



**U.S. Department of
Transportation**

Office of the Secretary
of Transportation

Office of Inspector General

September 26, 2006

The Honorable David Laney
Chairman
Amtrak Board of Directors
60 Massachusetts Ave, NE
Washington, DC 20002

Dear Mr. Chairman:

On October 25, 2005, House of Representatives Transportation and Infrastructure Committee Chairman Don Young asked Congressman Richard Baker to lead a working group to evaluate information from the Government Accountability Office (GAO), the Amtrak Inspector General, and the Department of Transportation Inspector General regarding Amtrak's management and performance. This request was prompted, in part, by issues raised in the October 2005 GAO report, *Amtrak Management: Systemic Problems Require Actions to Improve Efficiency, Effectiveness, and Accountability*.

In March 2006, the Majority Members and the Democratic Members of the Amtrak Working Group issued separate reports summarizing their findings. The Democratic Members of the Amtrak Working Group included among the recommendations in its report the following, "Our investigation indicates that some of the deficiencies cited in the GAO report represent a failure of Amtrak's Board of Directors. Accordingly, we intend to request that the DOT IG conduct an investigation of whether the Board of Directors is adequately carrying out its legal and fiduciary responsibilities."

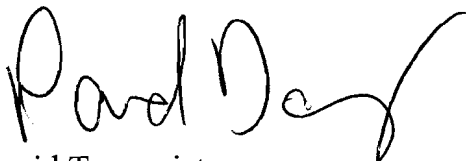
On April 25, 2006, the Democratic Members of the Amtrak Working Group formally requested that our office undertake this investigation. They cited concerns that Amtrak's Board of Directors has not exercised sufficient oversight of the corporation or held management accountable for results and whether the Amtrak Board's expenses are appropriate.

As a result, our office plans to conduct a review of how Amtrak's Board of Directors carries out its responsibilities. In addition, we plan to review the Board's expenses from Fiscal Year 2002 to the present as requested. The

objectives of this review are to determine (1) the rules, procedures and authorities under which the Board operates, (2) whether the Board has followed established processes and procedures, (3) whether the Board has set long-term goals and performance objectives for Amtrak, (4) whether the processes and procedures that the Board follows are sufficient for ensuring oversight of, and requiring accountability from, Amtrak management, and (5) whether the Board members' expenses comply with corporate guidelines and whether those guidelines are sufficient to ensure prudent use of corporate resources. The results of our review will aid in identifying whether potential reforms to improve the Board's performance are needed.

The work will be carried out in Washington, DC. The Program Director for this review is Mitchell Behm, and Debra Mayer is the Project Manager. If you have any questions or need additional information, please call me at (202) 366-9970, Mr. Behm at (202) 366-1995 or Ms. Mayer at (202) 366-2081.

Sincerely,

A handwritten signature in black ink, appearing to read "David Tornquist". The signature is fluid and cursive, with a long, sweeping tail on the final letter.

David Tornquist
Assistant Inspector General
for Competition and Economic Analysis