED] stated that the CCE reception had nothing to do with their contractual agreement with Amtrak. The conferences were established to assist clients with developing best practices in the industry.

The investigation is closed based on the fact that there was no evidence that McIntosh paying the \$285.39 bar bill for all participants at the CCE reception was related in any way to the sole source contract they had previously been awarded. The investigation did not develop any evidence that the subject McIntosh contract involved any fraudulent activity. Additionally, Amtrak policy does not prohibit entering into a contract that includes a bartender nor does policy prohibit alcohol being served at an Amtrak sponsored reception. However, [REDACTED] solicitation of

CLASSIFICATION:

FOR OFFICIAL USE ONLY

WARNING

This document is the property of the Amtrak Office of Inspector General and is on loan to your agency. Contents may not be disclosed to any party under investigation nor may this document be distributed outside the receiving agency without the specific prior authorization of the Assistant Inspector General for Investigations.

McIntosh to pay for the bar bill potentially raises a question about the possible appearance of a conflict as defined in Amtrak Ethical Conduct and Conflict of Interest Policy 1.3.3.

A copy of this report is being provided to the Amtrak Vice President for Marketing and Product Development and to the Office of General Counsel for review and consideration for appropriate action.

Prepared by: Special Agent [REDACTED]
Amtrak Office of the Inspector General
Office of Investigation
Washington, DC

Approval: Special Agent in Charge [REDACTED]

DISTR: HQ File; Washington, DC
Amtrak VP Marketing and Product Development
Amtrak Office of General Counsel

CLASSIFICATION:

FOR OFFICIAL USE ONLY

WARNING

This document is the property of the Amtrak Office of Inspector General and is on loan to your agency. Contents may not be disclosed to any party under investigation nor may this document be distributed outside the receiving agency without the specific prior authorization of the Assistant Inspector General for Investigations.



**Office of Inspector General
Office of Investigations**

Case Number: CA-11-0071-P
May 7, 2012

Subject: [REDACTED]

Case Closing

On March 18, 2011 The Amtrak Office of Inspector General (OIG) opened an investigation into allegations brought forth by [REDACTED] former [REDACTED] Amtrak - [REDACTED] that [REDACTED] [REDACTED] Amtrak [REDACTED] was soliciting bids from non-AT&T certified contractors to perform data-cable installation services even though [REDACTED] was made aware that Amtrak has a current, company-wide contract for these services with AT&T. It was also alleged that [REDACTED] hired Wachter Solutions, a non-AT&T certified installer, to perform the Terminal Services building's data-cabling renovations.

The investigation was initially assigned to Special Agent [REDACTED] Amtrak OIG, [REDACTED] who interviewed [REDACTED] [REDACTED] Wirenet Communications and [REDACTED] [REDACTED] Procurement, Amtrak [REDACTED]. In December 2011 the investigation was reassigned to the Reporting Agent, Amtrak OIG - [REDACTED] because [REDACTED] works and resides in the [REDACTED] area.

[REDACTED] was interviewed on April 12, 2012, was confronted with the allegations and responded as follows:

1. Relative to the allegation that he solicited bids and hired contractors that were not AT&T-certified and 'ripped out' Wirenet's cabling work for no reason other than to re-assign the work to a preferred contractor, [REDACTED] responded that Wirenet Communications, Inc., Ontario, CA was selected by [REDACTED] to install the AT&T cabling. During the contract Wirenet employees were ignoring Amtrak safety requirements and were directed to re-train their employees on Amtrak's safety program. Instead, [REDACTED] [REDACTED] Amtrak - Western Division, ordered Wirenet to remove their employees from Amtrak's property and cancelled Wirenet's contract. That was the second time Wirenet personnel were found to be non-compliant with Amtrak's safety directives, so [REDACTED] decided to not give the company another opportunity to become compliant. Wirenet has not worked on any Amtrak - [REDACTED] projects since then.

[REDACTED] offered that [REDACTED] a former Wachter employee who worked on the Amtrak security camera project that [REDACTED] oversees, was counseled and fired by Wachter at [REDACTED]

4785

APPR: tpiper

CLASSIFICATION:

FOR OFFICIAL USE ONLY

WARNING

This document is the property of the Amtrak Office of Inspector General and is on loan to your agency. Contents may not be disclosed to any party under investigation nor may this document be distributed outside the receiving agency without the specific prior authorization of the Assistant Inspector General for Investigations.

request. Apparently [REDACTED] bids on electrical work were too low, and he would not support the elevated bid-price structure that [REDACTED] and [REDACTED] Amtrak [REDACTED] Operations, were requiring from Amtrak contractors.

2. Relative to the allegation that he and/or [REDACTED] were splitting procurements to keep the invoices below the \$5000 payment request limit so they could hire their favored contractors, [REDACTED] stated that for any work to be performed by outside contractors and projected to cost over a few hundred dollars, [REDACTED] obtains written quotes from competitive bidders. He did not split procurements to keep them under \$5000 in an effort to directly award contracts totaling above \$5000 to firms that he favored. [REDACTED] has seen repair efforts broken into smaller amounts and spread over a longer time frame, and he said this was done to make the work fit the Division's budget and the site's work needs, and was not done to unfairly direct procurements to pre-selected firms.

Additionally, [REDACTED] alleged an improper relationship exists between [REDACTED] and [REDACTED] Construction, [REDACTED] telephone [REDACTED] [REDACTED] project bids were always priced well above reasonable and customary bid prices, yet these elevated bids were accepted by [REDACTED] and local projects were repeatedly given to [REDACTED]. [REDACTED] denied receiving bribes from [REDACTED] and stated that he has never steered work to [REDACTED] or any other firm or individual in exchange for services, cash or other items of value.

No information surfaced during this investigation that implicated [REDACTED] in criminal activities. [REDACTED] stated that allegations of contract and project management improprieties should more appropriately be directed at [REDACTED]. Information about alleged improper actions by [REDACTED] and [REDACTED] was referred to an ongoing investigation (CA-12-0003-HL-I, [REDACTED]).

With the interviews and record reviews providing no substantive information to support the allegations of criminal activity by [REDACTED] this investigation is closed.

Prepared by: Special Agent [REDACTED] [REDACTED]
Amtrak Office of Inspector General
Office of Investigations
Los Angeles, CA

DISTR: HQ File

CLASSIFICATION:

FOR OFFICIAL USE ONLY

WARNING

This document is the property of the Amtrak Office of Inspector General and is on loan to your agency. Contents may not be disclosed to any party under investigation nor may this document be distributed outside the receiving agency without the specific prior authorization of the Assistant Inspector General for Investigations.

**Office of Inspector General
Office of Investigations****Case Number:** DC-11-0072

August 14, 2012

Subject: Behavioral Science Technology
Ojai, CA**Case Closing:**

On March 12, 2011, the Office of Inspector General (OIG) Office of Investigations (OI) received an email from [REDACTED] Amtrak [REDACTED] that had been sent to the Amtrak email account of Joseph Boardman (Boardman), Amtrak President and Chief Executive Officer. The email was from someone calling themselves Harry Houdini (Houdini). Houdini posted a blog written by [REDACTED]. [REDACTED]'s blog suggested that Boardman steered a 14.5 million dollar contract to Behavioral Science Technology (BST) because BST promised Boardman a position upon his eventual departure from Amtrak.

[REDACTED] assigned to Amtrak's Procurement Department, was the [REDACTED] who handled the BST contract. [REDACTED] was interviewed and stated that the issuance of the Safety and Security Culture Transformation Services (SSCTS) contract to BST was conducted in accordance with Amtrak policies and procedures for competitively-bid contracts. [REDACTED] stated that he did not experience, nor was he aware of, any direction or influence from Amtrak management regarding the BST contract award. [REDACTED] advised that five vendors attended the pre-award conference. Four vendors submitted Request for Proposals (RFPs); two of which were deemed by the Technical Evaluation Committee (TEC) to be technically unqualified. The remaining two bidders were DuPont with a RFP amount of \$ [REDACTED] and BST with an RFP amount of \$ [REDACTED]. BST had [REDACTED] following the TEC meeting. Although the BST proposal was [REDACTED], BST was ranked higher by the TEC because of its understanding of Amtrak safety and dynamics and was awarded the contract.

[REDACTED] stated that the BST contract was a "firm fixed" contract for a three-year period from June 5, 2009 through June 4, 2012 with an option for a one-year extension. The initial purchase order was for \$ [REDACTED] not including travel expenses. Travel expenses were not to exceed \$ [REDACTED] and were required to be handled in accordance with Amtrak's Finance Policy 8.35.1. In February, 2011, a change order was issued amending the BST contract to add additional program requirements to include Metrolink employees and additional classes. The estimated value of the change order was \$ [REDACTED].

15999

APPR: rk

WARNING**CONFIDENTIAL**

This document is the property of the Amtrak Office of Inspector General. Contents may not be disclosed or distributed without the specific prior authorization of the Assistant Inspector General for Investigations.

The reporting agent reviewed all BST contractual documents and determined that Amtrak procurement procedures were followed. There was no indication of any irregularities for the initial contract award and the contract change order.

A review of BST invoices submitted throughout the contract period did not disclose any significant irregularities. The review did determine that BST Consultant [REDACTED] submitted receipts in the amount of \$13.77 (8/13/09) and \$10.86 (8/21/09) for the purchase of magazines and/or newspapers. The items were marked "per diem" and included as meals. Based on an email from [REDACTED], [REDACTED] for the BST contract, to [REDACTED], BST Senior Associate Accountant, [REDACTED] requested a credit of \$8.97 against the \$10.86 receipt. [REDACTED] agreed to comply. The former invoice did not appear to be addressed. In an additional instance, [REDACTED] BST Consultant, submitted a \$4.99 (8/10/09) charge for a Corona (believed to be an alcoholic beverage). There did not appear to be any redress in this instance. Based on the invoice review, these instances appeared to be isolated and not representative of the overall receipts BST submitted for reimbursement.

On June 1, 2012, [REDACTED] was advised that the OI's sampling of BST's invoices had disclosed several potential violations of FI – 14, Amtrak's Travel & Reimbursable Expense policy. [REDACTED] was advised of the above noted exceptions.

[REDACTED] stated that at the onset of the contract, it was noted that BST contractors were submitting expenses for alcohol and other items (newspapers, magazines) in violation of the corporate policy. [REDACTED] addressed the matter with BST representative, [REDACTED] explaining that Amtrak policy did not allow reimbursement for alcohol and newspapers. [REDACTED] agreed to ensure compliance on BST's behalf.

On July 10, 2012, [REDACTED] – Maintenance, was interviewed. [REDACTED] was assigned to SSCTS TEC which selected BST. As a TEC member, [REDACTED] stated that he was given 4 proposals to evaluate based on the specified criteria outlined in the Safety Culture Transformation Technical Evaluation. [REDACTED] was given his evaluation responses for the four vendors to refresh his memory, appended as Attachments 3 - 6. [REDACTED] stated that once he received the proposals, he thoroughly reviewed the proposals and researched the four vendors. After the initial review, the TEC collectively agreed that Bureau Veritas (BV) and Helmsman [REDACTED] reviewed his evaluation for BV, appended as Attachment 3, and advised that although [REDACTED] [REDACTED] stated that his evaluation of [REDACTED] appended as Attachment 4, revealed that [REDACTED]

[REDACTED] advised that once the TEC [REDACTED] DuPont and BST remained. [REDACTED] review of his evaluation for DuPont, appended as Attachment 5, determined that [REDACTED]

WARNING

This document is the property of the Amtrak Office of Inspector General. Contents may not be disclosed or distributed without the specific prior authorization of the Assistant Inspector General for Investigations.

