

To Whom it May Concern:

In January of 2002 we began using a third party software program to manage our PAC. The first payroll import established "receipt" accounts for our employees (associates) making donations to the PAC. The accounts were identified with their internal Employee ID. The first import did not include leading zero's that proceeded whole numbers in the Employee ID. Subsequent imports did include leading zero's, thus producing a second account for our associates. This caused an incorrect cumulative total for individuals, but overall there was no change in the report totals.

In doing a review of prior period reports, the error was discovered and we immediately began to proceed with corrections and amendments to the reports

As previously indicated and the enclosed reports show, the only item to change on the reports are the itemized and unitemized receipt amounts on the detailed summary page and schedule A.

We ask that you accept the amended returns as attached. We have since implemented review processes.

We will not be amending the following reports: February 20th, March 20th and the General (12G); due to the fact that these reports were not affected.

Sincerely
Brian Weight
JCPenney Corporation-Payroll/Services
Treasurer of PenneyPAC
