



Audit of the Amtrak Police Department's Equitable  
Sharing Program Activities,  
Washington, D.C.



23-010

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**DECEMBER 2022**

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# EXECUTIVE SUMMARY

## **Audit of the Amtrak Police Department's Equitable Sharing Program Activities, Washington, D.C.**

### **Objective**

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) has completed an audit to assess whether the Amtrak Police Department (APD) accounted for DOJ equitable sharing funds and used such assets for permissible purposes as defined by applicable guidelines.

### **Results in Brief**

Our audit did not identify significant concerns regarding APD's Equitable Sharing Agreement and Certification Reports (ESAC) or the timely recording of DOJ equitable sharing receipts. However, we determined that the Schedule of Expenditures of Federal Awards in APD's Single Audit reports did not contain DOJ equitable sharing expenditures as required.

### **Recommendation**

Our report includes one recommendation to assist DOJ's Criminal Division (CRM), which oversees the Equitable Sharing Program. We requested a response to our draft audit report from APD and CRM, which can be found in Appendices 2 and 3, respectively. Our analysis of those responses is included in Appendix 4.

### **Audit Results**

This audit covered APD's fiscal years (FY) 2016 through 2021, where APD had a balance of \$4,943,511 at the start of that period. APD also received \$5,719,976 during the period of review, and spent \$7,145,094 in equitable sharing funds, primarily on law enforcement equipment, training and education, facilities, travel, contracts for services, awards and memorials, operations and investigations, overtime, and other law enforcement activities.

### **Single Audits**

We found that DOJ equitable sharing fund expenditures were not reported on the Schedule of Expenditures of Federal Awards, for all of the fiscal years reviewed, as required by the award rules.

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# Introduction

The Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of the equitable sharing funds received by the Amtrak Police Department (APD), in Washington, D.C. The objective of the audit was to assess whether the funds received by APD, through the Equitable Sharing Program, were accounted for properly and used for permissible purposes as defined by applicable regulations and guidelines. The audit covered October 1, 2015, through September 30, 2021.<sup>1</sup> During that period, APD received \$5,719,976 and spent \$7,145,094 in equitable sharing revenues as a participant in the DOJ Equitable Sharing Program.<sup>2</sup>

## DOJ Equitable Sharing Program

The Comprehensive Crime Control Act of 1984 authorized the implementation of the DOJ Asset Forfeiture Program (Asset Forfeiture Program). The Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies, issued in July 2018, describes the Asset Forfeiture Program as a nationwide law enforcement initiative that removes the tools of crime from criminal organizations, deprives wrongdoers of the proceeds of their crimes, recovers property that may be used to compensate victims, and deters crime. A key element of the Asset Forfeiture Program is the Equitable Sharing Program.<sup>3</sup> The DOJ Equitable Sharing Program allows any state or local law enforcement agency that directly participated in an investigation or prosecution resulting in a federal forfeiture to claim a portion of federally forfeited cash, property, and proceeds.

Although several DOJ agencies are involved in various aspects of the seizure, forfeiture, and disposition of equitable sharing revenues, three DOJ components work together to administer the Equitable Sharing Program – the United States Marshals Service (USMS), the Justice Management Division (JMD), and the Criminal Division’s Money Laundering and Asset Recovery Section (MLARS). The USMS is responsible for transferring asset forfeiture funds from DOJ to the receiving state or local agency. JMD manages the Consolidated Asset Tracking System (CATS), a database used to track federally seized assets throughout the forfeiture life cycle. Finally, MLARS tracks membership of state and local participants, updates the Equitable Sharing Program rules and policies, and monitors the allocation and use of equitably shared funds.