CONFIDENTIAL

and organizational experience. However, the [REDACTED] [REDACTED] evaluation was that [REDACTED] and [REDACTED]. In reviewing his evaluation for BST, appended as Attachment 6, [REDACTED] stated that when he initially reviewed BST's RFP he learned that BST owner [REDACTED] had written a book on safety. [REDACTED] purchased and read the book prior to conducting his evaluation. BST not only had extensive railroad experience, they also had former Amtrak Safety Director [REDACTED] on their team. Although [REDACTED] gave [REDACTED] [REDACTED]

Based on the technical criteria provided, [REDACTED] stated that BST was the most viable candidate. [REDACTED] did not believe that the selection process was slanted toward BST. He was not instructed to select BST nor did he hear that anyone in upper management, including Boardman, wanted BST to be selected. [REDACTED] stated that he was not influenced by anyone to select BST. [REDACTED] did recall that [REDACTED] spoke very highly of BST because of prior experience that [REDACTED] had with BST in Chicago. [REDACTED] advised the TEC that Amtrak had a rash of injuries among the baggage craft when [REDACTED] was working in Chicago. Amtrak accommodated an FRA-sponsored pilot program where BST came in house and implemented its safety program. By the time BST completed its program, the baggage claim injuries went from 13 to 4. [REDACTED] was impressed with BST's results. [REDACTED] stated that he had heard that Boardman was working for the FRA at the time BST was used in the FRA sponsored pilot program.

On July 10, 2012, [REDACTED] [REDACTED] [REDACTED] was interviewed. [REDACTED] was assigned to the SSCTS TEC which selected BST. [REDACTED] stated that the TEC process for this RFP appeared to follow standard practices. Procurement sent out solicitations for bids. When the bids were returned, the TEC was tasked with conducting an individual review of each bid. As a TEC member, [REDACTED] was responsible for evaluating and scoring each bid based on the technical criteria provided by Procurement. [REDACTED] believed that the technical criteria Procurement provided was unique to this particular RFP. [REDACTED] recalled that the TEC met several times to discuss the bids.

[REDACTED] was given his evaluation responses for the four vendors to refresh his memory, appended as Attachments 7 - 10. [REDACTED] stated that upon completion of the TEC's initial review of the bids, [REDACTED]

[REDACTED] Liberty Mutual (Helmsman) and Bureau Veritas (BV). After [REDACTED] reviewed his evaluation for Helmsman, appended as Attachment 7, [REDACTED] stated that the RFP Helmsman [REDACTED] explained that Helmsman, [REDACTED]

[REDACTED] In the case of BV, [REDACTED] evaluation appended as Attachment 8, stated that [REDACTED] [REDACTED] recalled that BV's RFP [REDACTED]

WARNING

This document is the property of the Amtrak Office of Inspector General. Contents may not be disclosed or distributed without the specific prior authorization of the Assistant Inspector General for Investigations.

CONFIDENTIAL

██████████ stated that the remaining two firms, DuPont and BST, were both qualified to satisfy the RFP. In reviewing his evaluation for DuPont, appended as Attachment 9, ██████████ stated that DuPont ██████████ BST evaluation, appended as Attachment 10, ██████████ because they ██████████ stated that based on the technical criteria provided, BST was the most viable candidate. Although ██████████ selected BST based on ██████████

██████████ had heard through the general Amtrak “rumor mill” that BST had “connections” or an “in” with Amtrak, but he could not recall from whom he heard this. As a former DuPont contractor, ██████████ was made aware that DuPont representatives were very upset that BST was selected. ██████████ explained that he was at a wake or funeral for a former DuPont employee when two DuPont employees, who had either worked on the RFP or presented it to Amtrak, stated that they were upset how everything played out. ██████████ could not recall the names of the individuals, nor was he able to provide clarification on what the DuPont employees meant. ██████████ recalled that ██████████ worked with BST in Chicago and constantly “tooted” BST’s values. ██████████ stated that BST was selected based on the criteria provided. ██████████ advised that he had no knowledge regarding what role, if any, Boardman played in the decision-making process.

On May 22, 2012, ██████████ was interviewed again following receipt of information that BST’s contract was being extended. ██████████ advised that he was in receipt of an email dated December 21, 2011, that Boardman sent to Roy Deitchman, Vice President – Environmental Health & Safety, wherein Boardman requested that Deitchman take the necessary steps to ensure that BST’s contract be extended.

██████████ stated that Deitchman enlisted the assistance of ██████████ ██████████ to work on the BST contract extension because the Safe-2-Safer program falls under the purview of Amtrak Operations. ██████████ contacted ██████████ to find out what steps needed to be taken to fulfill Boardman’s request. ██████████ told ██████████ that he needed to develop a preliminary statement of work (SOW). ██████████ in conjunction with ██████████ complied. Upon receipt of the SOW, ██████████ forwarded it to ██████████ Vice President – BST, requesting a cost estimate with a task order break down.

BST provided Amtrak with an initial cost estimate in the amount of \$ ██████████ \$ ██████████ for professional services and \$ ██████████ for travel expenditures. Upon receipt of BST’s estimate, ██████████ initiated a requisition in the same amounts. The requisition and sole sourcing (#1002816) were approved by Eleanor Acheson, Vice President & General Counsel, as Boardman’s designee. ██████████ who was concerned about BST’s high cost estimate, suggested that Amtrak conduct a value analysis in order to determine the services that Amtrak deemed essential for BST to perform versus services that could be placed on hold until additional funding sources became available. Following Amtrak’s value analysis, Amtrak eliminated several large ticket items that BST had proposed. ██████████

WARNING

This document is the property of the Amtrak Office of Inspector General. Contents may not be disclosed or distributed without the specific prior authorization of the Assistant Inspector General for Investigations.

CONFIDENTIAL

then countered BST's proposal with \$ [REDACTED] for professional services and \$ [REDACTED] for travel. On March 29, 2012 following a series of emails between [REDACTED] and [REDACTED] BST accepted Amtrak's counter offer and agreed to \$ [REDACTED] in professional fees and \$ [REDACTED] in travel expenditures for its contract extension. See [REDACTED] and [REDACTED] emails, appended as Attachment 1, and [REDACTED] Value Analysis – BST cost breakdown, appended as Attachment 2. Effective June 1, 2012, BST had a two-year contract extension terminating on May 31, 2014.

On June 1, 2012, [REDACTED] was interviewed to provide additional clarification regarding the contract extension and stated that the BST contract was extended for a 2-year period at the request of Boardman and had a presidential-level approved sole source justification. [REDACTED] said that there was no need to competitively bid the BST contract because it was a continuation of the existing Safe-2-Safer program and the pricing had not changed. The 2-year extension was completed by change order. The initial 3-year BST contract allowed for a 1-year extension. [REDACTED] stated that he was unsure whether any federal grant stipulations or procurement policies were violated when he issued a 2-year contract extension change order.

[REDACTED] Amtrak Procurement [REDACTED] reviewed the contract modification that extended the BST contract for an additional two years and advised that neither Amtrak procurement processes nor grant provisions were violated. [REDACTED] stated that by entering into a contract with an option included, Amtrak was indicating that there was an expectation that the contract would be extended. [REDACTED] advised that when the statement of work is specifically tailored to meet Amtrak's short and long term goals, it can be more beneficial to Amtrak to extend the contract for a longer period of time in order to maximize the program benefits.

The investigation did not substantiate the allegations. The contract was competitively-bid. There was no indication that Boardman engaged in contract steering during the initial contract. There was also no indication that the acquisition of Metro North employees, which resulted in the \$ [REDACTED] [REDACTED] dollar change order for BST professional services, was knowingly used to increase the overall contract award. The investigation also confirmed that the modification to extend the contract for two years was implemented within the framework of Amtrak's procurement policies and was considered in the best interest of Amtrak.

This investigation is closed.

WARNING

CONFIDENTIAL

This document is the property of the Amtrak Office of Inspector General. Contents may not be disclosed or distributed without the specific prior authorization of the Assistant Inspector General for Investigations.

Attachments

1. Emails between [REDACTED] and [REDACTED]
2. Excel Spreadsheet detailing cost breakdown
3. [REDACTED] Technical Evaluation of Buena Veritas
4. [REDACTED] Technical Evaluation of Helmsman
5. [REDACTED] Technical Evaluation of DuPont
6. [REDACTED] Technical Evaluation of BST
7. [REDACTED] Technical Evaluation of Buena Veritas
8. [REDACTED] Technical Evaluation of Helmsman
9. [REDACTED] Technical Evaluation of DuPont
10. [REDACTED] Technical Evaluation of BST

Prepared by:

Special Agent [REDACTED]
Amtrak Office of Inspector
Office of Investigation
Washington, DC

DISTR: File

WARNING**CONFIDENTIAL**

This document is the property of the Amtrak Office of Inspector General. Contents may not be disclosed or distributed without the specific prior authorization of the Assistant Inspector General for Investigations.



Office of Inspector General
Office of Investigations

Case Number: PA-11-0172

Date: July 10, 2012

Subject: [REDACTED]
[REDACTED]

Case Closing:

On June 6, 2011, [REDACTED] Amtrak [REDACTED] Procurement, [REDACTED] [REDACTED] Amtrak [REDACTED] Procurement [REDACTED] and [REDACTED] Amtrak Procurement [REDACTED], provided information to the Office of Inspector General regarding an allegation against [REDACTED] Amtrak [REDACTED]. [REDACTED] alleged that [REDACTED] communicated information to the incumbent bidder [REDACTED], owner of activeG, while [REDACTED] was a member of the technical evaluation committee (TEC) for Request for Proposal (RFP) No: X016 1102. The services proposal was for a Master Services agreement for Enterprise Asset Management Services (Maximo). [REDACTED] allegedly told [REDACTED] that he only had to supply a hard copy price proposal. According to [REDACTED] the proposal was to be made electronically and should have included both the pricing and technical proposal. [REDACTED] stated that this a violation of procurement policy, which indicates that a member of the TEC cannot initiate any communication with prospective offerors at any time unless directed by the contracting agent.

The reporting agent conducted interviews of key personnel, specifically [REDACTED] and [REDACTED]. [REDACTED] admitted that he did provide advice to [REDACTED] regarding how to submit the activeG proposal. [REDACTED] knew that [REDACTED] was up against the closing date for submitting the RFP and recommended to [REDACTED] that he hand delivered the proposal to [REDACTED]. [REDACTED] stated that he did not assist [REDACTED] with the content of his proposal and that he only made a recommendation regarding how to submit the proposal. [REDACTED] did not see anything wrong with reminding the vendors on the scheduling deadline for their proposals.

[REDACTED] stated that he approached both [REDACTED] and [REDACTED] former Amtrak contractor, and asked them how to fill out the proposal forms. [REDACTED] approached [REDACTED] because he had been an Amtrak employee for a considerable amount of time and would know how to complete the forms. [REDACTED] stated that [REDACTED] did not provide any guidance on the content of the proposal and he decided on his own to hand deliver the proposal to Procurement. [REDACTED] stated that he was responsible for submitting an incomplete proposal that led to his proposal being deemed non-compliant and excluded from consideration.

Both [REDACTED] and [REDACTED] received the allegation regarding [REDACTED] assisting [REDACTED] from another member of the TEC, [REDACTED] Amtrak [REDACTED]. [REDACTED] stated that he overheard [REDACTED] and [REDACTED] speaking with [REDACTED] regarding the proposal. [REDACTED] worked in the office next to [REDACTED] at the [REDACTED] in [REDACTED] could hear [REDACTED] and [REDACTED] discussing the RFP with [REDACTED]. [REDACTED] said that he warned [REDACTED] that he should not be discussing the proposal with vendors but [REDACTED] just "shrugged him off." [REDACTED] believed that [REDACTED] and

4792

APPR: rk

CLASSIFICATION:

WARNING

FOR OFFICIAL USE ONLY

This document is the property of the Amtrak Office of Inspector General and is on loan to your agency. Contents may not be disclosed to any party under investigation nor may this document be distributed outside the receiving agency without the specific prior authorization of the Assistant Inspector General for Investigations.

██████████ were assisting ██████████ with the RFP submittal process because ██████████ was up against the deadline to get the proposal to procurement. ██████████ stated that ██████████ and ██████████ provided guidance to ██████████ that he would only have to turn in the pricing portion of the RFP to procurement. ██████████ stated that ██████████ only assisted ██████████ with the submittal process and did not discuss any specifics of the proposal.

The procurement department determined that ██████████ proposal was non-compliant because he did not submit the technical portion of the proposal and did not submit the proposal electronically which was a requirement of the RFP. Procurement recommended that ██████████ and ██████████ be removed from the TEC and their supervisor ██████████ Amtrak ██████████ ██████████ removed them from the TEC and assigned two new individuals to take their place.

