

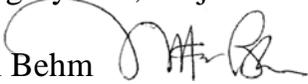


# Memorandum

U.S. Department of  
Transportation  
Office of the Secretary  
of Transportation  
Office of Inspector General

Subject: INFORMATION: Audit Announcement –  
Review of Amtrak’s Cost Accounting and  
Reporting System, Project No. 12C3002C000

Date: March 22, 2012

From: Mitchell Behm   
Assistant Inspector General for Rail,  
Maritime, and Economic Analysis

Reply to JA-50  
Attn of:

To: Federal Railroad Administrator

In 2005, Congress passed legislation requiring the Federal Railroad Administration (FRA) to develop, and the National Railroad Passenger Corporation (Amtrak) to implement, an improved cost accounting system. This new accounting system, known as Amtrak Performance Tracking (APT), is designed to address many of the shortcomings of Amtrak’s prior cost accounting system, which was often criticized because it omitted or misallocated hundreds of millions of dollars in expenses.

As required by Section 203(b) of the Passenger Rail Investment and Improvement Act of 2008, we are initiating a review of APT to determine whether it accomplishes its intended purposes. The objectives of our audit are to assess whether APT: (1) allocates all of Amtrak’s revenues to each of its routes, lines of business, and major activities; (2) assigns all of Amtrak’s fully allocated costs to each of its routes, lines of business, and major activities in accordance with standard cost accounting practices; and (3) calculates all of Amtrak’s avoidable costs with respect to each of its routes using a sound methodology.

We plan to begin this audit the week of March 26, 2012 and will contact your audit liaison to schedule a formal entrance conference. The audit will take place at DOT’s headquarters and other sites, as needed. If you have any questions or require additional information, please contact me at (202) 366-9970, or Yana Hudson, Program Director, at (202) 366-2985.

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cc: Audit Liaison, FRA, RAD-43  
Audit Liaison, OST, M-1