State and local law enforcement agencies may receive equitable sharing funds by participating directly with DOJ agencies on investigations that lead to the seizure and forfeiture of property, or by seizing property and requesting one of the DOJ agencies to adopt the seizure and proceed with federal forfeiture. Once the seized assets are forfeited, the assisting state and local law enforcement agencies can request a share of the forfeited assets, or a percentage of the proceeds derived from the sale of forfeited assets. Generally, the

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<sup>1</sup> APD’s fiscal year begins October 1 and ends September 30.

<sup>2</sup> According to APD’s records, it began the audit period with a DOJ equitable sharing balance of \$4,943,511.

<sup>3</sup> The U.S. Department of the Treasury also administers a federal asset forfeiture program, which includes participants from Department of Homeland Security components. This audit was limited to equitable sharing revenues received through the DOJ Equitable Sharing Program.

degree of a state or local agency's direct participation in an investigation determines the equitable share allocated to that agency.

To request a share of seized assets, a state or local law enforcement agency must first become a member of the DOJ Equitable Sharing Program. Agencies become members of the program by signing and submitting an annual Equitable Sharing Agreement and Certification (ESAC) report to MLARS. As part of each annual agreement, officials of participating agencies certify that they will use equitable sharing funds for permissible law enforcement purposes. The 2018 Equitable Sharing Guide outlines categories of permissible and impermissible uses for equitable sharing funds and property.

## **Amtrak Police Department**

The Amtrak Police Department (APD) is a national police force established in 1971 through the Rail Passenger Service Act of 1970. The APD headquarters is located in Washington, D.C., and it is responsible for the safety and security of passengers traveling to more than 500 destinations throughout the United States and Canada. As of January 1, 2022, the APD had a workforce of 431 sworn officers and 65 civilian employees, located at more than 30 locations. The APD became a member of the DOJ Equitable Sharing Program in 1996.

## **OIG Audit Approach**

We tested APD's compliance with what we consider to be the most important conditions of the DOJ Equitable Sharing Program to assess whether it accounted for equitable sharing funds properly and used such revenues for permissible purposes. Unless otherwise stated, we applied the Equitable Sharing Guide as our primary criteria. The Equitable Sharing Guide provides procedures for submitting sharing requests and discusses the proper use of and accounting for equitable sharing assets. To conduct the audit, we tested APD's compliance with the following:

- **Equitable Sharing Agreement and Certification Reports** to determine if these documents were complete and accurate.
- **Accounting for equitable sharing resources** to determine whether standard accounting procedures were used to track equitable sharing assets.
- **Use of equitable sharing resources** to determine if equitable sharing cash and property were used for permissible law enforcement purposes.
- **Compliance with audit requirements** to ensure the accuracy, consistency, and uniformity of audited equitable sharing data.
- **Monitoring of applications for transfer of federally forfeited property** to ensure adequate controls were established.

See Appendix 1 for more information on our objective, scope, and methodology.

# Audit Results

## Equitable Sharing Agreement and Certification Reports

Law enforcement agencies that participate in the Equitable Sharing Program are required to submit an ESAC report, on an annual basis, within 2 months after the end of the agency's fiscal year. This must be accomplished regardless of whether equitable sharing funds were received or maintained that year. If an ESAC is not accepted before the end of the 2-month filing timeframe, the law enforcement agency will be moved into a non-compliance status. Additionally, ESAC reports must be signed by the head of the law enforcement agency and a designated official of the local governing body. By signing and submitting the ESAC report, the signatories agree to be bound by and comply with the statutes and guidelines that regulate the DOJ Equitable Sharing Program.

According to APD officials, equitable sharing expenditures are accounted for in APD's general ledger. Each month, equitable sharing expenditures are recorded in APD's Monthly Expense Report. The report is reviewed to ensure all expenditures are permissible according to equitable sharing guidelines and properly allocated to permissible cost categories. On a yearly basis, the expenditures from the Monthly Expense Reports are consolidated in a spreadsheet and summarized by equitable sharing program expenditure categories. The information from the spreadsheets is then used when completing APD's ESAC report.

