

Edgar Filing: AT&T CORP - Form 10-Q/A

AT&T CORP
Form 10-Q/A
January 09, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q/A
(Amendment No. 1)

.X. QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2003

OR

.... TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-1105

AT&T CORP.

A New York
Corporation

I.R.S. Employer
No. 13-4924710

One AT&T Way, Bedminster, New Jersey 07921

Telephone - Area Code 908-221-2000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No ...

Indicate by check mark whether the registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2) Yes No ...

At October 31, 2003, the following shares of stock were outstanding: AT&T common stock 789,873,024

Explanatory Note

The undersigned registrant hereby files Amendment No. 1 to amend the following Items with respect to its Quarterly Report on Form 10-Q for the period ended September 30, 2003:

Edgar Filing: AT&T CORP - Form 10-Q/A

1) We have amended Item 4, "Controls and Procedures," to revise the language and to provide greater details concerning changes in our internal controls.

2) The registrant has amended Item 6, "Exhibits and Reports on Form 8-K," to correct the numbering of the Exhibits. We have also refurnished with different Exhibit numbers the certifications provided pursuant to Section 906 of the Sarbanes Oxley Act of 2002 and filed new certifications pursuant to Section 302 of the Act.

Item 4. CONTROLS AND PROCEDURES

As of the end of the period covered by this report, we completed an evaluation, under the supervision and with the participation of our management including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Exchange Act Rules 13a-15 or 15d-15. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures are effective in alerting them timely to material information required to be included in our Exchange Act filings. Other than as described below, there have not been any changes in our internal controls over financial reporting identified in connection with the evaluation required by Exchange Act Rules 13a-15 or 15d-15 or otherwise that occurred during our last fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

In September 2003, in conjunction with our review of accounting and internal control systems, the Company determined that the liability on the balance sheet (included in accounts payable) relating to costs incurred in 2001 and 2002 pertaining to access and other connection expense was understated by \$125 million. Since the impact to prior years' annual financial statements was not material, the Company recorded an additional expense of \$125 million (\$77 million after-tax) in the third quarter of 2003 to reflect the proper estimate of the liability.

A review was conducted by outside legal counsel, under the direction of the Audit Committee. This review found that two employees, one lower-level and one mid-level management employee, circumvented the internal controls process resulting in the financial impacts noted above. The Company made the appropriate personnel changes and enhanced its internal controls accordingly. The principal focus of these enhancements included higher skill levels of those performing the function (CPA required for mid-level manager), changes in the approval process for accruing access expense, as well as additional reviews of such expense and related reconciliations by higher levels of management (Business Unit Controller and AT&T Controller). In addition, actual access payments are reviewed quarterly to further substantiate the recorded liability.

Item 6. EXHIBITS AND REPORTS ON FORM 8-K

| (a) | Exhibits Exhibit Number | |
|-----|----------------------------|---|
| | 10(iii)(A)1 | Form of Amendment to AT&T Excess Benefit and Compensation Plan dated as of July 28, 2003 to AT&T Excess Benefit and Compensation Plan, as amended and restated effective October 1, 1996 (incorporated by reference to Exhibit (10)(iii)(A)9 to Form 10-K for 1996, File No. 1-1105). * |

Edgar Filing: AT&T CORP - Form 10-Q/A

| | |
|-------------|--|
| 10(iii)(A)2 | Form of Amendment to AT&T Non-Qualified Pension Plan dated as of July 28, 2003 to AT&T Non-Qualified Pension Plan, as amended and restated January 1, 1995 (incorporated by reference to Exhibit (10)(iii)(A)10 to Form 10-K for 1996, File No. 1-1105). * |
| 10(iii)(A)3 | Form of Amendment to AT&T Senior Management Incentive Award Deferral Plan dated as of July 28, 2003 to AT&T Senior Management Incentive Award Deferral Plan, as amended effective January 21, 1998 (incorporated by reference to Exhibit (10)(iii)(A)11 to Form 10-K for 1998, File No. 1-1105). * |
| 10(iii)(A)4 | Form of Amendment to AT&T Corp. Senior Management Universal Life Insurance Program dated as of July 28, 2003 to AT&T Corp. Senior Management Universal Life Insurance Program effective October 1, 1999 (incorporated by reference to Exhibit (10)(iii)(A)16 to Form 10-K for 2000, File No. 1-1105). * |
| 10(iii)(A)5 | Form of Amendment of Appendix A of AT&T Senior Officer Separation Plan dated as of July 28, 2003 to AT&T Senior Officer Severance Plan, as amended October 30, 1997 (incorporated by reference to Exhibit (10)(iii)(A)18 to Form 10-K for 1997, File No. 1-1105), and as amended, restated and renamed AT&T Senior Officer Separation Plan as of January 1, 2003 (incorporated by reference to Exhibit (10)(iii)(A)18 to Form 10-K for 2002, File No. 1-1105). * |
| 10(iii)(A)6 | Form of Employment Agreement between AT&T Corp. and Betsy J. Bernard as amended on July 25, 2003 to original agreement dated April 9, 2001 (incorporated by reference to Exhibit (10)(iii)(A)21 to Form 10-K for 2001. File No. 1-1105) including amendment dated October 1, 2002 (incorporated by reference to Exhibit (10)(iii)(A)21 to Form 10-K for 2002, File No. 1-1105). * |
| 10(iii)(A)7 | Form of Employment Agreement between AT&T Corp. and David W. Dorman as amended on July 25, 2003 to original agreement dated May 18, 2001 (incorporated by reference to Exhibit (10)(iii)(A)35 to Form 10-K for 2001) including amendment dated December 31, 2002 (incorporated by reference to Exhibit (10)(iii)(A)34 to Form 10-K for 2002, File No. 1-1105). * |
| 12 | Computation of Ratio of Earnings to Fixed Charges * |
| 31.1 | Certification by CEO pursuant to Rule 13a-14(a) or 15d-14(a) of the |

Edgar Filing: AT&T CORP - Form 10-Q/A

Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

- 31.2 Certification by CFO pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32.1 Certification by CEO pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. **
- 32.2 Certification by CFO pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. **

(b) Reports on Forms 8-K

Form 8-K dated July 16, 2003 was filed pursuant to Item 5 on July 17, 2003. Form 8-K dated July 24, 2003 was furnished pursuant to Item 7 and Item 9 on July 24, 2003. Form 8-K dated July 24, 2003 was furnished pursuant to Item 12 on July 28, 2003.

* Documents filed previously with Form 10-Q for period ended September 30, 2003.

**Documents furnished previously with Form 10-Q for period ended September 30, 2003 as Exhibits 99.1 and 99.2, respectively.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AT&T Corp.

/s/ N. S. Cyprus

By: N. S. Cyprus
Vice President and Controller
(Principal Accounting Officer)

Date: January 8, 2004