



**OFFICE of INSPECTOR GENERAL**  
NATIONAL RAILROAD PASSENGER CORPORATION

## **AMTRAK:**

Areas for Management Focus in Advance of Infrastructure  
Investment and Jobs Act Funding

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## Memorandum

**To:** Stephen Gardner  
President and Chief Executive Officer

**From:** Kevin H. Winters *K. H. Winters*  
Inspector General

**Date:** March 31, 2022

**Subject:** *Amtrak: Areas for Management Focus in Advance of Infrastructure Investment and Jobs Act Funding (OIG-SP-2022-008)*

The November 2021 passage of the Infrastructure Investment and Jobs Act (IIJA)<sup>1</sup> provided Amtrak (the company) access to as much as \$66 billion in funding—the largest investment in passenger rail since the company’s creation 50 years ago. The legislation positions the company to play a major role in the country’s transportation and economic future by providing funds to repair and rehabilitate the company’s rail assets, work with state and other partners to modernize the Northeast Corridor (NEC), and bring world-class rail service outside the NEC.

As a result, the IIJA sets the stage for an unprecedented expansion of the company’s traditional rail operations mission, which has been to provide efficient and effective intercity passenger rail service.<sup>2</sup> Specifically, the IIJA and its funding directives will significantly increase the company’s capital spending opportunities in order to further its long-term, large-scale infrastructure goals.

The Amtrak Office of Inspector General (OIG) has built a body of oversight work articulating the company’s challenges and progress in its programs and operations. Based on those audits and investigations, this letter offers OIG’s perspective relative to issues the company will likely face as it prepares to receive IIJA funding, which could begin later this fiscal year. Although OIG recognizes that the company has made significant progress in the past decade, this letter will focus on specific challenges relative to receiving IIJA funds.<sup>3</sup>

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<sup>1</sup> Infrastructure Investment and Jobs Act, Pub. L. No. 117-58, 135 Stat. 429 (2021).

<sup>2</sup> 49 U.S.C. §24101(b).

<sup>3</sup> See for example, *Amtrak: Top Management and Performance Challenges for Fiscal Year 2021* (OIG-SP-2021-002), October 23, 2020. See also Semiannual Reports to Congress located at <https://amtrakoig.gov/reading-room-documents/semiannual-reports>.

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Safe operations and a safe workplace will remain the cornerstone of the company's success. Although the rehabilitation and growth opportunities afforded by the IIJA will understandably draw the company's focus and attention, Amtrak and its stakeholders cannot risk allowing new IIJA-driven programs, projects, or requirements to otherwise detract from promoting safety—at all levels of the organization—as its overarching point of emphasis.<sup>4</sup>

In addition to safety, several other areas are foundational to the success of the company's IIJA-funded projects and to the future health of its core operations. OIG's recent work reflects the importance of these areas and the challenges the company faces in addressing them, including the following:

1. demonstrating fiscal responsibility, including transparently and accurately accounting for IIJA funds
2. building a skilled workforce to plan and execute IIJA projects
3. working collaboratively with partners to achieve common IIJA goals
4. improving program and project management for IIJA endeavors

Taken as a whole, the sheer size of the IIJA's funding and requirements presents a potential strain on the company's ability to manage its current operations while concurrently planning and managing a long-term multibillion-dollar infrastructure portfolio. Therefore, as the company prepares for its expanded role, we are highlighting these four challenges for your consideration.

## 1. DEMONSTRATING FISCAL RESPONSIBILITY



Funding from the IIJA will enable the company to advance major capital improvement projects like replacing century-old tunnels and bridges and purchasing new passenger cars to replace its aging fleet. In doing so, the company will need to use its best business judgment to maximize the benefits of its federal funds, direct funds to the highest priority projects, and remain mindful of its duty to act as a good steward of taxpayer dollars. Our work has shown that the company is improving transparency in how it prioritizes capital projects and reports expenditures, but investments in basic business systems such as asset

<sup>4</sup> *Safety and Security: The Company Has Made Significant Progress Implementing New Safety Program* (OIG-A-2021-008), April 8, 2021; *Safety and Security: The Company Can Take Steps to Evaluate Its Current Safety Culture* (Interim Audit Report OIG-A-2021-001), October 2, 2020.