## Completeness and Timeliness of ESAC Reports

We tested APD's compliance with ESAC reporting requirements to determine if its reports were complete and submitted in a timely manner. We obtained the APD ESAC reports submitted for FYs 2017 through 2021 and found that the reports were complete and signed by appropriate officials. We also determined that all but one of the ESAC reports were submitted on time. The FY 2019 ESAC report was submitted 3 days late and, as a result, APD was subsequently put on the non-compliance list by MLARS for 16 days after the required submission date. According to APD officials, the ESAC report was filed late because APD was in the midst of a leadership transition and several employees involved in the approval process were traveling, which delayed the approvals. Based on our review, the late report submission appeared to be an isolated incident and therefore we take no issue with the timeliness of the reports.

## Accuracy of ESAC Reports

To verify the accuracy of the annual ESAC reports, we compared the receipts listed on APD's five most recent ESAC reports to the total amounts listed as disbursed on the eShare report for the same time period. Our analysis showed that APD's most recent ESAC reports indicated that receipts matched the receipts listed on the eShare report.

To verify the total expenditures listed on APD's five most recent ESAC reports, we compared expenditures listed on the ESAC reports to APD's accounting records for each period. Our analysis showed that the total expenditures reported in APD's five most recent ESAC reports matched the expenditures stated in APD's accounting records.

In addition, we reviewed the section of the ESAC report that summarizes the shared monies spent by specific category, such as law enforcement operations and investigations, travel and training, and law

enforcement equipment, for accuracy. To do so, we asked APD for documentation reflecting expenditures by category. Using this documentation, we computed the total expenditures by category for each fiscal year and compared the results to the amounts reflected on the ESAC reports. We found that the category totals reflected on the ESAC reports matched the expenditure category totals as provided by APD.

In addition to summarizing the shared monies spent by category on the ESAC reports, entities are required to report the amount of interest income earned during the given reporting period. Based on our review of the supporting documentation provided by APD, we did not find any interest income earned or reported on the FYs 2017 through 2021 ESAC reports.

## **Accounting for Equitable Sharing Resources**

The Equitable Sharing Guide requires that law enforcement agencies use standard accounting procedures and internal controls to track DOJ Equitable Sharing Program receipts. This includes establishing a separate revenue account or accounting code for DOJ Equitable Sharing Program proceeds. In addition, agencies must deposit any interest income earned on equitable sharing funds in the same revenue account or under the accounting code established solely for the shared funds. Further, law enforcement agencies participating in the Equitable Sharing Program are required to use the eShare Portal.<sup>4</sup>

According to APD officials, APD maintains a separate revenue account for all equitable sharing proceeds. This account is monitored and checked on a regular basis for new electronically transferred deposits of equitable sharing funds. The Business Manager verifies that all deposits are automatically recorded in APD's accounting system. Because the account is in an institution that is considered a Systemically Important Financial Institution (SIFI), APD does not have a secure guarantee for deposits greater than \$250,000.<sup>5</sup>

We determined that APD received DOJ equitable sharing revenues totaling \$5,719,976 to support law enforcement operations during FYs 2016 through 2021. We reviewed \$2,181,354 of equitable sharing receipts to determine if the funds were properly accounted for and deposited. We found that APD accurately accounted for all of the sampled equitably shared revenues received during these fiscal years.

According to the Equitable Sharing Guide, agencies must certify that the information provided on the sharing request form is a true and accurate statement of the agency's activities. During our review of receipts, we also tested the accuracy of the equitable sharing requests approved by MLARS. We identified 337 accepted requests, between FY 2017 and FY 2021, that were open in eShare, as of February 2022. We judgmentally selected 33, or about 10 percent of the requests to review.

We reviewed our sample of requests to ensure they were accurate and included all required information, such as the number of hours contributed by the assisting officer and a narrative that clearly explains the officer's contribution to the law enforcement effort that resulted in the arrest. In addition, we verified that

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<sup>4</sup> The eShare Portal enables a participating agency to view the status of its equitable sharing requests and distributions made by the DOJ.