██████████ was counseled by ██████████ Amtrak ██████████ Procurement Services, regarding the prohibition regarding TEC members discussing any aspect of the proposal with vendors. As previously noted, ██████████ supervisor ██████████ was advised of ██████████ actions.

Based on the determination that ██████████ only assisted ██████████ with the proposal submittal process and did not provide any confidential information to ██████████ this investigation is closed.

Prepared by: Special Agent ██████████
Amtrak Office of Inspector General
Office of Investigation
Philadelphia, PA.

Distr: HQ File

CLASSIFICATION:

FOR OFFICIAL USE ONLY

WARNING

This document is the property of the Amtrak Office of Inspector General and is on loan to your agency. Contents may not be disclosed to any party under investigation nor may this document be distributed outside the receiving agency without the specific prior authorization of the Assistant Inspector General for Investigations.



**Office of Inspector General
Office of Investigations**

Case Number: DC-11-0291

June 11, 2012

Subject: [REDACTED]
[REDACTED]

Case Closing:

On July 15, 2011, [REDACTED] Amtrak's [REDACTED] forwarded information to the Office of Inspector General regarding the employment of [REDACTED] an Amtrak contractor for Health Services (HS) since 2003. [REDACTED] advised that [REDACTED] had exceeded the two-year time frame for placement at Amtrak as an Independent/Temporary Contractor. [REDACTED] further stated that [REDACTED] – Amtrak HS, had retained [REDACTED] services without a contract.

The investigation substantiated the allegation. The reporting agent conducted interviews of key personnel, specifically [REDACTED] and [REDACTED] admitted that she violated H/R 7.13.1 when she retained [REDACTED] services without a contract and kept him beyond the established 2-year time limit for Independent Contractors. [REDACTED] further admitted that she paid [REDACTED] through payment request and continued to use his services after the Independent Contractor Review Panel (ICRP) denied her request to give [REDACTED] a contract because of the 2-year time limit. [REDACTED] who initially sought the assistance of the Information Technology Department (IT), needed a resource to develop and maintain Amtrak's Drug & Alcohol (D&A) database required by federal regulation and company policy. [REDACTED] hired [REDACTED] when IT refused to provide the necessary tools needed to support and maintain the D&A database in order to ensure compliance with both federal regulation and corporate policy. [REDACTED] designed, developed and maintained the D&A database. [REDACTED] continued to use [REDACTED] service after the ICRP denied her request to issue [REDACTED] a contract. [REDACTED]'s hiring and continued use of [REDACTED] stemmed from IT's refusal to provide the necessary tools to support and maintain the D&A database.

Although [REDACTED] maintained that she made repeated requests to IT to support and maintain the D&A database, it was not until the ICRP denied [REDACTED]'s request to place [REDACTED] under contract that IT agreed to assume responsibility and payment for a limited number of [REDACTED] services as delineated by [REDACTED]. In doing so, [REDACTED] agreed that [REDACTED] work would be supervised, reviewed and approved by an IT staff member. Following the completion of tasks on [REDACTED]'s punch list, [REDACTED] was released from Amtrak service effective August 4, 2011. At or around the time that [REDACTED] was released from Amtrak service, IT informed [REDACTED] that IT would assume support and maintenance of the D&A database.

4734

APPR: rk

CLASSIFICATION:

FOR OFFICIAL USE ONLY

WARNING

This document is the property of the Amtrak Office of Inspector General and is on loan to your agency. Contents may not be disclosed to any party under investigation nor may this document be distributed outside the receiving agency without the specific prior authorization of the Assistant Inspector General for Investigations.

██████████ and IT representatives used payment requests to pay ██████████ in violation of company policy. Payment requests, pursuant to Amtrak policy, are to be used for “non-recurring purchases” not to exceed \$5,000. Weekly invoices that ██████████ submitted to both HS and IT did not exceed the \$5,000 maximum limit. However, a significant number of invoices that ██████████ submitted were just under the \$5,000 limit. A review of payment requests submitted by HS and the IT Department on ██████████ behalf, revealed that from September 2004 to February 2011, ██████████ was paid \$1,048,655 through Amtrak’s payment request system.

On January 31, 2011, a Management Information Report, appended as Attachment 1, was hand delivered to Roy Deitchman, Vice President – Environmental Health & Safety (EHS), Gordon Hutchinson, Acting Chief Financial Officer and ██████████

On February 14, 2011, Deitchman provided Management’s response, appended as Attachment 2. In response to the OI’s recommendations, Deitchman advised that he had formally counseled ██████████ about the requirements for compliance with H/R 7.13.1, appended as Attachment 3. Deitchman also intended to disseminate to all EHS managers the December 28, 2011 memorandum from Barry Melnkovic, Chief Human Capital Officer to the Executive Committee, appended as Attachment 4. The memo references the contracting and payment of independent contractors.

On March 30, 2011, the OI forwarded its Management Information Report to Dee Waddell, Acting Chief Information Officer, to address the IT-related recommendations. On June 1, 2012, Waddell responded advising that he had implemented both compliance and monitoring initiatives in response to the OI’s recommendations, appended as Attachment 5.

All administrative actions have been completed. This investigation is closed.

Attachments:

1. Management Referral dated January 31, 2012
2. Management’s Response dated February 14, 2012
3. ██████████’s Counseling Letter dated February 13, 2012
4. Melnkovic’s memorandum dated December 28, 2011
5. IT Management Response dated June 1, 2012

Prepared by: Special Agent ██████████
Amtrak Office of Inspector General
Office of Investigation
Washington, DC

Distr: HQ File

CLASSIFICATION:

FOR OFFICIAL USE ONLY

WARNING

This document is the property of the Amtrak Office of Inspector General and is on loan to your agency. Contents may not be disclosed to any party under investigation nor may this document be distributed outside the receiving agency without the specific prior authorization of the Assistant Inspector General for Investigations.



Memorandum

To: Roy W. Deitchman
Vice President, Environmental Health & Safety

Donald A. Stadler, Jr.
Acting Vice President, Operations

Gordon L. Hutchinson
Acting Chief Financial Officer

From:  Adonna R. Rish
Assistant Inspector General, Investigations

Date: January 31, 2012

Subject: Investigative Report—Violation of Corporate Policy regarding
Independent Contractors

This report, including several recommendations, is provided for your consideration of appropriate action regarding our investigation of [REDACTED] Health Services (HS). Our investigation disclosed that [REDACTED] knowingly violated Amtrak policy by using the services of [REDACTED] beyond the established 2-year limit for independent/temporary contractors. [REDACTED] designed, developed and maintained the Amtrak Drug & Alcohol (D&A) database, complete with a random testing component, which stores the data used in the random testing program required by federal regulation. [REDACTED] procured [REDACTED] services without a written contract for over seven years. The Information Technology Department (IT) refused to provide [REDACTED] with the necessary support for the D&A project, but later provided some funding to pay [REDACTED] at [REDACTED] request. Our review disclosed that from September 2004 through July 2011, HS and IT paid \$1,048,649 to [REDACTED] for his services through the Amtrak payment request system (eTrax). Our investigation was unable to determine whether the amount paid to [REDACTED] was excessive, best value, or reasonable pricing for the design, development and

maintenance of the database [REDACTED] was released from Amtrak service effective August 4, 2011.

IN BRIEF

The Office of Inspector General, Office of Investigations (OIG/OI), received information on July 15, 2011, from [REDACTED] regarding the employment of [REDACTED] an Amtrak contractor for HS. [REDACTED] provided information indicating that [REDACTED] had been performing services for HS since 2004, exceeding the 2-year time limitation for independent/temporary contractor placement at Amtrak. Additionally, Stadler advised the OIG that [REDACTED] had retained [REDACTED] without a written contract.

In an interview with OI, [REDACTED] admitted that she knowingly kept [REDACTED] past the 2-year time frame; and that she never placed [REDACTED] under contract. [REDACTED] admitted that she paid [REDACTED] by payment request, and continued to utilize his services after her request to obtain a contract for him was denied by the Independent Contractor Review Panel.

The investigation confirmed that [REDACTED] violated Amtrak Policy and Instruction Manual (APIM) Human Resources (HR) P/I 7.13.1 by retaining [REDACTED] services without benefit of a contract and paying [REDACTED] through payment requests. P/I 7.13.1 defines independent contractor services as *"those services performed on a temporary basis by an individual or individuals pursuant to a written contract."* It further states that payment for independent contractor services be *"processed in accordance with Policy and Instruction 11.39, Purchase, Expenditure and Control Approval Authorization...not a Payment Request."*

P/I 7.13.1 does not provide a definitive time frame for independent/temporary contractor placement, although it does state that independent contractor services are *"... specialized skills not needed on a regular or continuing basis for a predetermined and limited time period."* According to William Herrmann, Managing Deputy General Counsel, Law Department, the 2-year time limitation is an undocumented business practice Amtrak employs based on Internal Revenue Service and Department of Labor guidelines.

In a memorandum dated November 12, 2010, [REDACTED] was notified by the Independent Contractor Review Panel that her request to issue a contract for [REDACTED] services was denied. Nonetheless, she continued to use [REDACTED] services by arranging to have him paid through IT, beginning in April 2011.

Both [REDACTED] and IT used Amtrak's payment request system to pay [REDACTED]. Pursuant to Amtrak Finance policy P/I 8.21.1, payment requests are to be used for "non-recurring purchases" not to exceed \$5,000. [REDACTED] submitted weekly invoices to HS and IT that varied in amounts, with several in the amount of \$4,987.50.

IT [REDACTED] stated that her department did not perform due diligence in ensuring that [REDACTED] was under written contract before directing [REDACTED] IT [REDACTED] [REDACTED] to fund and oversee [REDACTED] work.

[REDACTED] stated that she felt she had no other choice than to create a "work around" to retain [REDACTED]. According to [REDACTED] IT declined to provide assistance because the HS database was not a high priority program on IT's task list. [REDACTED] added that she needed [REDACTED] to create and maintain a database which would store the data used to perform Amtrak's random testing program required by federal regulation and corporate policy. [REDACTED] indicated that Lorraine Green, former Vice President, HR, and [REDACTED] former [REDACTED] HR, were aware of IT's position. However, [REDACTED] did not brief Green and [REDACTED] on the FRA requirements regarding D&A programs, but she believes that they had a general understanding of Amtrak's annual reporting responsibilities. [REDACTED] informed them that she was hiring [REDACTED] because of IT's refusal to provide assistance, but did not discuss the requirement for [REDACTED] to be under an independent contract.

According to [REDACTED] Green later learned that [REDACTED] did not have a contract because she was a member of the Independent Contractor Review Panel that denied [REDACTED] request to issue [REDACTED] a contract based on the established 2-year time limitation for independent contractors. [REDACTED] stated that she did not have any follow-up conversations with Green regarding [REDACTED] his status, or the FRA requirement following the Independent Contractor Review Panel's decision. [REDACTED] last day with the company was in November 2011 and Green left Amtrak in April 2011.

Our investigation did not find any other motive for retaining [REDACTED] other than his work on the D&A testing database.

BACKGROUND

In her role as [REDACTED] - HS, [REDACTED] has responsibility for overseeing the D&A program, the Employee Assistance Program, the audio-metric portion of the hearing conservation program, and the administration of the [REDACTED] program. She has held this position since 2004. [REDACTED] previously reported directly to Green. With Green's departure from Amtrak on April 1, 2011, and the recent reorganization, [REDACTED] reports to Roy Deitchman, Vice President of Environmental Health & Safety.

Amtrak established a drug and alcohol policy in order to provide a safe work environment for its employees, free from alcohol and drugs (Pers-19, superseded by HR P/I 7.3.0). *"By accepting employment with Amtrak, an employee will be deemed to have consented to drug and/or alcohol testing under applicable Federal regulations and Amtrak's policy on drugs and alcohol."* Concurrently, Amtrak created a D&A program in order to meet the federal requirements mandated by 49 CFR 219 (Transportation, Control of Alcohol and Drug Use). An integral part of this program was the drug and alcohol testing database that [REDACTED] maintained. The federal requirements mandate specific reporting that necessitates the creation and maintenance of the database.