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management and workforce scheduling could support the company's ability to do so more consistently. Finally, an important element of fiscal responsibility is to protect funds from fraud, waste, and abuse, which will require the company to continue to exercise strong controls in vulnerable areas.

### **Reporting Transparently on Use of IIJA Funds**

With a minimum of \$22 billion in IIJA funds to spend, the company's challenge will be to provide timely reports that accurately detail how the company is using these funds and what it is accomplishing with them. Our work in 2020 and 2021 assessing the company's stewardship of CARES Act and other pandemic-assistance funds<sup>5</sup> found that the company was generally using the funds for their intended purposes but could improve transparency in some areas—for example, how the company recorded and reported coronavirus-related furloughs.<sup>6</sup> The IIJA requires the company to capture and report detailed data on planned and actual uses of the new funds, and company officials told us they are working closely with the Federal Railroad Administration (FRA) and other stakeholders in advance of receiving the funds to develop tools and reports that will provide appropriate detail and transparency.

### **Building Business Information Systems that Provide Transparency and Accountability for IIJA Implementation**

The IIJA requires the company to develop and report more extensive data than in the past for its grant requests, including detailed project information, such as cost and

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*The company can leverage IIJA to invest in information system upgrades.*

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schedule estimates and expected benefits. Over the life of the projects, the company will also need to account for what it is spending and accomplishing. The company is aware that many of the systems

supporting its fundamental business processes—such as its asset management, incident reporting, and workforce scheduling systems—are outdated and do not easily provide

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<sup>5</sup> *Governance: Amtrak Continues to Demonstrate Good Stewardship of Pandemic Relief Funds* (OIG-MAR-2021-009), May 12, 2021; *Governance: Final Observations on Amtrak's Use of CARES Act Funds* (OIG-A-2021-005), December 15, 2020; and *Governance: Observations on Amtrak's Use of CARES Act Funds* (OIG-MAR-2020-013), August 5, 2020.

<sup>6</sup> We found that the company was not reporting furloughs it classified as "non-coronavirus related" although the distinction between coronavirus- and non-coronavirus-related furloughs was not clear. In the interest of full transparency, we advised the company to consider reporting all furloughs to FRA and Congress.

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timely and high-quality information. Company managers need these data for a range of operating activities, including proactively anticipating asset failures, identifying the root causes of safety incidents, and scheduling work crews. The company is also using systems with limited capability to produce the data that managers need to make good operational and spending decisions. For example, our work on Positive Train Control, track outages, human resources, and the company's express package service<sup>7</sup> found that the company either did not have automated systems or was using systems that were not capable of producing the data needed to meet program objectives. The company has cited resource constraints as reasons for deferring upgrades and improvements to these legacy systems. More recently, the company has begun to invest in upgrades to some of these systems and can leverage IIJA funds to accelerate them.

### **Applying Rigor to the Capital Planning Process**

Under the IIJA, the company will need to provide more information to FRA in its requests for capital funding than it has provided in the past. As part of the expanded grant request requirements, the company will now need to include an estimated scope,

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*Thorough business cases can help leadership make tough tradeoff decisions.*

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schedule, and budget necessary to complete each program, and performance measures used to quantify expected and actual benefits—the basic building blocks of a high-quality business case.<sup>8</sup> The company will

also need to plan for contingencies, including risks outside the company's control, such as the competitive labor market, supply chain delays, and higher material costs. Senior approvers of capital projects, such as the Executive Leadership Team and the

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<sup>7</sup> *Safety and Security: Amtrak Expects Positive Train Control will be Interoperable with Other Railroads but Could Better Measure System Reliability* (OIG-A-2021-004), December 11, 2020; *Governance: More Effective Planning and Coordination of Track Outages Would Help Achieve a State of Good Repair* (OIG-A-2020-016), September 14, 2020; *Human Resources: Department Will Face Challenges Supporting Workforce Growth Plans* (Interim Audit Report OIG-A-2022-003), December 7, 2021; and *Safety and Security: Addressing Security Weaknesses and Operational Impacts of Amtrak Express is Critical to the Program's Future* (OIG-A-2020-005), January 22, 2020.