<sup>5</sup> A SIFI is a bank, insurance company, or other financial institution whose failure might trigger financial crisis.

all of the requests in our sample included an APD certification that each request was true and accurate. We did not identify any exceptions.

As shown in Table 2, we selected a sample of five of the highest-valued receipts from FYs 2017 through 2021 to ensure that these monies were properly deposited and recorded by APD in a timely manner. These five receipts accounted for approximately 12 percent of the total receipts.

**Table 1**

**APD Sampled Receipts**

Sample Count	Date Received According to eShare	Amount	Date Received According to APD Records	Amount	Number of Days between Receipt and Recording of Funds
1	08/22/2019	\$155,764	08/22/2019	\$155,764	0
2	01/22/2018	\$115,116	01/22/2018	\$115,116	0
3	07/26/2021	\$105,821	07/26/2021	\$105,821	0
4	04/10/2017	\$103,279	04/10/2017	\$103,279	0
5	01/19/2018	\$94,599	01/19/2018	\$94,599	0
<b>Total</b>		<b>\$574,579</b>		<b>\$574,579</b>	

Source: APD accounting and eShare Portal records.

Our testing determined that APD accurately recorded all five of the asset forfeiture receipts in its accounting records.

**Equitable Sharing Resources**

The Equitable Sharing Guide requires that equitable sharing funds or tangible property received by state and local agencies be used for law enforcement purposes that directly supplement the appropriated resources of the recipient law enforcement agency. Table 3 reflects examples of permissible and impermissible uses under these guidelines. In addition, state and local law enforcement agencies must retain all documents and records pertaining to their participation in the Program for a period of at least 5 years.



**Table 2**

**Summary of Permissible and Impermissible Uses of Equitable Sharing Funds**

<b>Permissible Uses</b>
Matching grants
Contracts for services
Law enforcement equipment
Law enforcement travel and per diem
Support of community-based organizations
Law enforcement awards and memorials
Law enforcement training and education
Joint law enforcement/public safety operations
Law enforcement operations and investigations
Law enforcement, public safety, and detention facilities
Drug, gang, and other prevention or awareness programs
<b>Impermissible Uses</b>
Loans
Supplanting
Costs related to lawsuits
Extravagant or wasteful expenditures and entertainment
Money laundering operations
Purchase of food and beverages
Creation of endowments or scholarships
Personal or political use of shared assets
Transfers to other law enforcement agencies (MLARS may consider a waiver in limited circumstances.)
Cash on hand, secondary accounts, and stored value cards
Purchase of items for other law enforcement agencies
Uses contrary to state or local laws
Use of forfeited property by non-law enforcement personnel
<i>With some exceptions, salaries and benefits of sworn or non-sworn law enforcement personnel</i>

Source: Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies.

**Use of Equitable Sharing Funds**

According to its accounting records, between FY 2016 and FY 2021, APD expended DOJ equitable sharing funds totaling \$7,145,094. We judgmentally selected and tested 50 transactions totaling \$1,943,464, or 27 percent of the total funds expended (as shown in Table 4, below) to determine if the expenditures were permissible and supported by adequate documentation.

**Table 3**

**Amounts Tested and Questioned per Expenditure Category**

<b>Expenditure Category</b>	<b>Sample Amount</b>	<b>Questioned Costs</b>
Law Enforcement Equipment	\$1,104,370	\$0
Training & Education	\$ 112,591	\$0
Law Enforcement Facilities	\$ 150,304	\$0
Law Enforcement Travel & Per Diem	\$ 440,288	\$0
Contracts for Services	\$ 19,222	\$0
Awards & Memorials	\$ 37,946	\$34,800
Drug, Gang, and Other Education Awareness	\$ 26,630	\$0
Operations & Investigations	\$ 34,600	\$0
Salaries (Overtime)	\$ 2,064	\$0
Other Law Enforcement Activities	\$ 15,449	\$0
<b>Total</b>	<b>\$1,943,464</b>	<b>\$34,800</b>

Source: OIG Analysis

Based on our review of the supporting documentation provided by APD, we determined that its DOJ equitable sharing fund expenditures were supported by adequate documentation. We noted one expenditure paid with APD's equitable sharing funds for which we believe the Guide may require clarification and consideration of a larger agency making a similar purchase.