The Federal Railroad Administration (FRA) has mandated drug and alcohol testing for railroad industry employees since 1986 in an effort to reduce accidents and casualties resulting from employee impairment from alcohol and/or drugs. Accordingly, *"all railroads that have 16 or more hours of service employees or who have joint operations with another railroad..."* must abide by the regulations governing alcohol and drug program compliance as outlined in 49 CFR Part 219, Subparts A-J.

In order to be in compliance with this federal mandate, all D&A programs must adhere to criteria that include, *"...prohibition, mandatory post-accident testing; testing for cause; the identification of troubled employees; pre-employment testing; random testing; drug and alcohol testing procedures; and recordkeeping requirements."* In addition to federal compliance, Amtrak's D&A program must effectively implement company policy relating to drug and alcohol testing as outlined in HR P/I 7.3.0. A review of the Amtrak Policy and Instruction Manual did not find a requirement for IT to support significant or mandated projects, although the project was required for Amtrak and should have been supported in some manner through management intervention.

INVESTIGATIVE RESULTS

Our investigation disclosed that [REDACTED] hiring of [REDACTED] stemmed from IT's refusal to provide the necessary tools needed to support and maintain Amtrak's D&A database. Although the database is monitored by HS, it is required to support the FRA reporting requirements and is also a requirement for the Amtrak D&A program. IT's refusal to provide the technical expertise needed to develop, support, and maintain the database set the stage for [REDACTED] longevity at Amtrak. Because of the absence of IT's support, we were unable to determine whether the amount Amtrak paid was excessive, best value or reasonable and customary cost for [REDACTED] to develop and maintain the D&A database over a period of 7 years; and whether a more cost-effective product or solution could have been developed through internal resources.

IT's refusal to provide support does not negate the fact that for over 7 years, from 2004 to 2011, [REDACTED] and IT were able to submit and receive approval for in excess of \$1 million in Amtrak payment requests to pay [REDACTED] in violation of Amtrak policy P/I 7.13.1. These payments were made with no separate or independent oversight and without raising a red flag in the system.

Beginning in April 2011, IT continued to pay [REDACTED] using payment requests without verifying his employment status. As with HS, IT's use of the Amtrak payment request system to pay [REDACTED] occurred without separate or independent oversight and failed to raise any red flags in the system.

[REDACTED] weekly invoices submitted to both HS and IT did not exceed the \$5000 established payment request limit. However, the recurring payment request over a 7-year period raised no suspicion in eTrax. There was no indication that [REDACTED] and [REDACTED] intentionally kept [REDACTED] weekly invoices under the \$5,000 limit to facilitate the continued use of payment requests as a mechanism for paying [REDACTED] and to avoid higher level authorization for the payments. However, [REDACTED] did say that she spread her annual budget throughout the year in order to avoid overspending. Based on a review of [REDACTED] payment request history, 52 of the 272 payment requests that were generated by HS on [REDACTED] behalf were over \$4,500 and 25 of the 52 payment requests were over \$4,800.

DETAILS

1. [REDACTED] Background and Justification for Hiring of [REDACTED]

Approximately 7 years ago, [REDACTED] approached IT requesting support to develop a database for the HS D&A program. The off-the-shelf program that had been used by her predecessor was no longer being supported for updates and maintenance purposes by the software company. As such, [REDACTED] was unable to make the database viable for Amtrak. After [REDACTED] went through the required IT channels, [REDACTED] advised that someone in IT informed her that IT was unable to provide her with the resources needed to develop or support an HS database because the HS was not a high priority on their list of tasks. [REDACTED] could not recall the name of the IT who made this statement to her.

[REDACTED] advised that former HR VP Green and former HR [REDACTED] were aware of IT's position. However, [REDACTED] did not brief Green and [REDACTED] on the FRA requirements regarding D&A programs, but she believes that they had a general understanding of Amtrak's annual reporting responsibilities. [REDACTED] informed Green and [REDACTED] that she was hiring [REDACTED] because of IT's refusal to provide assistance, but did not discuss the requirement for [REDACTED] to be under an independent contract. According to [REDACTED] Green later learned that [REDACTED] did not have a contract because she was a member of the

Independent Contractor Review Panel that denied [REDACTED] request to issue [REDACTED] a contract based on the established 2-year time limitation for independent contractors. [REDACTED] stated that she did not have any follow-up conversations with Green regarding [REDACTED] his status, or the FRA requirement following the Independent Contractor Review Panel's decision. [REDACTED] last day with the company was in November 2011 and Green left Amtrak in April 2011.

In a 2004 discussion with [REDACTED] [REDACTED] [REDACTED] learned that [REDACTED] had recently used [REDACTED] an Amtrak contractor, to develop a database. [REDACTED] recommended [REDACTED] services to [REDACTED]

After meeting with [REDACTED] and reviewing his capabilities, in June 2004, [REDACTED] hired [REDACTED] and agreed to pay him through payment requests upon submission, review, and approval of his invoices. [REDACTED] never established a written contract with [REDACTED]

[REDACTED] maintains that in 2005, she went to IT (possibly [REDACTED] IT [REDACTED]) to advise that she had found someone to develop the prerequisite HS database. She was again told that IT would be unable to provide any resources for her at that time because of their priority tasks. [REDACTED] continued to make modifications to the obsolete HS database in order to make it work for Amtrak. When the database began to experience major problems, [REDACTED] tasked [REDACTED] with replacing it.

In 2007, the database that [REDACTED] developed, "Health Services Information Systems" (HSIS), complete with a random testing component (Alcohol and Drug Random Employee Algorithm), went live after review, testing, and approval from the FRA.

In 2008, [REDACTED] met with [REDACTED] and [REDACTED] regarding HSIS. [REDACTED] wanted to ensure that HSIS was in compliance with Amtrak standards and ensure that IT would be in a position to provide support and stability should [REDACTED] no longer be available. [REDACTED] and his successor in the position, [REDACTED] IT [REDACTED] worked with [REDACTED] to ensure that the database met Amtrak standards. [REDACTED] assumed that IT was obtaining documentation from [REDACTED] regarding the database, but later learned that [REDACTED] told the IT representatives that providing the documentation would add to the cost and "the client ([REDACTED]) had not paid for documentation."

On September 30, 2010, [REDACTED] submitted a request to the Independent Contractor Review Panel on [REDACTED] behalf. On November 12, 2010, her request was denied because [REDACTED] had surpassed the 2-year time limitation established for independent contractors. [REDACTED] in an effort to ensure that HSIS remained operational, went to [REDACTED] [REDACTED] Procurement Services, to inquire about options for retaining [REDACTED] services, but was not provided with any alternatives.

At this point, [REDACTED] had [REDACTED] coming in once a month to perform maintenance on HSIS and oversee the random testing activity. She had allotted an FY 2011 annual budget of \$65,000 for his services. By February 2011, however, her budget for [REDACTED] was depleted because of the costs associated with his facilitating the migration of HSIS to [REDACTED] when the Amtrak Data Center relocated.

In an effort to ensure that HSIS remained operational, [REDACTED] made numerous requests for IT support prior to the November 12, 2010, decision by the Independent Contractor Review Panel. From August to October 2010, [REDACTED] engaged in discussions with [REDACTED] regarding IT assistance for HSIS support and maintenance. Following the panel's decision, [REDACTED] explained the urgency of the HSIS situation to [REDACTED] recalled telling [REDACTED] that she had run out of funding options. In approximately February 2011, [REDACTED] tasked [REDACTED] IT, with providing assistance. [REDACTED] who had funding available in his budget, informed [REDACTED] that he could cover the costs for [REDACTED] FRA audit and other HSIS-related projects that [REDACTED] was performing on [REDACTED] behalf. Mathews required that [REDACTED] work be supervised, reviewed, and approved by a member of his staff. [REDACTED] agreed and provided [REDACTED] with a priority punch list for [REDACTED] handling.

2. Payment Request Submitted by HS and IT for [REDACTED]

A review of payment requests submitted by HS and IT on [REDACTED] behalf determined that from September 2004 through July 2011, [REDACTED] was paid \$1,048,649 through the Amtrak payment request system. A breakdown of the payments for [REDACTED] services per year follows:

2004:	\$45,630
2005:	\$144,794
2006:	\$162,585
2007:	\$171,467
2008:	\$185,360
2009:	\$79,227
2010:	\$173,802
2011:	\$85,784 (\$55,432 of this total paid by IT)

Total \$1,048,649

[REDACTED] facilitated the payments to [REDACTED] through payment requests that did not require any type of oversight. Payments made to [REDACTED] by IT were also provided through payment requests and did not require any oversight by an independent entity or the

Procurement Department. [REDACTED] was paid \$1,377.50 in December 2011 to correct a payment error. This retroactive payment was approved by [REDACTED] and Procurement.)

3. [REDACTED] Interview

[REDACTED] was interviewed on August 2, 2011 and provided the following information: From the start of his working relationship with [REDACTED] in 2004 and continuing until 2010, [REDACTED] never mentioned that Amtrak required independent contractors to be under contract.

Sometime near the latter part of 2010, [REDACTED] brought up the issue of a contract. She informed [REDACTED] that Amtrak Procurement required that she fill out a request to have him classified as an independent contractor for HS. [REDACTED] later told [REDACTED] that her request had been denied because [REDACTED] had exceeded the 2-year time frame for his placement at Amtrak as an independent/temporary contractor. [REDACTED] told him that he could continue to work until she told him otherwise. [REDACTED] completed several tasks on HSIS by sometime in December 2010, and went on vacation.

In February 2011, [REDACTED] contacted [REDACTED] and requested that he return to work. He did so, working sporadically from February through April 2011. In April, [REDACTED] informed [REDACTED] that she did not have a budget for his services. She requested that he meet with [REDACTED] explaining that while [REDACTED] would continue to work for HS, he would be paid by IT.

[REDACTED] met with [REDACTED] who laid out the guidelines for the use of his continued services under IT supervision. It was [REDACTED] understanding that [REDACTED] and [REDACTED] had identified specific task items that he was expected to perform relative to HSIS. After completing the specific tasks on [REDACTED]'s punch list, [REDACTED] was released from Amtrak service effective August 4, 2011.

4. Information Technology Department Involvement

[REDACTED] confirmed that IT was initially unable to provide [REDACTED] with the necessary resources to support the HS database. However, when [REDACTED] or someone in her department approached IT in January 2011 with a request to support [REDACTED] services because [REDACTED] had run out of funding sources, [REDACTED] assigned [REDACTED] to provide assistance. According to [REDACTED], [REDACTED] not only had available money in his budget; he was in the process of setting up a group to look at corporate applications that were not a part of the Amtrak Enterprise Resource Planning (ERP) initiative (any application not created and maintained by ERP) and was working with the departments to bring the applications under ERP auspices. With this task in mind, [REDACTED] asked [REDACTED] to work with [REDACTED] to position HSIS for production readiness under the ERP umbrella.

████████ stated that someone in IT should have checked ██████ status, but admitted that no one did. She advised that IT was not aware that ██████ was working in violation of Amtrak policy until the issue was brought to light following ██████ July 9, 2011 e-mail to President and Chief Executive Officer Joseph Boardman.

RECOMMENDATIONS

Based on our investigative results, the following recommendations are provided for your consideration:

- Audit flags should be incorporated into eTrax to identify for review the use of multiple payment requests on a continuing basis to the same entity or individual, regardless of the dollar amount.
- Management should reinforce adherence to HR P/I 7.13.1, particularly involving the use of and payments to independent contractors, through department-wide communication.
- IT should provide technical advice, assistance, or support on any significant IT related projects, such as databases, affecting operations or mandated by federal requirements; and should verify vendor contracts before providing payments for services.

We have concluded our investigation of this matter and refer it for appropriate action. Please advise us within 30 days of the proposed or final action taken on this matter. If you have any questions concerning this investigative report, please contact me at ██████████ or Deputy Assistant Inspector General LaVan Griffith at ██████████

cc: William Herrmann, Managing Deputy General Counsel

Amtrak



**Office of Inspector General
Office of Investigations**

Case Number: DC-11-388³³⁸

July 12, 2012

Subject: Auto Train
Lorton, VA

Case Closing:

On August 10, 2011, Joseph Boardman, Amtrak President and Chief Executive Officer received an anonymous complainant who identified themselves as "A Loyal Amtrak Employee". The complainant alleged that there was illegal drug and alcohol use by [REDACTED] employees, as well as drug sales aboard the Auto Train. The complainant, who only referenced marijuana in the letter, indicated that the [REDACTED] was either bringing alcohol aboard the train or stealing it from the first class wine sampling provided to Auto Train sleeping car guests.