<sup>8</sup> We have previously reported on the benefits of using business cases. See for example, *Corporate Governance: Planned Changes Should Improve Amtrak's Capital Planning Process, and Further Adoption of Sound Business Practices Will Help Optimize the Use of Limited Capital Funds*, (OIG-E-2013-020), September 27, 2013.

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company's Board of Directors, will also need thoroughly prepared business cases to make the requisite tradeoff decisions among competing projects.

Our work has shown that the company has faced challenges developing cost estimates and other components of the business cases it used to support capital plans. For example, our review of the Moynihan Train Hall project<sup>9</sup> found that the initial program team did not budget for some fundamental costs, which required an additional \$72.8 million to complete and increased the project's cost by about 70 percent. Additionally, our review of the company's real property function<sup>10</sup> found that the company renewed leases or procured new space without a business case identifying the full range of needs or alternatives. This led to costly lease extensions for space that exceeded company needs and missed opportunities to generate revenues.

The company recognizes it has opportunities to improve its capital planning and will need to move expeditiously in light of the significant capital investments it plans to make in the next five years and beyond. The newly created Capital Delivery department is expected to develop and execute major capital projects such as fleet acquisitions, facility expansions and upgrades, and large infrastructure projects—including the company's commitments to the Gateway Program. The Finance department has begun to focus on improving its capital planning process and provided departments with guidance on how to develop and validate the business cases they use to justify a request for funding. The company's challenge will be to continue to implement and consistently enforce these more disciplined planning processes.

### **Protecting IIJA funds from Fraud, Waste, and Abuse**

If history is any indicator of the future, funding provided by the IIJA—like other large spending bills—will prove to be a lucrative target for fraudsters and others seeking to exploit weak internal controls. Infrastructure projects are especially susceptible to ever-evolving procurement fraud schemes—such as bid rigging, kickbacks, bribery, and collusion—that can inflate costs and divert funds from their intended purposes. Construction projects are particularly vulnerable to fraud for a host of reasons, including claiming payments for ghost subcontractors and skimping on the quality of materials to earn higher profits.

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<sup>9</sup> *Governance: Early Planning and Oversight Deficiencies Led to Initial Program Failures and Continued Risks to the Moynihan Train Hall Program* (OIG-A-2020-014), August 17, 2020.

<sup>10</sup> *Real Property: Improving Management Processes Could Reduce Costs and Generate Additional Revenues* (OIG-A-2019-006), March 29, 2019.

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Robust internal controls provide the strongest prevention against such misdeeds, and the company has worked to improve those; however, our work has shown that they are not foolproof. For example, a recent investigation helped identify a bribery and bid-rigging scheme in which a former Amtrak contracting official steered more than \$7.6 million in contracts to a Delaware manufacturer in exchange for cash bribes, trips, and other items of value.<sup>11</sup> We also identified a Baltimore-based construction company involved in a multimillion-dollar scheme to falsify qualified Disadvantaged Business Enterprise supplier records.<sup>12</sup> In another case, we determined that a company management official and inspector accepted gifts and favors from a construction contractor, including travel, entertainment, clothing, and other gifts of value.<sup>13</sup>

The company has made progress in this area by working collaboratively with our office and the Department of Justice to train company procurement staff on red flags that could indicate collusion and other fraud schemes. The company has opportunities, however, to improve its ability to prevent fraud in the first place by establishing more robust and consistent internal controls. Without such controls, the company could be vulnerable to legal risks from employees' unethical actions, harm to the company's reputation, and the loss of taxpayer dollars, as we have reported previously.<sup>14</sup> We will continue to work with the company to educate employees on how to protect against fraud and encourage managers to alert our office if they suspect that such activities may be occurring.

## 2. BUILDING AND DEPLOYING A SKILLED WORKFORCE



The company plans to expand its workforce by as much as 21 percent this year, including hiring new managers to lead IJIA-funded projects and skilled agreement employees to execute them. Coming off the heels of the pandemic when the company lost many tenured managers as a result of downsizing and early retirements, the challenge will be not only to replace these employees but also to grow the workforce with highly qualified personnel. The company will face challenges

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<sup>11</sup> *Delaware Manufacturing Executive Sentenced to Prison for Bribing Former Amtrak Official* (OIG-I-2020-209), February 11, 2021.