The APD purchased 600 presidential inaugural commemorative sets—that included badges, pins, and challenge coins—in the amount of \$34,800, or \$58 per set. Sets were distributed to APD officers so that badges could be worn between January 17, 2021, and January 29, 2021, and APD officers were permitted to keep them thereafter. The additional sets were distributed to APD professional staff, representatives of APD's law enforcement partner agencies throughout the country, corporate managers, and other non-law enforcement stakeholders in recognition of individual efforts in the planning associated with the inaugural event.

The Equitable Sharing Guide defines as permissible those costs “associated with the purchase of plaques, certificates, and challenge coins for law enforcement personnel in recognition of a law enforcement achievement, activity, or training.” We discussed the above purchase with APD officials who explained that, per the Equitable Sharing Guide, they believed the badges fell under the above definition, and that they reviewed the purchase thoroughly before deciding to purchase the sets with shared funds. The Criminal Division also told us that it would have approved the expenditure if APD had inquired about its permissibility prior to the purchase of the commemorative sets.

The Equitable Sharing Guide establishes that shared funds may be used to purchase awards, but the guidance does not establish limitations on the cost or distribution of such awards other than general language in the Guide requiring agencies to prudently use federal sharing funds in such a manner as to avoid any appearance of extravagance, waste, or impropriety. In addition to matters of cost, the commemorative sets were purchased to be distributed to individuals beyond the APD as a way of recognizing those individuals and relationships that existed between the APD and others in performing the planning and implementation of the event. While we do not question the merits of such recognition, we believe broad use of awards being purchased for those outside of the equitable sharing participant agency

creates a risk of potential abuse, considering that 600 sets were purchased for an organization of about 500 officers and staff at the time of our audit, or about 17 percent of the awards going to those outside the organization. A similar purchase by a bigger agency or for a much larger law enforcement activity could result in a total expenditure that is far greater than APD's purchase. We encourage the Criminal Division to consider the risks associated with this situation in determining whether program guidance should include parameters for such awards, both in terms of cost and use.

## Supplanting

The Equitable Sharing Guide requires that shared resources be used to increase or supplement the resources of the recipient agency and prohibits the use of shared resources to replace or supplant the appropriated resources of the recipient. In other words, the recipient agency must benefit directly from the equitable sharing funds. To test whether equitable sharing funds were used to supplement rather than supplant local funding, we interviewed officials and reviewed the total budgets for the National Railroad Passenger Corporation & Subsidiaries (Amtrak) and the operational budgets for the APD for FYs 2016 through 2022.

We determined that Amtrak's budget had increased by 5 percent during this time. We then reviewed APD's operational budgets for the same period and determined that it had increased by 5 percent during this time. In addition, equitable sharing funds made up 1.07 percent of the APD operational budget.

There did not appear to be a significant decrease in Amtrak's budget that was offset by the APD's operational budget. There also did not appear to be a significant decrease in APD's operational budget that coincided with a proportional increase in equitable sharing revenue. Therefore, we determined that there was a low risk that Amtrak was supplanting its budget with equitable sharing funds during our period of review. We selected a judgmental sample of 50 of the 25,898 equitable sharing expenditure transactions to assess whether there were indications of supplanting. Our testing of the sampled expenditure transactions did not reveal any evidence of supplanting. Based on our review of budget documents and transaction testing, we did not identify any indication that APD used DOJ equitable sharing funds to supplant its budget.

