

OCT 29 2003



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THOMSON FINANCIAL

UNITED STATES Securities and Exchange Commission Washington, D.C. 20549

Exhibit Index 3 on Page 1

FORM SE

FORM FOR SUBMISSION OF PAPER FORMAT EXHIBITS

BY ELECTRONIC FILERS

<u>THE IT GROUP, INC.</u>	<u>0000731190</u>
Exact name of registrant as specified in charter	Registrant CIK Number

<u>FORM 8-K (dated October 24, 2003)</u>	<u>1-09037</u>
Electronic report, schedule or registration statement of which the documents are a part (give period of report)	SEC file number, if available

\_\_\_\_\_  
Name of Person Filing the Document (if other than the Registrant)

Page 1 of 18

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**SIGNATURES**

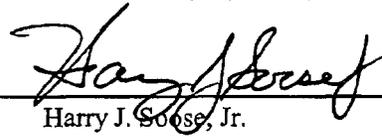
*Filings Made By the Registrant:*

The Registrant has duly caused this form to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Monroeville, State of Pennsylvania, October 29, 2003.

THE IT GROUP, INC.

(Registrant)

By: \_\_\_\_\_



Harry J. Soose, Jr.  
Chief Operating Officer

Exhibit Index

Page No.

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Exhibit

99.1 Notice of Filing of Monthly Operating Report for period from August 30, 2003 through September 26, 2003 (including Exhibits).

4

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

----- x  
In re: : Chapter 11  
The IT Group, Inc., :  
et al., : Case No. 02-10118 (MFW)  
Debtors. : Jointly Administered  
----- x

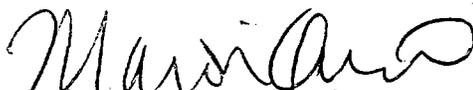
NOTICE OF FILING OF MONTHLY OPERATING REPORT FOR PERIOD  
FROM AUGUST 30, 2003 THROUGH SEPTEMBER 26, 2003

PLEASE TAKE NOTICE that on October 24, 2003, the debtors and debtors-in-possession in the above-captioned cases filed with the Court the Monthly Operating Report of The IT Group Inc. et al., for the period from August 30, 2003 through September 26, 2003 (the "Monthly Operating Report"), which is attached hereto as Exhibit A.

PLEASE TAKE FURTHER NOTICE that contemporaneously herewith, the Monthly Operating Report was

transmitted to the parties listed on Exhibit B attached  
hereto in the manner provided thereon.

Dated: Wilmington, Delaware  
October 24, 2003



s/ Marion M. Quirk

Gregg M. Galardi (I.D. No. 2991)  
Marion M. Quirk (I.D. No. 4136)  
Gary A. Rubin (I.D. No. 4140)  
SKADDEN, ARPS, SLATE, MEAGHER  
& FLOM LLP  
One Rodney Square  
P.O. Box 636  
Wilmington, Delaware 19899  
(302) 651-3000

- and -

Timothy R. Pohl  
SKADDEN, ARPS, SLATE, MEAGHER  
& FLOM (ILLINOIS)  
333 West Wacker Drive  
Chicago, Illinois 60606  
(312) 407-0700

Attorneys for Debtors and  
Debtors-in-Possession

# EXHIBIT A

**The IT Group, Inc.**  
**Case No. 02-10118**

**Activity for the period August 30, 2003 thru September 26, 2003**

**Table of Contents**

1. Affidavit
2. Consolidated Balance Sheet of All Debtors
3. Consolidated Income Statement of All Debtors
4. Schedule of Post Petition Debts
5. Accounts Receivable Reconciliation and Aging Summary and Debtor Questionnaire
6. List of Bank Accounts with bank description, account number and balance
7. Schedule of Cash Receipts and Disbursements

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

- - - - - X  
- :  
In re: : Chapter 11  
: :  
The IT Group, Inc., : Case No. 02-10118 (MFW)  
: :  
    et al., : Jointly Administered  
: :  
                Debtors. :  
: X  
- - - - -  
-

DECLARATION OF HARRY J. SOOSE, JR. IN SUPPORT OF THE  
MONTHLY OPERATING REPORT FOR THE PERIOD AUGUST 30, 2003  
THROUGH SEPTEMBER 26, 2003 FILED ON BEHALF OF THE ABOVE-  
REFERENCED DEBTORS

I, Harry J. Soose, Jr. hereby declare under  
penalty of perjury that the following is true and correct  
to the best of my knowledge, information, and belief.