<sup>12</sup> *Alpha Painting & Construction Company Sentenced in Multi-Million Dollar Fraud Scheme* (OIG-WS-2020-306), November 14, 2019.

<sup>13</sup> *Employees Terminated for Accepting Gifts from Amtrak Contractor* (OIG-WS-2021-329), March 30, 2021.

<sup>14</sup> *Governance: Better Adherence to Leading Practices for Ethics Programs Could Reduce Company Risks* (OIG-A-2017-012), June 26, 2017.

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building this workforce in a timeframe that will keep pace with growing demands, allow managers to concentrate fully on a reasonable scope of responsibilities, and avoid employee burnout. Exacerbating this challenge is a tight labor market in which multiple industries are vying for candidates with the same skills and experience the company needs—in many cases to support IJJA-funded projects in other transportation sectors like highways or transit.

### **Building an Experienced Management Team**

The company estimates that it will need to hire more than 750 new managers in FY 2022 to replace those who left during the pandemic and to staff new positions associated

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*Job applicants have more leverage to demand better pay, benefits, and work flexibilities.*

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with IJJA-funded programs. Many of these positions need individuals with highly specialized skills like electrical catenary engineers—positions that are in high demand

across multiple industries. The competitive labor market is giving job applicants more leverage to demand competitive pay, benefits, working conditions, and other flexibilities. Recognizing this, the company has expanded its benefits packages and recently announced that it will allow managers to work more flexible schedules—including limited options for fully remote work—in order to attract and retain top talent. Our December 2021 report on the company’s readiness to build its workforce<sup>15</sup> found that the company would first need to address critical staffing shortfalls in its Human Resources department, which has primary responsibility for recruiting, hiring, and onboarding high-quality employees to support IJJA projects and rebuild the company’s core operations.

As the volume of work grows under IJJA, the company will also need to closely monitor and balance its managers’ workloads to make sure that overtasking does not undermine program goals or lead to further attrition. Our recent work found that the company was already struggling with reasonable distribution of responsibilities without the added workload of IJJA. For example, our review of the company’s efforts to bring stations into compliance with the Americans with Disabilities Act (ADA) program<sup>16</sup> found that the company did not have enough staff to adequately oversee the contract employees

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<sup>15</sup> *Human Resources: Department Will Face Challenges Supporting Workforce Growth Plans* (Interim Audit Report OIG-A-2022-003), December 7, 2021.

<sup>16</sup> *Governance: Better Planning and Coordination Could Help the Company Achieve its Aggressive Timeline for ADA Compliance* (OIG-A-2021-012), September 2, 2021.

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it hired to augment internal staff. Likewise, our work on the Gateway program<sup>17</sup> found that the core program team was overtasked with multiple and competing priorities, hindering the company's ability to complete early project planning efforts. Similarly, our work on the company's Human Resources function found that overtasking managers not only limited their ability to fully address strategic responsibilities but could lead to burnout and attrition, which would exacerbate the staffing shortfalls.<sup>18</sup> The company responded positively to our findings in each of these reports and has identified and is in the process of filling positions needed to support program goals.

### **Developing the Agreement Workforce**

The company has hired approximately 800 new agreement employees<sup>19</sup> this year in its Service Delivery and Operations department and plans to hire at least 2,176 more through the end of FY 2022 to restore pandemic-limited operations and support IJJA-funded projects.<sup>20</sup> In addition to attracting and hiring new employees, the company knows it will have the challenge of training them and making sure they are certified to repair and maintain the company's infrastructure and equipment. Some of these training and certification efforts can take as long as two years, which will dictate how quickly the company can deploy some new employees onto IJJA projects. Our work on train maintenance and inspection facilities<sup>21</sup> also identified areas where the company could pursue options with its agreement workforce to use it more flexibly to cover multiple tasks, leading to more efficient use of the workforce.