Boardman provided the letter to the Office of Investigations at a meeting with Inspector General Ted Alves, Assistant Inspector General – Investigations Adrienne Rish, and Chief, Amtrak Police Department (APD) John O'Conner. The OIG and APD agreed to conduct a joint operation, with the OIG as the lead.

On September 16, 2011, a joint investigative operation was undertaken by OIG and APD. The operation consisted of [REDACTED]

Although no investigative leads were developed during the operation, coordination between OIG, APD, and Operations and Transportation Department representatives resulted in a number of recommendations for consideration. The OIG was also advised by Operation and Transportation supervision that the operation had a deterrent effect on [REDACTED] employees. It was also determined that four [REDACTED] employees failed to list felony convictions on their employment applications.

The OI conducted a post operation review with Transportation Department supervision. Several factors were identified that would reinforce Management's ability to [REDACTED]. [REDACTED] Amtrak law enforcement presence was also viewed as a strong deterrent and should be part of [REDACTED].

3222

APPR: rk

CLASSIFICATION:

FOR OFFICIAL USE ONLY

WARNING

This document is the property of the Amtrak Office of Inspector General and is on loan to your agency. Contents may not be disclosed to any party under investigation nor may this document be distributed outside the receiving agency without the specific prior authorization of the Assistant Inspector General for Investigations.

On January 10, 2012, a Management Information Report, appended as Attachment 1, was hand delivered to DJ Stadtler, Vice President of Operations, Alex Melnkovic, Chief Human Capital Officer, and William Herrmann, Managing Deputy General Counsel.

On July 11, 2012, Stadtler provided Management's response dated June 25, 2012, appended as Attachment 2. In response to the OI's recommendations, Stadtler supported and agreed to implement 6 of the 7 recommendations. With the regard to recommendation #5, which involved action as appropriate for the four employees who falsified their job applications, Management agreed with the OI's recommendation, but determined for various reasons that no disciplinary action be taken.

All administrative actions have been completed. This investigation is closed.

Attachments:

1. Management Information Referral dated January 10, 2012
2. Management's Response dated June 25, 2012

Prepared by: Special Agent [REDACTED]
Amtrak Office of Inspector General
Office of Investigation
Washington, DC

Distr: HQ File

CLASSIFICATION:

FOR OFFICIAL USE ONLY

WARNING

This document is the property of the Amtrak Office of Inspector General and is on loan to your agency. Contents may not be disclosed to any party under investigation nor may this document be distributed outside the receiving agency without the specific prior authorization of the Assistant Inspector General for Investigations.



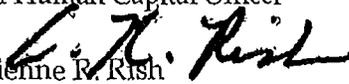
Office of Inspector General



Memorandum

To: Donald A. Stadler, Jr.
Acting Vice President - Operations

Alex B. Melnikov
Chief Human Capital Officer

From: Adrienne R. Rish 
Assistant Inspector General, Investigations

Date: January 10, 2012

Subject: Management Referral—Alleged Illegal Drug and Alcohol Use by Auto Train 
 Employees

This report contains recommendations that we are providing for your consideration following an investigative operation. The investigative operation was undertaken to address allegations of theft, illegal drug and alcohol use and illegal drug sales by the 
 employees assigned to the Auto Train.

IN BRIEF

On August 10, 2011, Amtrak CEO Joseph Boardman received an anonymous letter from a complainant identified only as "A Loyal Amtrak Employee," alleging illegal drug and alcohol use by  employees as well as drug sales aboard the Auto Train. The letter also referenced the open use of drugs by  employees, and indicated that they were either bringing alcohol aboard the train or stealing it from the first class wine sampling provided to Auto Train guests.

The CEO subsequently provided the letter to the Office of Inspector General (OIG), Office of Investigations, at a meeting with Inspector General Ted Alves; Assistant Inspector General, Investigations, Adrienne Rish; and Chief, Amtrak Police Department, John O'Connor. Mr. Boardman asked OIG to lead an investigative operation to address the allegations with assistance as needed from Amtrak Police. This project was initiated on September 16, 2011, and coordinated with management officials of the Amtrak Transportation Department. The joint operation did not disclose evidence

to support any of the allegations. The operation was well-coordinated and conducted without incident, and the presence of law enforcement provided additional deterrent value.

However, it was determined that four [REDACTED] employees failed to list felony convictions as required on their employment applications, and that background checks were not reflected in some [REDACTED] employees' personnel files. Amtrak Transportation Department supervisors [REDACTED] that did not result in any findings of theft, or illegal alcohol or drug use. Although such [REDACTED] are an effective deterrent tool, they are not routinely conducted. Also, [REDACTED] for [REDACTED] crew are not reflected in current Amtrak corporate policies and Service Standard Manual. In addition, collaboration among OIG, Amtrak Police, and the Amtrak Transportation Department identified several recommendations to enhance the [REDACTED] program.

BACKGROUND

On September 16, 2011, OIG initiated an investigative operation with assistance from Amtrak Police and coordination with the Amtrak Transportation Department to address allegations of alcohol and drug use by [REDACTED] employees during duty hours and onboard Auto Train routes between Virginia and Florida. This operation involved

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

The Auto Train operates daily northbound service, train #52, from Florida to Virginia, and southbound service, train #53, from Virginia to Florida. Approximately [REDACTED] [REDACTED] provide services on any given day. The lack of detail in the anonymous allegation limited law enforcement activity to [REDACTED]
[REDACTED]
[REDACTED]

Upon being advised of the nature of the allegations by the OIG Office of Investigations, management officials of the Amtrak Transportation Department decided to separately [REDACTED]
[REDACTED] to coincide with the investigative operation. Management selected four supervisors to [REDACTED]
[REDACTED]

INVESTIGATIVE RESULTS

The investigative operation did not disclose any information to support the general allegations of illegal drug and alcohol use, illegal drug sales and theft by Auto Train

While the operation focused on The operation was well coordinated and was conducted without incident. According to feedback from Amtrak Transportation department supervisors, the operation did have a deterrent effect.

To ensure a safe environment in which to the OIG conducted

disclosed that the majority of files did not contain Additionally, four of the Auto Train employees have criminal records that they did not identify on their employment applications. Subsequent interviews of the four employees disclosed that they knowingly failed to report felony convictions:

completed her Amtrak application for employment on August 12, 2008, and has been employed by Amtrak since September 16, 2008. On her employment application listed a 2004 arrest for drunk driving in She explained that she spent the night in jail, later pled guilty to the charge, and paid a fine of \$3,500. did not list a 2006 arrest for theft in She was the cashier at a gas station and pled no contest to a petty theft charge after denying stealing money and admitting to taking food items. She was fired from the job and made restitution in the amount of \$200-\$250. confirmed that in response to the application question asking if she "had been disciplined or discharged for theft, unauthorized removal of company property, or related offenses," she checked the "no" box. She explained that she may have read the question incorrectly or that she really needed a job

and may have just checked the "no" box so that the application process would continue.

██████████
██████████ completed his Amtrak employment application on February 22, 2000, and has been employed by Amtrak since March 2, 2000. He advised that he was arrested in 1990 or 1991 for possession of stolen property but did not list the arrest on his employment application. He indicated that he pled guilty to the charge and paid a fine. ██████████ stated that he did not report the information on his application because he did not serve any jail time and did not believe that a plea resulted in a conviction.

██████████
██████████ completed his Amtrak employment application on June 10, 2008, and has been an Amtrak employee since July 14, 2008. He advised that he was arrested in 1986 for possession of marijuana, was convicted upon entering a guilty plea, and received 3 years' probation. He further stated that in 1990 he was convicted of cocaine possession with intent to distribute. He received a 63-month prison sentence, but was released from prison 8 months early for good behavior. ██████████ stated that he did not report the information on his employment application because he believed that there was a 17-year limit for the reporting of criminal history information. ██████████ could not identify the source of such guidance.

██████████
██████████ completed his Amtrak employment application on December 23, 2009, and has been an Amtrak employee since February 22, 2010. He advised that in 1991 he was found guilty of breaking and entering. According to ██████████ the charge should really have been trespassing but he ██████████
██████████ Additionally, ██████████ stated that in 2003 he was found guilty of two counts of assault and battery involving his former girlfriend and, in the same year, he was found guilty of the sale/distribution of marijuana. ██████████ advised that he did not serve any jail time for any of these convictions. He said that he did not report his criminal history because he thought there was a 5-7-year limit in effect for the reporting of criminal history information. ██████████ could not identify the source of this guidance.

[REDACTED]

OIG Investigations and Amtrak Police coordinated a [REDACTED] of the subject Auto Train with agents from both components [REDACTED]. The [REDACTED] did not result in any investigative leads. Despite conducting a [REDACTED] no investigative leads resulted. Both OIG Investigations and Amtrak Police also had [REDACTED] during [REDACTED].

Management Bag Searches:

Amtrak Transportation department supervisors [REDACTED] [REDACTED] did not result in any findings of theft, alcohol use or illegal drug use. All employees were compliant with [REDACTED] and many commented on the need for [REDACTED] [REDACTED] supervisory staff thought that [REDACTED] were useful and should be employed periodically for the deterrent value.

POST-OPERATION REVIEW AND RECOMMENDATIONS

The OIG and Amtrak Transportation Department supervisors conducted a post-operation review to identify possible best practices for the [REDACTED] program. It was determined that current Amtrak corporate policies and the *Service Standards Manual* do not address [REDACTED] and need to be updated. The supervisors also said that the law enforcement presence was a strong deterrent and should be part of [REDACTED]. There was consensus on the following recommendations:

- Management should conduct [REDACTED] and communicate with OIG Investigations and Amtrak Police regarding any significant findings.
- Management should reinsert language regarding [REDACTED] in the *Service Standards Manual*.
- Management should include [REDACTED] language in its corporate policy.
- Train crews should be reminded through official correspondence that they have a responsibility to notify their supervisors of any criminal conviction pursuant to Human Resource P/I 7.40.0, *Employee and Independent Contractor Background Check*, effective March 3, 2010.

- Management should take action deemed appropriate regarding the representations on the employment applications of [REDACTED]
- Law enforcement personnel should routinely be present during management's [REDACTED]
[REDACTED]
- Management should ensure [REDACTED]
[REDACTED] prior to making hiring determinations.

In addition, at the request of Mr. Boardman, we are completing [REDACTED]
[REDACTED] Although not yet finalized, this [REDACTED] disclosed that [REDACTED]
[REDACTED] Our report will provide more detailed recommendations to correct this problem.

We have concluded our investigation of this matter and refer it to you for appropriate action. Please advise us within 30 days on the proposed or final action taken on this matter. If you have any questions concerning this investigative report, please contact LaVan Griffith, Assistant Inspector General, Investigations—Field Operations, at 202.906.4319 (LaVan.Griffith@AmtrakOIG.gov).

Attachments:

1. Employment application of [REDACTED]
2. Employment application of [REDACTED]
3. Employment application of [REDACTED]
4. Employment application of [REDACTED]

Cc: CEO Joseph Boardman
Chief John O'Connor

Investigation Report

**Amtrak
Office of Inspector General
Office of Investigations**



Amtrak Case Number: DC-12-0129-O

May 24, 2012

Subject: [REDACTED]
[REDACTED]

Closing Report:

On January 10, 2012, [REDACTED] APD [REDACTED] contacted the reporting agent regarding an email [REDACTED] Amtrak's [REDACTED] had sent to a large Amtrak Corporate e-mail listing in an attempt to further identify [REDACTED] [REDACTED] was identified as a former Amtrak contractor working as a [REDACTED] [REDACTED] for Booz, Allen, & Hamilton (BAH). [REDACTED] alleged that [REDACTED] had utilized an Amtrak rail pass when he was not working as a BAH contract employee for Amtrak. [REDACTED] Amtrak [REDACTED] conducted a review of Amtrak's Station, Train, and Agency Reporting (STAR) system at the request of the reporting agent. [REDACTED] determined that [REDACTED] was issued fifty-two tickets using his business rail pass [REDACTED] from June 2011 to December 2011, after his assignment at Amtrak ended. The tickets were primarily used to travel Amtrak's Northeast Corridor, which included New York, Philadelphia, and Newark, at an approximate cost of \$5,000.

