

REPORTS ANALYSIS REFERRAL

TO

ALTERNATIVE DISPUTE RESOLUTION OFFICE

DATE: September 25, 2009

ANALYST: Allen Norfleet

I. COMMITTEE: Norfolk Southern Corporation Good
Government Fund
C00009282
Marque LeDoux, Treasurer
3 Commercial Place
Norfolk, VA 23510

II. RELEVANT STATUTE: 2 U.S.C. §434(b)(2)(J)
11 CFR §104.3(a)(2)(viii)(A)

III. BACKGROUND:

Failure to Provide Supporting Schedules (Failure to Disclose All Financial Activity)

The Norfolk Southern Corporation Good Government Fund ("the Committee") amended its 2009 April Monthly Report to disclose additional receipts of \$102,282.28 (Attachment 2).

On April 17, 2009, the Committee filed its original 2009 April Monthly Report covering the period from March 1, 2009 to March 31, 2009. The original report disclosed \$0.00 on Line 17 (Other Federal Receipts) of the Detailed Summary Page (Image 29991977256).

On May 7, 2009, Mindy Anderson, the Committee contact, called the Reports Analysis Division (RAD) Analyst to ask how the Committee should report a deposit that was erroneously made into the federal account. The RAD Analyst explained that the receipt of the erroneously made deposit should be disclosed on Line 17 (Other Federal Receipts) and the disbursement of this deposit out of the federal account should be disclosed on Line 29 (Other Disbursements). The RAD Analyst also recommended that the Committee add memo text to the line entries explaining the erroneously made deposit and the dates that the deposit came into the Committee's account and left the Committee's account (Attachment 3).

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On May 12, 2009, the Committee filed an Amended 2009 April Monthly Report which disclosed \$102,282.28 on Line 17 of the Detailed Summary Page. Memo text for the Line 17 erroneous deposit entry stated, in full, "This report is being amended to disclose a deposit made in error to the checking account. This erroneous deposit will be corrected on a future filing. There are no other changes to the report" (Image 29992090003).

On June 12, 2009, an RFAI was sent to the Committee referencing the Amended 2009 April Monthly Report, received May 12, 2009. Among other things, the RFAI requested clarification regarding the additional receipts totaling \$102,282.28 disclosed on Line 17 of the Detailed Summary Page that were not disclosed on the original 2009 April Monthly Report (Image 29030101519).

On June 19, 2009, the Committee filed its 2009 June Monthly Report. Schedule B supporting Line 21(b) (Other Federal Operating Expenditures) of the report disclosed a disbursement to its connected organization for the deposit made in error (Image 29934026206). Memo text was also attached to the report which stated in part, "Please note that the erroneous funds previously reported on Line 17 have been reimbursed and reported as an expenditure on Line 21b" (Image 29934026017).

On July 20, 2009, the Committee filed a Miscellaneous Electronic Submission (FEC FORM 99), which stated, in part:

"Norfolk Southern Corporation, in error, made a deposit to the PAC checking account on March 30, 2009. The error occurred when Norfolk Southern implemented a payroll restriction to ensure that employees who are members of the restricted class and contributing to the PAC through payroll deductions did not exceed the annual contribution limit. The programming necessary to implement this change had significant unforeseen results, including the improper transfer of \$102,282.28 in corporate funds to the PAC checking account. This error was discovered during a bank reconciliation and audit on April 24, 2009. An amended FEC report to disclose the error was subsequently filed. Please note that on May 6, 2009 the funds were transferred out of the account and the June Monthly report reflects the removal of the mis-deposited *sic* funds.

Norfolk Southern and the PAC regret the error. In the future, Norfolk Southern's Payroll and Information Technology (IT) Departments will make every effort to avoid errors of this type by engaging in more rigorous testing to determine the unintended consequences of payroll programming changes" (Image 29934326503).

On August 11, 2009, the Analyst called Mindy Anderson and explained that the Committee had an opportunity to place additional information on the public record

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regarding the increase in receipts on its Amended 2009 April Monthly Report before being referred for further action. Ms. Anderson said that she thought the explanation on the public record was good, but she would discuss the matter with the Committee's representatives (Attachment 3).

To date, no further communication has been received from the Committee regarding this matter.

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