### **Supplementing the Workforce with Contractors**

With funds now available to advance many large projects, the company has identified the need to contract with

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*Better-trained COTRs can  
improve contractor performance.*

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<sup>17</sup> *Governance: Company Needs a Comprehensive Framework to Successfully Manage its Commitments to the Gateway Program* (OIG-A-2022-006), February 4, 2022.

<sup>18</sup> *Human Resources: Department Will Face Challenges Supporting Workforce Growth Plans* (OIG-A-2022-003), December 7, 2021.

<sup>19</sup> Agreement employees are those whose terms and conditions of employment are covered by a collective bargaining agreement.

<sup>20</sup> Data are current through February 16, 2022, and do not include station staffing estimates that were not available when the plans were finalized.

<sup>21</sup> *Train Operations: Rightsizing Workforce and Using it More Flexibly Could Reduce Costs at Preventative Maintenance Facilities* (OIG-A-2019-012), September 3, 2019; *Train Operations: Opportunities to Reduce the Cost of Servicing and Inspecting Trainsets* (OIG-A-2019-002), November 7, 2018.

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external parties to help address short-term staffing needs or to staff projects that require specialized skills or experience with new materials and technology. Our work on background checks and contract oversight<sup>22</sup> has shown that the company has opportunities to better train its contracting officer's technical representatives (COTR) and hold contractors accountable for performance. Additionally, provisions in the company's labor agreements limit the extent to which the company can contract out for work. The company will need to partner with unions to obtain buy-in to use outside labor, especially on the NEC.

### 3. COORDINATING EFFECTIVELY WITH STAKEHOLDERS



The company's operations and finances depend in significant part on cooperation, coordination, and support from an array of external and internal stakeholders—state partners, commuter rail agencies, local governments, regional working groups, freight rail companies, FRA, Congress, and its own internal departments.

Our work has shown, however, that the company has had mixed success managing these relationships, which has affected issues as diverse as the

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*Effective collaboration will be a precursor to accessing IIJA-funded partnership grants.*

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railroad's on-time performance, track and rail-crossing safety, planning of track outages to conduct repairs, and cost sharing with its partners on state-supported routes. The ability to collaborate effectively with its external partners will be a necessary precursor to successfully accessing the \$36 billion in funds IIJA provided for the Federal State Partnership for Intercity Passenger Rail program (partnership grants). The company will need to work with external partners to prioritize which projects to support, apply for the funds, and plan and execute the projects efficiently.

Most company-managed projects also require review and support from multiple departments; therefore, the company will also need to coordinate its internal stakeholders to successfully deliver projects. Our work has shown that neglecting to

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<sup>22</sup> *Human Resources: Background Checks Process Has Improved, but Some Inefficiencies and Gaps Persist* (OIG-A-2019-001), November 1, 2018; and *Acquisition and Procurement: Weaknesses in Contract Oversight Pose Financial, Operational, and Legal Risks* (OIG-A-2019-004), March 4, 2019.

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bring all affected parties into the planning process early affects the quality, cost, and timeliness of projects.

### **Strengthening Relationships with State Partners**

The company and its 20 state partners operate 28 routes with a joint mission to deliver and grow the country's rail transportation network outside the NEC.<sup>23</sup> These state-supported routes represent nearly half of the company's total pre-pandemic ridership and about a quarter of its total revenue. Our recent work found that a significant number of state partners cited concerns about the fairness and accuracy of the company's practices for billing them for their share of costs for these routes, undermining some states' trust in the company.

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*Rebuilding trust will facilitate better cooperation with state partners on future route expansion.*

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Going forward, the company will need to focus on rebuilding this trust if it is to optimally access and successfully execute projects funded by the partnership grant programs. Additionally, strengthening these partnerships will facilitate the state cooperation needed to upgrade maintenance facilities in support of the company's \$7.3 billion purchase of a new generation of single-level passenger cars. The company, FRA, and the state partners are currently renegotiating their methodology for sharing costs. These negotiations will give all the parties an opportunity to rebuild the trust they will need to work cooperatively on the complex issues of cost-sharing, equipment, and route expansion in the years to come.

