

For Immediate Release

Thursday, June 25, 2009

Grassley asks Amtrak to respond to report describing interference with IG work

WASHINGTON --- Senator Chuck Grassley has asked Amtrak about the circumstances of the Inspector General's unexpected retirement seven days ago and invited Amtrak to provide information about the interference by Amtrak in the work of the Inspector General described in a report prepared at the request of the retired watchdog.

Grassley said the report indicates that Amtrak's policies and procedures have systematically violated the letter and spirit of the Inspector General Act.

"As I continue my investigation into whether the independence of the Inspector General was undermined by Amtrak officials, I want to make sure I have any and all information Amtrak wants to provide," Grassley said. "The allegations are serious, including third parties being told to first send documents under subpoena by the Inspector General to Amtrak for review, and the Inspector General being chastised for communicating directly with congressional appropriations and authorizing committees,"

Grassley asked the Office of the Inspector General last week for a copy of the report, which was prepared by the law firm of Willkie Farr & Gallagher. Grassley said his office had been in communication with former Inspector General Fred Weiderhold about the issues before Weiderhold's retirement on June 18, 2009.

Also this month, Grassley has been investigating the President's decision to fire the AmeriCorps Inspector General, after the Inspector General issued two reports of mismanagement and abusive spending by AmeriCorps grantees. Grassley also has asked the International Trade Commission to account for its termination of its Inspector General who had been repeatedly hired for six-month increments and been given outstanding performance reviews. In both cases, Grassley said the administration failed to comply with a law enacted last year requiring Congress to be notified 30 days in advance of the dismissal of an Inspector General and given the reasons for the firing. Then-Senator Barack Obama co-sponsored the legislation along with Grassley.

"Inspectors general are watchdogs over the federal bureaucracy, and the Inspector General Reform Act of 2008 is supposed to better safeguard their independence so they can do their jobs for taxpayers and program stakeholders," Grassley said. "The President has said he wants more accountable government, and keeping good watchdogs on the job is fundamental to that goal. Inspectors general need to be strengthened, not undermined."

Last week, Grassley asked the Treasury Secretary to put an end to documented resistance from the Treasury Department to requests for information from the Special Inspector General for the Troubled Assets Relief Program. Senator Grassley was an advocate for creating a Special IG for TARP to try to hold the program accountable and co-sponsored legislation to strengthen the ability of the Special IG to conduct oversight after the TARP program changed its original

mission. Earlier this year, Senator Grassley also battled the White House after it tried to subject requests of the Special IG to the red tape of the Paperwork Reduction Act. Grassley subsequently introduced legislation to exempt the Special IG from the Paperwork Reduction Act.

Grassley has long worked to empower inspectors general to conduct effective oversight of the federal bureaucracy and he has held inspectors general themselves accountable for meeting the requirements of the jobs.

The text of Grassley's letter to Amtrak is below, along with his letter of last week to the Amtrak Office of the Inspector General, which sought a copy of the report. The attachments to today's letter, including the "Report on Matters Impairing the Effectiveness and Independence of the Office of Inspector General," are posted with this news release at <http://finance.senate.gov> and <http://grassley.senate.gov>.

June 25, 2009

The Honorable Thomas C. Carper
Chairman of the Board
Amtrak
National Railroad Passenger Corporation
10 G Street, NE
Washington, DC 20525

The Honorable Lorraine A. Green
Interim Inspector General
Amtrak
Office of Inspector General
National Railroad Passenger Corporation
10 G Street, NE
Washington, DC 20525

Dear Chairman Carper and Interim Inspector General Green:

Thank you for your response dated June 23, 2009. My staff is currently in the process of reviewing information from various sources concerning the Amtrak Office of Inspector General (OIG). I am interested in the facts regarding former Inspector General Fred Weiderhold's (IG) retirement. Interestingly, he retired on the same date that the law firm of Willkie Farr & Gallagher, LLP completed a "Report on Matters Impairing the Effectiveness and Independence of the Office of Inspector General" ("Report"). I understand that there was a meeting with Mr. Weiderhold and the Board of Directors on that same date as well, and that his decision to retire was made during that meeting. Accordingly, please:

- 1) provide a description of the circumstances surrounding former IG Weiderhold's unexpected retirement, specifically the relationship between the timing of his retirement and the Report;

- 2) produce any and all internal as well as personal materials relating to: (a) the former IG's departure; and (b) the Report; and
- 3) produce any and all materials cited in footnote 7 of the Report.