## Compliance with Audit Requirements

The Equitable Sharing Guide requires that state and local law enforcement agencies that receive equitable sharing cash, proceeds, or tangible property comply with the Single Audit Act Amendments of 1996 (Single Audit Act) and 2 C.F.R. § 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The Single Audit Act provides for recipients of federal funding above a certain threshold to receive an annual audit of their financial statements and federal expenditures. Under the Uniform Guidance, such entities that expend \$750,000 or more in federal funds within the entity's fiscal year must have a "single audit" performed annually covering all federal funds expended that year. The Single Audit Report is required to include a Schedule of Expenditures of Federal Awards (SEFA) for the period covered by the auditee's financial statements. In addition, an entity must submit its Single Audit Report no later than 9 months after the end of the fiscal year covered by the audit.

To determine if APD accurately reported DOJ equitable sharing fund expenditures on its SEFA, we reviewed APD's accounting records and Amtrak's Single Audit Reports for FYs 2018 through 2020. We found that Amtrak did not report DOJ equitable sharing fund expenditures on the Schedule of Expenditures of Federal

Awards for any of the fiscal years that we reviewed as required by the Uniform Guidance. Amtrak officials stated that due to a large turnover of grant management staff, as well as differences in how equitable sharing expenditures were recorded, Amtrak inadvertently excluded the expenditures. Amtrak officials agreed that equitable sharing expenditures should have been included in the Single Audit Reports and stated that it is implementing controls to ensure this does not happen in the future. We recommend that the Criminal Division work with APD to implement controls to ensure appropriate and correct reporting of DOJ equitable sharing expenditures in its Single Audit Reports.

Although Amtrak's DOJ Equitable Sharing funds were not included in the FY 2020 Single Audit Report, we reviewed it for reportable matters that might be relevant to Amtrak's administration of DOJ Equitable Sharing funds. Amtrak's Single Audit Reports for FY 2020 contained findings related to the preparation of the SEFA and tracking of assets purchased with federal funds, which could have an impact on equitable sharing activities. Although its response to the 2020 Single Audit Report stated that Amtrak would implement additional review procedures to ensure the SEFA includes allowable expenditures before being provided to the auditors, this had not occurred by the time our audit began. During our review, we found that the APD adequately tracked all of the assets included in our testing.

## **Conclusion and Recommendation**

We tested the Amtrak Police Department's compliance with what we considered to be the most important conditions of the DOJ Equitable Sharing Program to assess whether APD accounted for equitable sharing funds properly and used such revenues for permissible purposes. We found that APD did not include its equitable sharing expenditures in the Schedule of Expenditures of Federal Awards in its Single Audit Reports as required.

We recommend that the Criminal Division:

1. Work with APD to implement controls to ensure appropriate and correct reporting of DOJ equitable sharing expenditures in its Single Audit Reports.

# APPENDIX 1: Objective, Scope, and Methodology

## Objective

The objective of the audit was to assess whether Amtrak Police Department (APD) accounted for equitable sharing funds and property properly and used such revenues for permissible purposes defined by applicable guidelines.

## Scope and Methodology

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Our audit concentrated on, but was not limited to, equitable sharing receipts and property received by APD between October 2016 and September 2021. Our audit was limited to equitable sharing revenues received through the DOJ Equitable Sharing Program. We tested compliance with what we consider to be the most important conditions of the DOJ Equitable Sharing Program. We reviewed laws, regulations, and guidelines governing the accounting for and use of DOJ equitable sharing receipts, including the Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies, issued in July 2018. Unless otherwise stated in our report, the criteria we audited against are contained in these documents.