The reporting agent determined that [REDACTED] had worked as a BAH contract employee assigned to assist APD with the Homeland Security Presidential Directive 12- Employee Identification Card (EIC) Project. [REDACTED] BAH [REDACTED] advised the reporting agent that [REDACTED] worked as a BAH contract employee for Amtrak until June 28, 2011 and that his rail pass travel from June 2011 to December 2011 was not work related.

On January 18, 2012, the reporting agent interviewed [REDACTED], Amtrak's System Administrator for [REDACTED]. [REDACTED] was tasked with assisting Booz, Allen, & Hamilton (BAH) in implementing a program that would make the cards compatible with the federal government security systems. [REDACTED] stated the BAH contract was established in August or September 2009 and focused primarily on research and development. [REDACTED] stated that at some point BAH contract employees were deployed to different Amtrak facilities to hand out identification cards. [REDACTED] identified [REDACTED] as one of the many BAH contract employees who worked on the identification card project.

7249

APPR: rk

CLASSIFICATION:

WARNING

FOR OFFICIAL USE ONLY

This document is the property of the Amtrak Office of Inspector General and is on loan to your agency. Contents may not be disclosed to any party under investigation nor may this document be distributed outside the receiving agency without the specific prior authorization of the Assistant Inspector General for Investigations.

BAH contractors were issued blackberries, laptops, contractor badges, and business passes by [REDACTED] Amtrak [REDACTED] and [REDACTED] Amtrak [REDACTED]. The BAH contractors were issued business passes that expired one year after the issuance date. The rail travel privileges associated with the passes were not terminated and [REDACTED] office failed to initiate the contractors' removal from the system. [REDACTED] advised that [REDACTED] or [REDACTED] were responsible for requesting the removal of the aforementioned contractors. [REDACTED] APD, has requested the deactivation of all former BAH contractors' rail privileges.

On January 26, 2012, the reporting agent interviewed BAH Associate [REDACTED] [REDACTED] has worked for BAH as an associate for 12 years and now serves as a contractor for Amtrak's Office on [REDACTED]. [REDACTED] started with Amtrak as a BAH contractor in February 2010. [REDACTED] advised that Amtrak awarded BAH with a portion of security-related projects funded by the American Recovery and Reinvestment Act (ARRA). The BAH Contract #B03515101 was established in October 15, 2009 and ran until September 30, 2011. [REDACTED] stated that BAH contractors working on the EIC project were granted business rail passes. Upon their departure, [REDACTED] [REDACTED] BAH, was responsible for collecting the contractor badges and business passes belonging to Amtrak. [REDACTED] would then submit the contractor badges to [REDACTED] for destruction.

On January 26, 2012, [REDACTED] [REDACTED] Booz, Allen, & Hamilton (BAH) was interviewed by the reporting agent. [REDACTED] has been employed by BAH since June 2008 and reports to [REDACTED] BAH, [REDACTED] [REDACTED] stated [REDACTED] was hired by BAH in July of 2009, after graduating from the University of [REDACTED]. [REDACTED] was employed as a consultant and reported to [REDACTED]. During his BAH employment, [REDACTED] served as a contract employee for Amtrak for his entire employment with BAH according to [REDACTED]. [REDACTED] worked as a [REDACTED] on the Amtrak Transportation Roadmap Initiative and the Infrastructure Program Personnel Support contracts. According to [REDACTED], [REDACTED] was issued a business rail pass for his contract work with Amtrak. [REDACTED] stated most of [REDACTED]'s work was located at his work site in [REDACTED]. [REDACTED] stated BAH never authorized [REDACTED] to travel using his rail pass after June 30, 2011.

In December 2011, Amtrak's [REDACTED] Department spoke with [REDACTED] about a questionable train reservation. The reservation was made using [REDACTED]'s business rail pass. [REDACTED] stated he questioned [REDACTED] about the train travel but [REDACTED] denied having knowledge of the particular reservation. [REDACTED] told [REDACTED] that he was scheduled to travel on Amtrak but not using his rail pass. [REDACTED] stated [REDACTED] told him that he had returned everything when he left Amtrak including the rail card. [REDACTED] stated he recommended [REDACTED] cancel the reservation.

CLASSIFICATION:

FOR OFFICIAL USE ONLY

WARNING

This document is the property of the Amtrak Office of Inspector General and is on loan to your agency. Contents may not be disclosed to any party under investigation nor may this document be distributed outside the receiving agency without the specific prior authorization of the Assistant Inspector General for Investigations.

██████████ stated he sent ██████████ an email on 01/25/12 to discuss the reporting agent's request to interview him. ██████████ asked ██████████ if there was anything else he should know prior to the meeting. ██████████ stated ██████████ apologized over the phone stating he had made trips on Amtrak using his Amtrak pass for personal use. ██████████ admitted he made 20 reservations in the last 6 months and asked if he could pay it back. ██████████ stated ██████████ had submitted his resignation to BAH prior to his interview with OIG.

On February 7, 2012, ██████████ ██████████ Booz, Allen, & Hamilton (BAH), was arrested on an outstanding arrest warrant # ██████████ issued by the reporting agent. The arrest was made at ██████████ Police Department (██████████ PDC), ██████████ after ██████████ agreed to surrender himself at the direction of his attorney, ██████████ Attorney, law firm of ██████████ LLP. ██████████ was charged with Felony Theft for his misuse of Amtrak's business rail pass.

On April 25, 2012, ██████████ Assistant United States Attorney, U.S. Attorney's Office for ██████████ notified the reporting agent that ██████████ plead guilty to second-degree theft. In addition, ██████████ was sentenced to 90 days, execution suspended, with 6 months of unsupervised probation and must pay \$8,548 in restitution.

This concludes investigative activity by the OIG OI.

Prepared by: Special Agent ██████████
Amtrak Office of the Inspector General
Office of Investigation
Washington, DC

DISTR: HQ File; Washington, DC

CLASSIFICATION:

FOR OFFICIAL USE ONLY

WARNING

This document is the property of the Amtrak Office of Inspector General and is on loan to your agency. Contents may not be disclosed to any party under investigation nor may this document be distributed outside the receiving agency without the specific prior authorization of the Assistant Inspector General for Investigations.



Office of Inspector General



via electronic mail

Memorandum

To: William Herrmann, Managing Deputy General Counsel

From: Thomas Bonnar ^{TB}
Deputy Assistant Inspector General – Investigations

Date: December 11, 2012

Subject: *Case Closing, OIG Case Number DC-12-0238-O*
[REDACTED] Former Amtrak [REDACTED] [REDACTED]

In March 2012, the Amtrak [REDACTED] referred to the Office of Inspector General a matter involving possible fraudulent claims by the referenced subject, [REDACTED]

We have concluded and closed our investigation. The case closing document is included here. Please forward this information to the appropriate Claims representative.

We are not requesting any response on this matter. However, please contact me or Special Agent in Charge [REDACTED] if you have any questions.



**Office of Inspector General
Office of Investigations**

Amtrak Case Number DC-12-0238-O

November 14, 2012

Subject: [REDACTED]
[REDACTED]

Case Closing:

The Office of Inspector General (OIG), Office of Investigations (OI) received a referral from the Amtrak [REDACTED] regarding an injury claim submitted by [REDACTED] former Amtrak [REDACTED], assigned to Maintenance of Way in [REDACTED]. The claim, filed by Attorney [REDACTED] law firm of [REDACTED], LLC on [REDACTED]'s behalf alleged that on August 19, 2010, [REDACTED] sustained a foot and knee injury when he tripped on a high spike while performing track inspections at [REDACTED] Interlocking. The investigation confirmed [REDACTED] initially told his immediate supervisor, [REDACTED] Amtrak's [REDACTED], that he was injured after being placed under arrest by OIG agents and the Amtrak Police Department on August 20, 2010.

In the prior OIG-OI investigation, [REDACTED] was arrested on an outstanding bench warrant issued by the United States District Court for [REDACTED] for falsifying track inspection reports; abusing his General Service Administration (GSA) credit card; and committing payroll fraud by falsely claiming to have worked overtime. On December 20, 2010, [REDACTED] pled guilty to one count of theft from a program receiving federal funds, in violation of 18 U.S.C. Section 641. [REDACTED] agreed to sign a separation agreement to resign his employment with Amtrak and in turn, the company agreed not to take further administrative action on the pending discipline proceedings against him. Based on that agreement, [REDACTED] would not be eligible for rehire.

Amtrak's [REDACTED] advised that [REDACTED] received medical treatment for his alleged injuries at local hospitals in [REDACTED] between September 2010 and February 2012. The medical records provided by [REDACTED] show that [REDACTED] obtained extensive evaluations for a left knee arthroscopy. [REDACTED] said that Amtrak paid \$11,886 in medical expenses related to [REDACTED] injury claim. [REDACTED] further advised that during that same time period intermittent [REDACTED] [REDACTED] disclosed that [REDACTED] was observed operating a motor vehicle, and entering and exiting the vehicle with no assistance. [REDACTED] advised [REDACTED] that [REDACTED] had made repairs to a residential screen door, where he was observed sitting, standing and bending over at the waist to retrieve something from the ground.

APPR:

CLASSIFICATION:

WARNING

FOR OFFICIAL USE ONLY

This document is the property of the Amtrak Office of Inspector General and is on loan to your agency. Contents may not be disclosed to any party under investigation nor may this document be distributed outside the receiving agency without the specific prior authorization of the Assistant Inspector General for Investigations.

On March 22, 2012, the United States Railroad Retirement Board (RRB) advised [REDACTED] that [REDACTED] was receiving RRB unemployment benefits. [REDACTED], RRB, [REDACTED] stated that he would conduct a voluntary quit investigation into whether [REDACTED] was eligible for RRB benefits. The matter was referred to RRB OIG local field office in [REDACTED]. On April 20, 2012, [REDACTED] Special Agent, RRB OIG advised that [REDACTED] had certified on his RRB Unemployment Insurance (UI) applications that he was "out on leave" from his employment with Amtrak. According to [REDACTED] [REDACTED] never informed RRB that he was forced to resign from his position with Amtrak. [REDACTED] told [REDACTED] that a railroad employee was required to notify the RRB if he/she quits or resigns from their position. [REDACTED] stated that upon such notification the RRB would stop unemployment benefits and investigate whether the individual quit with good cause. [REDACTED] added that an employee's failure to notify the RRB on the UI application or claim that the employee quit or resigned could constitute a fraudulent claim. [REDACTED] stated that the RRB quit investigation discovered that [REDACTED] had falsified a RRB Form SI-7, Supplemental Doctor's Statement, dated August 18, 2011. On April 10, 2012, [REDACTED] [REDACTED], MD, stated that his office did not complete the report submitted to the RRB by [REDACTED]. [REDACTED] said he agreed with the medical information on the form.

A review of [REDACTED] August 19, 2010 [REDACTED] determined that [REDACTED] was geographically located in [REDACTED] for several hours during his tour of duty. The [REDACTED] were not conclusive in showing that [REDACTED] was not at the [REDACTED] during the reported injury. The [REDACTED] are appended as Attachment 1. On May 24, 2012, the reporting agent presented the matter to [REDACTED] [REDACTED], Assistant United States Attorney (AUSA) in [REDACTED]. [REDACTED] agreed that [REDACTED] had violated the law by submitting the forged RRB Supplemental Doctor's Statement in support of his claim for unemployment benefits, but the forged doctor signature lacked materiality because the diagnosis on the form was correct. [REDACTED] stated the [REDACTED] demonstrates that [REDACTED] has full range of motion but the [REDACTED] was not conclusive in showing that [REDACTED] was not at the mile marker during the reported injury. On July 31, 2012, [REDACTED] advised that his office would not pursue any criminal charges against [REDACTED].