For definitions related to this request and all future requests, please refer to Attachment 1.

The Report prepared by Willkie Farr & Gallagher, LLP and Attachment 2 suggests a long-term and unrelenting interference with the activities and operation of the OIG. The Report seems to indicate that Amtrak's policies and procedures have systematically violated the letter and the spirit of the Inspector General Act, as amended. However, in order to ensure that Amtrak has an opportunity to respond, please identify any factual representations with which you disagree, or about which you wish to provide additional information. Please be sure to provide documentation in support of your position(s).

I also want to thank you both for offering to "maintain an open line of communication" with my office, and look forward to my staff receiving a briefing from you. In addition, I would appreciate your making the following individuals immediately available for interviews:

- 1) D. Hamilton Peterson, Deputy Counsel to the Inspector General;
- 2) Edward Puccerella, Director of Congressional & External Affairs;
- 3) Colin C. Carriere, Counsel to the Inspector General; and
- 4) E. Bret Coulson, Deputy Inspector General.

It was also reported to my staff that some OIG staff members may be fearful of retaliation if they were to discuss the matters set forth in this letter with anyone, including Congress. As you may be aware, 18 U.S.C. § 1505 prohibits obstruction of Congressional inquiries. Denying or interfering with employees' rights to furnish information to Congress in any way will be considered an obstruction of our inquiry. Amtrak and Amtrak OIG employees should be free from fear of retaliation or reprisal, and authorized to freely answer questions from Congress without representatives from Amtrak present, if they so desire. Accordingly, I would appreciate your advising the OIG and all full-time, part-time and contractor employees at Amtrak of the fact that they are free to contact Congress without advising Amtrak management or their respective supervisors.

Thank you again for your continued cooperation and assistance in this matter. As you know, in cooperating with the Committee's review, no documents, records, data or information related to these matters shall be destroyed, modified, removed or otherwise made inaccessible to the Committee.

Sincerely,
Charles E. Grassley
Ranking Member

Attachment

June 18, 2009

E. Bret Coulson
Deputy Inspector General Management & Policy
Office of Inspector General
Amtrak
National Railroad Passenger Corporation
10 G Street, NE
Washington, DC 20525

Dear Mr. Coulson:

As a senior member of the United States Senate and as the Ranking Member of the Senate Committee on Finance (Committee), it is my duty under the Constitution to ensure that Inspectors General, which were created by Congress, are permitted to operate without political pressure or interference from their respective agencies. Inspectors General were designed for the express purpose of combating waste, fraud, and abuse and to be independent watchdogs ensuring that federal agencies were held accountable for their actions. I understand that Inspector General Fred Weiderhold, Jr. has retired today.

Based on contacts that my staff had with Mr. Weiderhold on two recent occasions (April 2, 2009 and June 4, 2009), I understand that the OIG has suffered from repeated and continuous interference from the agency. After the most recent discussion, it was agreed that the OIG would provide, among other things, a White Paper and specific examples of agency interference with OIG audits and/or investigations. To date, the OIG has not yet provided any documents. As you know, any interference such as that was described in these previous discussions is a direct violation of the Inspector General Act of 1978.

In light of Mr. Weiderhold's unexpected retirement, please provide the previously requested documentation immediately. I am deeply troubled that these aforementioned meetings with my staff and discussions of the OIG's independence concerns predicated this personnel action with IG Weiderhold. Furthermore, I am even more concerned that there is a lack of accountability, based on the OIG's reported lack of independence, for the \$1.3 billion in stimulus funds that Amtrak has received from American taxpayers.

Due to these recent events, I specifically request all materials at the IG's office be preserved immediately.

In addition to providing the requested documentation, please provide an immediate briefing to my staff on the level of proper oversight the OIG has over of the \$1.3 billion dollars of American taxpayer money, and what role the previously discussed independence issues with the agency played in the elimination of former IG Weiderhold.

Thank you in advance for your assistance and I would appreciate a response to this inquiry by June 19, 2009.

Sincerely,
Charles E. Grassley
Ranking Member of the
Committee on Finance

cc: The Honorable Thomas C. Carper
Chairman
Amtrak
National Railroad Passenger Corporation

Joseph H. Boardman
President and Chief Executive Officer
Amtrak
National Railroad Passenger Corporation