As a result of the COVID-19 pandemic response, we performed our audit fieldwork exclusively in a remote manner. We interviewed APD and Amtrak officials and examined records, related revenues, and expenditures of DOJ equitable sharing funds. In addition, we relied on computer-generated data contained in the eShare Portal to identify equitably shared revenues and property awarded to the APD during the audit period. We did not establish the reliability of the data contained in eShare Portal as a whole. However, when viewed in context with other available evidence, we believe the opinions, conclusions, and recommendation included in this report are valid.

Our audit specifically evaluated APD's compliance with three essential equitable sharing guidelines: (1) Equitable Sharing Agreement and Certification reports, (2) accounting for equitable sharing receipts, and (3) the use of equitable sharing funds. In planning and performing our audit, we considered internal controls over DOJ equitable sharing receipts established and used by APD. However, we did not assess the reliability of APD's financial management system, or the extent to which the financial management system complied with internal controls, laws, and regulations overall.

In the scope of this audit, the APD had 644 cash/proceeds receipts totaling \$5,719,976. In the same period, the APD had 25,898 expenditures totaling \$7,145,094. We judgmentally selected and tested a sample of APD's 5 highest receipts totaling \$574,579 and a sample of expenditures totaling \$1,943,464. A judgmental sampling design was applied to capture numerous aspects of the disbursements reviewed, such as dollar amounts. This non-statistical sample design does not allow projection of the test results to all disbursements.

Our audit included an evaluation of the National Railroad Passenger Corporation & Subsidiaries' (Amtrak's) most recent annual audit. The results of this audit were reported in the Single Audit Report that accompanied Amtrak's basic financial statements for the year ended September 30, 2020. The Single Audit Report was prepared under the provisions of the Uniform Guidance. We reviewed the independent auditor's assessment, which disclosed two control weaknesses or significant noncompliance issues. We have addressed these weaknesses in our report as it relates to APD's Equitable Sharing Program.

We discussed the results of our review with officials from APD throughout the audit and at a formal exit conference. As appropriate, their input has been included in the relevant sections of the report.

## Internal Controls

In this audit, we performed testing of internal controls significant within the context of our audit objective. We did not evaluate the internal controls of the APD to provide assurance on its internal control structure as a whole. APD management is responsible for the establishment and maintenance of internal controls in accordance with the Equitable Sharing Guide and 2 C.F.R. § 200.303. Because we do not express an opinion on APD's internal control structure as a whole, we offer this statement solely for the information and use of APD and the DOJ Criminal Division.<sup>6</sup>

In planning and performing our audit, we identified the following internal control components and underlying internal control principles as significant to the audit objective: (1) the Control Activities principle where management should design control activities to achieve objectives and respond to risks, as well as implement control activities through policies; and (2) the Information and Communication principle where management should use quality information to achieve the entity's objectives and should externally communicate the necessary quality information to achieve the entity's objectives. We assessed the design, implementation, and operating effectiveness of these internal controls and identified deficiencies that we believe could affect APD's ability to operate effectively and efficiently, to correctly state financial information, and to ensure compliance with laws and regulations.

The internal control deficiencies we found are discussed in the Audit Results section of this report. However, because our review was limited to those internal control components and underlying principles that we found significant to the objectives of this audit, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

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<sup>6</sup> This restriction is not intended to limit the distribution of this report, which is a matter of public record.

## APPENDIX 2: APD's Response to the Draft Audit Report

NATIONAL RAILROAD PASSENGER CORPORATION  
Amtrak Police Department  
900 Second St. NE Suite 300, Washington, DC 20002



Chief D. Samuel Dotson  
Amtrak Police Department

November 10, 2022

Jason R. Malmstrom  
Assistant Inspector General for Audit  
United States Department of Justice, Office of the Inspector General  
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Washington D.C. 20530

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Re: Draft DOJ/OIG Audit of the Amtrak Police Department's Equitable Sharing Program Activities, Washington D.C.

Sirs,

This is a response to the draft audit report of the Amtrak Police Department's (APD) Equitable Sharing Program Activities that the Department of Justice, Office of Inspector General issued dated November 4, 2022.