On September 21, 2012, [REDACTED] confirmed that his law firm would not represent [REDACTED] against Amtrak in his claim for personal injury damages arising out of his alleged accident on August 19, 2010.

On October 15, 2012, the reporting agent contacted [REDACTED] to schedule an interview to discuss his foot and knee injury claim. [REDACTED] stated that he did not appreciate the IG office calling him to discuss his injury and that he would not allow the IG office to ask him any questions pertaining to his claim.

CLASSIFICATION:

FOR OFFICIAL USE ONLY

WARNING

This document is the property of the Amtrak Office of Inspector General and is on loan to your agency. Contents may not be disclosed to any party under investigation nor may this document be distributed outside the receiving agency without the specific prior authorization of the Assistant Inspector General for Investigations.

The investigation did not develop any direct evidence that placed [REDACTED] away from the mile marker during the reported injury. The investigation is closed based on the fact that the United States Attorney's office declined to pursue criminal charges related to this matter.

A copy of this report is being provided to the Amtrak Claim Department and to the Office of General Counsel for review.

Attachment:

1. [REDACTED], [REDACTED], [REDACTED], dated May 30, 2012.

Prepared by: Special Agent [REDACTED]
Amtrak Office of the Inspector General
Office of Investigation
Washington, DC

DISTR: File

CLASSIFICATION:**FOR OFFICIAL USE ONLY****WARNING**

This document is the property of the Amtrak Office of Inspector General and is on loan to your agency. Contents may not be disclosed to any party under investigation nor may this document be distributed outside the receiving agency without the specific prior authorization of the Assistant Inspector General for Investigations.

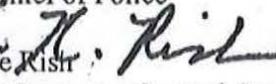


Office of Inspector General



MEMORANDUM

TO: Lisa Shahade
Acting Chief of Police

From: Adrienne Rish 
Assistant Inspector General, Investigations

Date: July 25, 2012

Subject: Anonymous Complaint Re 

On May 29, 2012, an anonymous complaint was received by the Amtrak Help Line. The complainant advised that  Amtrak Police Department  inappropriately disclosed confidential information pertaining to  against APD officers, specifically an investigation against  for drinking while driving a company car. The complainant also alleged that  initiated cases against officers  did not like or that his friends did not like.

We investigated this matter pursuant to our Memorandum of Understanding and found the allegations to be unsupported. Please direct any questions to Deputy Assistant Inspector General for Investigations Thomas Bonnar at 202-906-4634 or Thomas.Bonnar@amtrakoig.gov.



Office of Inspector General
Office of Investigations

Amtrak Case Number: DC-12-0275

July 24, 2012

Subject: [REDACTED]

Closing Report:

On May 29, 2012, an anonymous complaint was received by the Amtrak Help Line. The complainant advised that [REDACTED] of the Amtrak Police Department (APD) [REDACTED] disclosed confidential information pertaining to [REDACTED] against APD officers. The complainant alleged that in 2011, exact date unknown, [REDACTED] told unnamed officers that he had conducted an investigation against [REDACTED] for drinking while driving a company car. The complainant stated that [REDACTED] said he was going to suspend [REDACTED] for a certain amount of days. The complainant also alleged that [REDACTED] builds cases against officers he does not like or that his friends don't like.

[REDACTED] APD - [REDACTED] advised that [REDACTED] [REDACTED] explained that complaints come to their attention in several ways. Most complaints are [REDACTED] [REDACTED] advised that a copy of the information is sent to [REDACTED] [REDACTED] explained that [REDACTED] will decide if the case will be investigated [REDACTED] [REDACTED] stated that [REDACTED] also gets complaints from [REDACTED] [REDACTED] stated that they occasionally get complaints [REDACTED] [REDACTED] advised that if a complaint is minor, such as discourtesy, it will be [REDACTED] [REDACTED] stated that [REDACTED] investigates all complaints that allege [REDACTED] [REDACTED]

[REDACTED] stated that when [REDACTED] receives a case they [REDACTED] [REDACTED] [REDACTED] advised that every month [REDACTED] [REDACTED] stated that if a case is being worked with Amtrak's [REDACTED] that office is also given information as the case progresses. ,

[REDACTED] stated that when the charges are final she will send the information to [REDACTED] [REDACTED] along with [REDACTED] [REDACTED] explained that [REDACTED] are what individuals charged with the same complaint received as punishment, [REDACTED] [REDACTED] advised that [REDACTED] [REDACTED] They will have a discussion to

7121
APPR: tbonnar

WARNING

CONFIDENTIAL

This document is the property of the Amtrak Office of Inspector General. Contents may not be disclosed or distributed without the specific prior authorization of the Assistant Inspector General for Investigations.

[REDACTED]
[REDACTED]
[REDACTED] stated that [REDACTED] has no say in [REDACTED]
[REDACTED] explained that their only involvement in [REDACTED]

[REDACTED] advised that on approximately September 1, 2011, [REDACTED] received an anonymous complaint via email regarding [REDACTED] [REDACTED] stated that the complaint concerned [REDACTED] drinking and driving an APD vehicle. [REDACTED] explained that [REDACTED] drove an APD vehicle to [REDACTED] to teach APD employees the proper method of testing for explosive residue. [REDACTED] advised that [REDACTED] opened case number 11-008190 and [REDACTED] was assigned the case.

[REDACTED] stated that the drinking/driving case against [REDACTED] was substantiated as [REDACTED] admitted to the allegation. [REDACTED] advised that [REDACTED] was very open about the matter and told people in his unit about it including the secretary. [REDACTED] stated that [REDACTED] [REDACTED] at the time and [REDACTED] [REDACTED] at the time, were made aware of the allegations as was [REDACTED] Amtrak [REDACTED] assigned to APD. [REDACTED] advised that [REDACTED] commented to her at the time of the investigation that [REDACTED] was telling everyone about the incident including [REDACTED] secretary. [REDACTED] advised that when the case was sent for charging [REDACTED] [REDACTED] as this was APD's first case of drinking and driving a company car. [REDACTED] stated that she and [REDACTED] may have discussed between themselves what [REDACTED] would be, but they did not make any recommendations. [REDACTED] advised that she believed [REDACTED] [REDACTED] but she could not say for sure if that was the extent of the [REDACTED]

[REDACTED] stated that he investigated the case against [REDACTED] [REDACTED] explained that when the case came in he was already in [REDACTED] investigating an excessive use of force matter so he told [REDACTED] he would handle the case. [REDACTED] stated that he [REDACTED] and found [REDACTED] receipts for meals. [REDACTED] advised that he [REDACTED] and found that [REDACTED] charged alcohol to his bill and also included the alcohol on his expense report which is against Amtrak policy. [REDACTED] explained that [REDACTED] went with him to [REDACTED] as he was not familiar with the [REDACTED] [REDACTED] stated that [REDACTED] and [REDACTED] as well as [REDACTED] were aware of the allegation as [REDACTED] was in in their command. [REDACTED] stated that he did not discuss the [REDACTED] case with anyone who was not involved with the matter. [REDACTED] explained that he discussed the matter with [REDACTED] [REDACTED] advised that he did not discuss the [REDACTED] matter with any APD [REDACTED] [REDACTED] stated that he has not initiated any [REDACTED] cases on APD employees. [REDACTED] explained that all cases he has worked while in [REDACTED] have been referred to [REDACTED] through the proper channels.

[REDACTED] Amtrak Police Department, advised that he discussed the matter with [REDACTED] and [REDACTED] [REDACTED] and [REDACTED] stated that the APD calendar, InteliStaf, available to APD employees, listed him as [REDACTED] which could have been viewed by many APD employees.

It is recommended this matter be closed. [REDACTED] Several APD employees were notified of the investigation of [REDACTED] pursuant to APD policy. The anonymous complaint did not disclose who [REDACTED] told about [REDACTED] case that was not in [REDACTED] chain of command. [REDACTED] himself told a number of people about the [REDACTED] investigation. Additionally, [REDACTED] was listed on the APD shared calendar as [REDACTED]"

Submitted by: [REDACTED]
Special Agent
Office of Inspector General
Office of Investigations

CONFIDENTIAL

WARNING

This document is the property of the Amtrak Office of Inspector General. Contents may not be disclosed or distributed without the specific prior authorization of the Assistant Inspector General for Investigations.

Amtrak



Office of Inspector General
Office of Investigations

Case Number: DC-12-0284

December 18, 2012

Subject: [REDACTED]

Closing Report:

[REDACTED] was [REDACTED] to [REDACTED], Amtrak [REDACTED]nspector General, [REDACTED] [REDACTED] began working at the Amtrak OIG in November 2011, initially as a temporary employee of an Amtrak contractor. In January 2012, [REDACTED] became a full time employee of Amtrak OIG.

On June 13, 2012, the Office of Investigations (OI) was notified that on May 17, 2012, [REDACTED] received an email from Amtrak Accounts Payable advising that his [REDACTED], [REDACTED] [REDACTED] had submitted five expense reports to obtain reimbursement for prepaid travel expenses. Accounts Payable was concerned because the travel vouchers were for prepaid expenses for conferences that [REDACTED] was to attend. The initial reaction was that this was likely a mistake because [REDACTED] a new Amtrak OIG employee, may not have been familiar with Amtrak systems. [REDACTED] directed a [REDACTED] to inquire into the matter. While the [REDACTED] was waiting for documents, [REDACTED] [REDACTED] told [REDACTED] that [REDACTED] had been charging personal expenses to [REDACTED] GSA Travel Card in violation of OIG policy. [REDACTED] became concerned and stepped up the document review which revealed that [REDACTED] had submitted expense reports for conferences she was not authorized to attend and for expenses she had not incurred. The matter was turned over to OI.

OI special agents interviewed [REDACTED] on June 15, 2012. [REDACTED] admitted submitting travel authorizations and expense reports for expenses she did not incur. [REDACTED] admitted that she approved these expenses using the sign-on and password of her boss, [REDACTED] [REDACTED] provided a signed statement. [REDACTED] obtained payments totaling \$6,746.81. [REDACTED] submitted another \$3,189.65 in false expenses that were not reimbursed. Additionally [REDACTED] charged \$3,115.45 on her GSA travel card for items that were not travel related. That amount is still outstanding. Following [REDACTED] interview, she was placed on suspension and escorted from the building. On June 20, 2012, [REDACTED] employment at the OIG was terminated.

On August 27, 2012, AUSA [REDACTED] [REDACTED] authorized the filing of a complaint and arrest warrant for [REDACTED]. That same date, a complaint and arrest warrant were obtained charging [REDACTED] with First Degree Felony Fraud. On August 28, 2012, [REDACTED] self-surrendered pursuant to the arrest warrant issued in the [REDACTED] on August 27, 2012. She was arraigned and released on a personal recognizance bond and was appointed a public defender.

APPR:

WARNING

CONFIDENTIAL

This document is the property of the Amtrak Office of Inspector General. Contents may not be disclosed or distributed without the specific prior authorization of the Assistant Inspector General for Investigations.

On October 15, 2012, [REDACTED] appeared in Superior Court of [REDACTED], and entered a plea of guilty to one count of Second Degree Felony Fraud.

On December 12, 2012, [REDACTED] appeared for sentencing before Superior Court Judge [REDACTED]. [REDACTED] was sentenced to six months incarceration, sentenced suspended, and was placed on five years supervised probation. [REDACTED] was ordered to make restitution in the amount of \$9,862.26. She was further ordered to serve 50 hours of community service, pay \$100 to the victim/witness fund, and undergo a mental health assessment. [REDACTED] was ordered to make a minimum payment of \$200 a month in restitution to Amtrak. [REDACTED] claimed to have made a \$200 payment on December 11, 2012, to USA Bank toward her GSA Travel Card bill.

All evidence in this matter has either been returned to the owner or destroyed. It is recommended this case be closed.

Submitted by: [REDACTED]
Special Agent
Office of Inspector General
Office of Investigations

CONFIDENTIAL

WARNING

This document is the property of the Amtrak Office of Inspector General. Contents may not be disclosed or distributed without the specific prior authorization of the Assistant Inspector General for Investigations.