### **Coordinating with NEC Partners to Prioritize Capital Improvements**

Under the IIJA, FRA may award up to \$24 billion for capital projects on the NEC using competitive grants to Amtrak, states, agencies, or regional authorities operating passenger railroads. FRA expects to prioritize projects to repair and replace aged bridges, tunnels, stations, and other infrastructure—all projects the NEC Commission has identified in its estimated backlog of about \$117 billion in state-of-good-repair needs along the corridor.<sup>24</sup> The company will need to continue to work closely with

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<sup>23</sup> The company partners with 20 transit organizations across 17 states which we refer to here and in prior reports as "state partners."

<sup>24</sup> Northeast Corridor Commission, *Connect NEC 2035: A 15-Year Service Development Plan and Infrastructure Planning Process for the Northeast Corridor*, July 2021.

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states, local governments, and regional authorities to coordinate priorities and cost-sharing agreements to jointly apply for these FRA grants.

Our work has shown that the company has opportunities to build more effective business relationships with commuter rail operators and states on the NEC. For example, our work on track outage planning<sup>25</sup> found that unclear roles for the multiple company departments responsible for coordinating outages led to confusion and inconsistencies about where NEC stakeholders should go to get information. Likewise, our work assessing projects that the company manages for states on a cost-reimbursable basis showed that using good business practices—providing progress reports and regularly communicating with these partners—increased the likelihood of the project’s success.<sup>26</sup>

### **Coordinating Project Needs with Internal Stakeholders**

Project success will require company-wide coordination and support, but our work has found that the company has not consistently coordinated as early and comprehensively as needed. Bringing all departments into the early planning process can help the company set realistic schedules by obtaining input on the availability of the relevant

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*Project success will require company-wide coordination and support.*

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departments to support the project needs with staff and other resources. For example, our review of the company’s procurement of new *Acela* equipment<sup>27</sup> found that late IT involvement posed risks to project

milestones and the quality of customer service. The company has taken steps to encourage better internal coordination on projects, and some departments are adding capacity to make sure they can support projects outside their own departments. For example, the engineering design group in Capital Delivery plans to hire another 41 engineers this year to design projects or review those developed by others before the

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<sup>25</sup> *Governance: More Effective Planning and Coordination of Track Outages Would Help Achieve a State of Good Repair* (OIG-A-2020-016), September 14, 2020.

<sup>26</sup> A reimbursable project is work that the company performs for others and then is reimbursed for its costs. For example, in 2011, at the request of the New York State Department of Transportation, the company installed a second track between Albany and Schenectady, New York, to expand capacity. *Governance: Better Management of Reimbursable Projects Could Help the Company Consider Benefits and Recover its Costs* (OIG-A-2020-002), October 23, 2019.

<sup>27</sup> *Observations on Risks to the Acela 21 Information Technology Program Element* (OIG-MAR-2020-009), April 22, 2020.

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company moves forward—an important step given the magnitude of the projects it will support under the IIJA.

#### 4. IMPROVING PROGRAM AND PROJECT MANAGEMENT



The IIJA will require the company to manage at least \$22 billion in capital spending on the NEC and National Network. To spend these funds efficiently and effectively and to achieve the intended project outcomes, the company will need to consistently apply sound program and project management practices. The company recognizes its challenges in this area and has made progress toward bringing structure and discipline to the project management function. For example, the company recently created a new Capital Delivery department to manage the planning and implementation of major programs and projects—an area where we have identified weaknesses over the last decade. The company also created an enterprise-wide project management office, issued management standards,<sup>28</sup> developed trainings and certifications to build managers' skills, and took other actions in line with our prior findings and recommendations. The company has not always sustained these efforts, however, and its overall success with program and project management has been mixed.

For example, our assessment of the company's program to implement Positive Train Control before a statutory deadline<sup>29</sup> found that it was successful

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*Applying sound program management practices will help facilitate desired outcomes.*

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partly because it defined roles and responsibilities, established schedules for critical tasks, and tracked and reported on progress to accountable decisionmakers. Our more recent work found that the company has not fully developed the program management framework for Gateway—its highest investment priority.<sup>30</sup> In addition, we recently reported on other cost overruns and schedule delays resulting from incomplete and

<sup>28</sup> Amtrak Enterprise Program Management Office (EPMO), *Enterprise Project Management Standards*, October 1, 2019; and Amtrak EPMO, *Project Management Procedure Manual*, October 1, 2018. The company updated the management standards in December 2021.