The results of the OIG's audit resulted in preliminary findings: (1) Single Audits.

### (1) Single Audits

With respect to the preliminary finding that DOJ equitable sharing expenditures for FY18-FY20 were not reflected on the Amtrak Schedule of Expenditures for Federal Awards (SEFA), we have addressed this finding with Amtrak's Controller. They agree that the expenditures are covered and should have been included. Amtrak expenditures of other federal grant funds are recorded on Amtrak's ledger system within Additional Paid in Capital (APIC) program. The equitable sharing funds are recorded differently, which may explain that their exclusion was accidental. Amtrak has not yet finalized the single audit report for FY21 and is updating the SEFA to include the equitable sharing expenditures. In addition, future SEFAs will include the DOJ equitable sharing expenditures.



On behalf of the Amtrak Police Department, we thank the DOJ OIG, the US Marshals Service and Money Laundering and Asset Recovery Section (MLARS) for the seamless administration and review of APD's participation in the Equitable Sharing Program. The Equitable Sharing Program is invaluable to law enforcement through the funding of specialized training and equipment that would not otherwise be available to officers and the community we serve.

Sincerely,

A handwritten signature in blue ink that reads "D. Samuel Dotson". The signature is written in a cursive style with a small circle at the end.

D. Samuel Dotson  
Chief of Police  
Amtrak Police Department

# APPENDIX 3: The Criminal Division's Response to the Draft Audit Report



U.S. Department of Justice

Criminal Division

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Money Laundering and Asset Recovery Section

Washington, D.C. 20530

November 8, 2022

## MEMORANDUM

TO: Thomas O. Puerzer, Regional Audit Manager  
Philadelphia Regional Audit Office  
Office of Inspector General

FROM: R. Matthew Colon, Deputy Chief   
Program Management and Training Unit  
Money Laundering and Asset  
Recovery Section

SUBJECT: DRAFT AUDIT REPORT for the Amtrak Police Department's Equitable Sharing Program Activities

In a memorandum dated November 4, 2022, your office provided a draft audit report for the Amtrak Police Department (APD), which included actions necessary for closure of the audit report finding. The Money Laundering and Asset Recovery Section (MLARS) concurs with the finding and recommendation in the draft audit report.

Upon receipt of the final audit report, MLARS will work with APD to correct the identified finding.

cc: Louise Duhamel, Acting Assistant Director  
Audit Liaison Group  
Internal Revenue and Evaluation Office  
Justice Management Division

Jessica Schmaus, Audit Liaison  
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## **APPENDIX 4: Office of the Inspector General Analysis and Summary of Actions Necessary to Close the Audit Report**

The OIG provided a draft of this audit report to the Criminal Division (CRM) and the Amtrak Police Department (APD). The APD's response is incorporated in Appendix 2 and the CRM's response is incorporated in Appendix 3 of this final report. In response to our draft audit report, CRM concurred with our recommendation, and as a result, the status of the audit report is resolved. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

### **Recommendation for CRM:**

- 1. Work with APD to implement controls to ensure appropriate and correct reporting of DOJ equitable sharing expenditures in its Single Audit Reports.**

Resolved. CRM concurred with our recommendation. CRM stated in its response that it will work with the APD to correct the finding. As a result, this recommendation is resolved.

The APD stated in its response that the equitable sharing funds should have been included in the Schedule of Expenditures for Federal Awards (SEFA) in the Single Audit Reports. The APD explained that Amtrak expenditures of other federal grant funds and the equitable sharing funds are recorded differently, which may explain why the accidental exclusion occurred. Finally, the response stated that Amtrak is finalizing its 2021 SEFA to include the equitable sharing expenditures.

This recommendation can be closed when we receive documentation that the APD has implemented controls to ensure appropriate and correct reporting of DOJ equitable sharing expenditures in its Single Audit Reports.