Office of Inspector General
Office of Investigations

Case Number: DC-12-0332-HL-O

Date November 15, 2012

Information Report re: [REDACTED]
[REDACTED]

On October 24 2012, Special Agent [REDACTED], National Railroad Passenger Corporation (Amtrak), Office of Inspector General, Office of Investigations, Chicago Field Office, telephonically interviewed [REDACTED], [REDACTED], Amtrak, [REDACTED], 30th Street Station, Philadelphia, PA. The purpose of the interview was to obtain clarifying information concerning [REDACTED] allegation that [REDACTED], Amtrak, [REDACTED] is receiving fraudulent Amtrak Long Term Disability (LTD) payments through MetLife Insurance Company (Attachment 1).

During the interview, [REDACTED] stated that she and [REDACTED] were friends for 25 years, and added that she referred [REDACTED] for employment with Amtrak. [REDACTED] alleged [REDACTED] maintained a dependency on alcohol and marijuana use during the period [REDACTED] worked for Amtrak. However, although [REDACTED] stated she was [REDACTED] [REDACTED] did not indicate that she took any administrative action concerning [REDACTED] alleged dependency on alcohol and marijuana. [REDACTED] did state [REDACTED] was a good worker during the majority of [REDACTED] career with Amtrak.

[REDACTED] believes [REDACTED] caused her to have a bad employee referral reputation in [REDACTED] because [REDACTED] allegedly "milked the system" by being paid approximately \$4000 per month in LTD benefits since 2005 or 2006. However, [REDACTED] could not provide any information indicating that either [REDACTED] and/or [REDACTED] doctor(s), provided false information concerning [REDACTED] LTD. Further, [REDACTED] statement that [REDACTED] appeared in good health when [REDACTED] saw her in a store does not indicate evidence of disability fraud.

Due to the fact that [REDACTED] could not provide credible information indicating [REDACTED] committed disability fraud, no further investigation is warranted unless [REDACTED] provides new information concerning this matter.

End of Report

APPR:

WARNING

CONFIDENTIAL

This document is the property of the Amtrak Office of Inspector General. Contents may not be disclosed or distributed without the specific prior authorization of the Assistant Inspector General for Investigations.

Prepared by: Special Agent [REDACTED]
Amtrak Office of Inspector General
Office of Investigations
Chicago, Illinois

Distribution: CFO; HQ

WARNING

CONFIDENTIAL

This document is the property of the Amtrak Office of Inspector General. Contents may not be disclosed or distributed without the specific prior authorization of the Assistant Inspector General for Investigations.



Office of Inspector General



MEMORANDUM

TO: Lisa Shahade
Acting Chief of Police

From: Adrienne Rish
Assistant Inspector General, Investigations

Date: October 3, 2012

Subject: Report of Investigation Re [REDACTED]

By memo dated July 24, 2012 I forwarded to you the results of an OIG investigation regarding [REDACTED] Amtrak Police Department, [REDACTED]

We subsequently received a number of additional allegations concerning [REDACTED] from several sources. We investigated these most recent allegations pursuant to our Memorandum of Understanding. We found the allegations to be unsupported. Our report of investigation is enclosed.

Please direct any questions to Deputy Assistant Inspector General for Investigations Thomas Bonnar at 202-906-4634 or Thomas.Bonnar@amtrakoig.gov.

Amtrak

Office of Inspector General
Office of Investigations



Case Number: DC-12-0341

November 1, 2012

Subject: [REDACTED] - APD

Case Closing:

This investigation was predicated on several allegations concerning [REDACTED] Amtrak Police Department (APD) [REDACTED]. Investigation determined that all of the allegations were unsubstantiated/unfounded.

The allegations received are as follows:

Allegation 1

On August 2, 2012, [REDACTED] APD [REDACTED] advised the OIG that on July 31, 2012 she, [REDACTED] Amtrak [REDACTED] APD, and [REDACTED] of Amtrak's [REDACTED] [REDACTED] interviewed [REDACTED] regarding several complaints about [REDACTED] was taken out of service after that interview. During the interview [REDACTED] made allegations against [REDACTED]. [REDACTED] advised that [REDACTED] said that APD [REDACTED] [REDACTED] had called [REDACTED] the previous evening, July 30th, and told [REDACTED] that [REDACTED] was telling people that [REDACTED] had "a noose around his neck" and that [REDACTED] "won't be returning to [REDACTED]. Additionally [REDACTED] advised that he had heard that [REDACTED] was having an affair with APD [REDACTED] who was a complainant against [REDACTED]. [REDACTED] advised that she and [REDACTED] thought the matter should be brought to the attention of OIG since it involved the conduct of [REDACTED] personnel.

Allegation 2

Amtrak Ethics and Compliance Report received 8/21/2012 at 9:12 pm contained an anonymous allegation that [REDACTED] "encouraged employees to file reports against [REDACTED] with the intention of having him terminated."

Allegation 3

Ethics and Compliance Report received 8/21/2012 at 10:25 pm contained an anonymous allegation that [REDACTED] showed [REDACTED] and [REDACTED] [REDACTED] personnel files of other employees and made negative comments about them. The complainant advised that [REDACTED] witnessed the behavior and [REDACTED] and [REDACTED] knew about the personnel files. The caller stated that in 2011, [REDACTED] encouraged a group

CONFIDENTIAL

WARNING

This document is the property of the Amtrak Office of Inspector General. Contents may not be disclosed or distributed without the specific prior authorization of the Assistant Inspector General for Investigations.

of employees in [REDACTED] to file complaints against [REDACTED]. The caller advised that [REDACTED] was heard saying "I'm gonna get that fat boy" in reference to [REDACTED].

Allegation 4

Ethics and Compliance Report received 8/22/2012 at 6:46am from [REDACTED] alleged that [REDACTED] showed favoritism to [REDACTED] in that there were many [REDACTED] complaints against [REDACTED] that [REDACTED] listed as unfounded. [REDACTED] alleged that [REDACTED] shared personal information from employee files with [REDACTED] and that [REDACTED] made derogatory comments about employees. [REDACTED] advised that [REDACTED] told [REDACTED] he did not like [REDACTED] and wanted to get rid of him. [REDACTED] stated that [REDACTED] suggested [REDACTED] APD [REDACTED] "should start calling in anonymously so he could get rid of [REDACTED] quicker."

Allegation 5

Amtrak OIG Hotline complaint dated 9/6/2012 from [REDACTED] advised that [REDACTED] has "targeted [REDACTED] and anyone who works for him." [REDACTED] stated that [REDACTED] is involved with a married man who openly dislikes [REDACTED]. [REDACTED] alleged that [REDACTED] "does not keep things confidential." [REDACTED] complained that [REDACTED] has told people that [REDACTED] violated a policy but she has not been interviewed or notified by [REDACTED] of the investigation. [REDACTED] felt that the [REDACTED] investigations were racially biased.

The Ethics and Compliance reports described above included additional allegations concerning harassment, derogatory remarks, and discrimination by [REDACTED] and [REDACTED]. These allegations were referred to the Amtrak [REDACTED] for investigation.

This OIG investigation included interviews of former [REDACTED]
[REDACTED]
[REDACTED] and [REDACTED].

INVESTIGATIVE RESULTS:

Allegation 1 – that [REDACTED] encouraged employees to file complaints against [REDACTED]

In his OIG interview [REDACTED] said [REDACTED] told [REDACTED] that [REDACTED] was talking about the investigation of [REDACTED] and that according to [REDACTED] [REDACTED] said he had [REDACTED] head in a noose.

In his interview, [REDACTED] said that he had several discussions with [REDACTED] that [REDACTED] disliked [REDACTED] and that [REDACTED] thought [REDACTED] was a "slug." [REDACTED] said he wanted to give [REDACTED] a "heads up" that [REDACTED] disliked [REDACTED]. [REDACTED] did not recall telling [REDACTED] that [REDACTED] had a "noose around his [REDACTED] neck."

CONFIDENTIAL

WARNING

This document is the property of the Amtrak Office of Inspector General. Contents may not be disclosed or distributed without the specific prior authorization of the Assistant Inspector General for Investigations.

Both [REDACTED] and [REDACTED] said that [REDACTED] was having an affair with [REDACTED]. Both [REDACTED] and [REDACTED] said that, in light of [REDACTED] affair with [REDACTED], they thought [REDACTED] should not be deciding punishment for [REDACTED] relationships with female officers.

[REDACTED] and [REDACTED] each said that [REDACTED] never told them to file complaints against [REDACTED].

[REDACTED] stated that when [REDACTED] was in [REDACTED] on an [REDACTED] investigation, [REDACTED] discussed [REDACTED] with [REDACTED]. According to [REDACTED], [REDACTED] said "you need to get big boy out of here" and that if enough people filed complaints against [REDACTED], [REDACTED] could get [REDACTED] out of there.

In his interview, [REDACTED] said he has never encouraged anyone to file a complaint against [REDACTED]. [REDACTED] said that he actually likes [REDACTED] and has used [REDACTED] as a reference on an employment application for a position outside of Amtrak. [REDACTED] said that when he first reported to [REDACTED] as a [REDACTED], he was frustrated and may have vented to [REDACTED] about [REDACTED]. [REDACTED] explained that upon taking the job of [REDACTED], he had a new understanding for what [REDACTED] had to deal with and [REDACTED] and [REDACTED] became friends. [REDACTED] denied ever telling [REDACTED] he disliked [REDACTED] and wanted to get rid of him. [REDACTED] denied encouraging [REDACTED] to file a complaint against [REDACTED] or ever saying "you need to get big boy out of here."

Both [REDACTED] and [REDACTED] admitted having a romantic relationship. [REDACTED] advised that [REDACTED] was not in his chain of command. [REDACTED] claimed that he recused himself from the [REDACTED] sexual harassment investigation of [REDACTED]. [REDACTED] did handle the unauthorized use of a vehicle complaint against [REDACTED].

Allegation 2 – that [REDACTED] encouraged officers to file complaints against [REDACTED] to have him terminated

None of the persons OIG interviewed said that [REDACTED] encouraged them to file a complaint against [REDACTED].

Allegation 3 – that [REDACTED] showed other [REDACTED] personnel files to [REDACTED] and [REDACTED]

[REDACTED] claimed that he saw [REDACTED] show personnel files to [REDACTED] and [REDACTED]. [REDACTED] also said he overheard [REDACTED] say that [REDACTED] was not as smart as he says he is.

[REDACTED] and [REDACTED] each denied that [REDACTED] showed them personnel files. [REDACTED] recalled one day when she and [REDACTED] were cleaning out files (not personnel files) and [REDACTED] made a comment about [REDACTED] grade point average.

In his interview, [REDACTED] said that he never had access to personnel files. [REDACTED] did not recall ever knowing [REDACTED] grade point average or making a comment about [REDACTED] grades.

CONFIDENTIAL

WARNING

This document is the property of the Amtrak Office of Inspector General. Contents may not be disclosed or distributed without the specific prior authorization of the Assistant Inspector General for Investigations.

Allegation 4 – that [REDACTED] showed preferential treatment to [REDACTED] [REDACTED] and that complaints filed with [REDACTED] against [REDACTED] were listed as unfounded

[REDACTED] denied receiving preferential treatment from [REDACTED]. [REDACTED] advised that there was only one [REDACTED] investigation of [REDACTED] and it was sustained.

[REDACTED] said that in that case [REDACTED] received a punishment of 15 days suspension and was given a final warning.

Allegation 5 – that [REDACTED] does not keep investigations confidential

[REDACTED] could not provide specific incidents of [REDACTED] telling others about [REDACTED] investigations. [REDACTED] advised that while [REDACTED] was interviewing her on an [REDACTED] investigation of [REDACTED] [REDACTED] showed her documents that she did not think were any of her business. Additionally, [REDACTED] complained that [REDACTED] was disclosing information to witnesses he was interviewing on an [REDACTED] investigation of her. [REDACTED] advised that he did not disclose information about [REDACTED] investigations to anyone that did not have a need to know.

In view of the fact that none of the allegations were substantiated, it is recommended this case be closed.

Submitted by: [REDACTED]
Special Agent
Office of Inspector General
Office of Investigations

CONFIDENTIAL

WARNING

This document is the property of the Amtrak Office of Inspector General. Contents may not be disclosed or distributed without the specific prior authorization of the Assistant Inspector General for Investigations.