<sup>29</sup> *Safety and Security: Amtrak Expects Positive Train Control will be Interoperable with Other Railroads but Could Better Measure System Reliability* (OIG-A-2021-004), December 11, 2020.

<sup>30</sup> Our report found that the company has several projects underway but still has opportunities to develop a program management plan. *Governance: Company Needs a Comprehensive Framework to Successfully Manage its Commitments to the Gateway Program* (OIG-A-2022-006), February 4, 2022.

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unclear requirements on certain technology projects.<sup>31</sup> Our reports have also identified early planning deficiencies that contributed to cost increases and schedule delays, such as in the Moynihan and *Acela* programs.<sup>32</sup>

Based on our body of work, and in light of the breadth and scope of projects that IIJA will generate, the company will need to continue to pursue rigorous program and project management, especially in the following three areas:

1. **Focusing on early program and project planning.** The company will need to emphasize the requirements-gathering process to clearly define a program or project's scope, include and inform all necessary stakeholders, and identify major risks. This will help the company develop rigorous business cases, write better contracts, and develop more reliable baseline schedules and budgets to facilitate overall program success.
2. **Providing adequate resources.** The company will need to assign staff to a project and identify any personnel needed from other departments to facilitate the project. These staff need to have the capacity to support the project with the necessary knowledge, skills, and abilities, and without competing or detracting responsibilities. Given the increased number of programs and projects the company is likely to initiate under IIJA, planning for and allocating its personnel to them in this way will help the company execute them on time and within budget.
3. **Holding managers accountable.** 

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 *Defined project roles help hold managers and staff accountable for project delivery.* 

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 The company will need to clearly define the roles, responsibilities, and decision-making authority for the project management staff, and then hold them and the executive sponsors accountable for project delivery. Program managers must be able to provide company executives with early, candid information about challenges so they can

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<sup>31</sup> *Information Technology: Better Requirements Could Help the Company Implement Technology Projects More Effectively* (OIG-A-2022-007), March 11, 2022.

<sup>32</sup> *Governance: Early Planning and Oversight Deficiencies Led to Initial Program Failures and Continued Risks to the Moynihan Train Hall Program* (OIG-A-2020-014), August 17, 2020; *Train Operations: Acela 21 Program Continues to Face Significant Risk of Delays, Warranting More Contingency Planning* (OIG-A-2020-004), January 21, 2020; and *Train Operations: The Acela Express 2021 Program Faces Oversight Weaknesses and Schedule Risks* (OIG-A-2018-002), November 16, 2017.

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take action to prevent those issues from growing in scale and scope. When a conflict arises between program level staff and higher accountable officials, the company needs to clearly document the path for escalating and resolving any differences.

Most recently, the company brought in an executive vice president (EVP) for capital delivery who reports directly to the company's President and Chief Executive Officer. This new department will focus on planning and executing all non-recurring and non-IT capital projects, such as fleet acquisitions and facility expansions and upgrades; major stations programs; infrastructure projects, including the Gateway Program; and major third-party projects. The EVP for Capital Delivery has significant program and project management experience and has already begun to identify where the company needs to build capabilities. The company's challenge will be to embrace and leverage this expertise across all departments to deliver a unified, consistent, and disciplined approach to managing IJJA-funded projects.

# OIG MISSION AND CONTACT INFORMATION

## Mission

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The Amtrak OIG's mission is to provide independent, objective oversight of Amtrak's programs and operations through audits and investigations focused on recommending improvements to Amtrak's economy, efficiency, and effectiveness; preventing and detecting fraud, waste, and abuse; and providing Congress, Amtrak management, and Amtrak's Board of Directors with timely information about problems and deficiencies relating to Amtrak's programs and operations.

## Obtaining Copies of Reports and Testimony

Available at our website [www.amtrakoig.gov](http://www.amtrakoig.gov)

## Reporting Fraud, Waste, and Abuse

Report suspicious or illegal activities to the OIG Hotline

[www.amtrakoig.gov/hotline](http://www.amtrakoig.gov/hotline)

or

800-468-5469

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