
Amtrak's new \$10 billion contract could lead to fraud; qui tam cases can help to protect the government's fisc.

It was recently announced that [Amtrak will receive nearly \\$10 billion in federal funding](#) to modernize and grow ridership on its Northeast Corridor train line, which connects the Northeast's five major metropolitan regions – Boston, New York, Philadelphia, Baltimore and Washington. The funding, allocated by the Federal Railroad Administration's Federal-State Partnership for Intercity Passenger Rail Program, will be channeled into twelve ambitious projects overseen by Amtrak, including work on key bridges and tunnels, planning studies, and the redevelopment of Baltimore Penn Station.

The immense scale of these undertakings and their substantial budgets engenders significant potential for fraudulent activities to take place as Amtrak collaborates with numerous subcontractors. This raises the possibility of new *qui tam* cases brought under the False Claims Act.

The False Claims Act (FCA) empowers individuals and entities to file legal actions on behalf of the government when they suspect fraudulent claims have been made to secure government funds. Within the framework of Amtrak's projects, potential FCA cases may include:

- **False Certification of "Small" or "Disadvantaged" Business:** Amtrak may let contracts, or require contractors to let subcontracts, that are meant for Small Business (SB) concerns and Disadvantaged Business Enterprises (DBE). If a contractor falsely certifies to using a DBE, such as a Minority Business Enterprise (MBE) or Woman Business Enterprise (WBE), it could give rise to liability under the FCA.
- **False Certification of Compliance:** If a contractor falsely attests to complying with specific regulations or requirements to obtain funding, this could lead to an FCA case.
- **Bid Rigging or Collusion:** The revelation of bid rigging or collusion among companies bidding for a project, leading to inflated costs or an unjust selection process, could result in an FCA case. Bid rigging transpires when companies conspire to manipulate the bidding process, thereby defrauding the government.
- **Overstating Costs:** If the actual costs incurred by Amtrak's contractors are lower than the amount claimed for reimbursement, this would amount to a false claim under the FCA.
- **Kickbacks:** The existence of kickbacks or other inappropriate financial arrangements between Amtrak's contractors and Amtrak, or other government officials or employees, involved in the project could lead to an FCA case.

It's important to note that these are hypothetical scenarios, and the actual occurrence of any False Claims Act case would depend on the specific facts, evidence, and legal interpretations related to the project. Legal action under the FCA typically requires substantial evidence of fraudulent intent and false claims.

If an individual suspects wrongdoing on Amtrak's projects, they can file a *qui tam* lawsuit under the FCA. A *qui tam* case empowers private individuals, often referred to as relators or whistleblowers, to initiate legal proceedings on the government's behalf. In the event that the government recovers funds as a result of such a lawsuit, the whistleblower may be entitled to a significant portion of the recovered amount as a reward.

How Do I Start?

Pollock Cohen is committed to helping whistleblowers secure False Claims Act rewards. If you are aware of contracting fraud, call us at +1.646.290.7251. Or submit an inquiry on our website. Or email us at Confidential@PollockCohen.com. We want to hear your story.