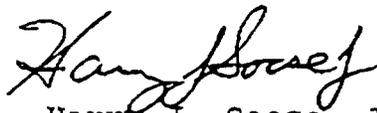
1. I am the Chief Operating Officer and Chief  
Financial Officer of The IT Group, Inc., a Delaware  
corporation with an office in Monroeville, Pennsylvania.

2. This declaration is submitted in conjunction  
with the filing of the monthly operating report.

3. All financial activity between the debtors and non-debtor foreign and domestic subsidiaries is outlined in the consolidated statement of income and balance sheet. The bank reconciliations of the debtors are substantially completed as of September 26, 2003. All tax returns and taxes are current.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

Dated:       Monroeville, PA  
              October 23, 2003



Harry J. Soose, Jr.  
Senior Vice President  
COO & CFO

THE IT GROUP, INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEET  
CASE NO. 02-10118  
September 26, 2003

|                                                           | 08/29/03        | Reclass/<br>Prior Period<br>Adjustments | September<br>Activity | 09/26/03        |
|-----------------------------------------------------------|-----------------|-----------------------------------------|-----------------------|-----------------|
| <b>Current Assets:</b>                                    |                 |                                         |                       |                 |
| Cash                                                      | 54,334,333      | -                                       | (647,178)             | 53,687,155      |
| Accounts receivable                                       | -               | -                                       | -                     | -               |
| Allowance for doubtful accounts                           | -               | -                                       | -                     | -               |
| Deferred income taxes                                     | -               | -                                       | -                     | -               |
| Other receivables                                         | 590,555         | -                                       | 113,046               | 703,601         |
| Prepaid expenses and other current assets                 | 23,403,738      | -                                       | 2,702,784             | 26,106,522      |
| Total current assets                                      | 78,328,626      | -                                       | 2,168,652             | 80,497,278      |
| Property, plant and equipment at cost                     | -               | -                                       | -                     | -               |
| Accumulated depreciation and amortization                 | -               | -                                       | -                     | -               |
| Net property, plant and equipment                         | -               | -                                       | -                     | -               |
| Cost in excess of net assets of acquired businesses       | -               | -                                       | -                     | -               |
| Investments in affiliate                                  | -               | -                                       | -                     | -               |
| Restricted cash                                           | -               | -                                       | -                     | -               |
| Deferred financing costs                                  | -               | -                                       | -                     | -               |
| Other assets                                              | -               | -                                       | -                     | -               |
| Deferred taxes                                            | -               | -                                       | -                     | -               |
| Long-term assets of discontinued operations               | -               | -                                       | -                     | -               |
| Total assets                                              | 78,328,626      | -                                       | 2,168,652             | 80,497,278      |
| <b>Current Liabilities (Prepetition)</b>                  |                 |                                         |                       |                 |
| Accounts payable-unsecured                                | 42,637,869      | -                                       | -                     | 42,637,869      |
| Accrued wages and related liabilities-unsecured           | 8,712,763       | -                                       | -                     | 8,712,763       |
| Billings in excess of revenues-unsecured                  | 32,007,386      | -                                       | -                     | 32,007,386      |
| Other accrued liabilities-unsecured                       | 32,177,490      | -                                       | -                     | 32,177,490      |
| Long-term debt due within 1 year-unsecured                | 256,622,000     | -                                       | -                     | 256,622,000     |
| Long-term debt due within 1 year-secured                  | 489,482,516     | -                                       | -                     | 489,482,516     |
| <b>Current Liabilities (Post Petition)</b>                |                 |                                         |                       |                 |
| Accounts payable-unsecured                                | -               | -                                       | 42,092                | 42,092          |
| Accrued wages and related liabilities-unsecured           | 3,721,314       | -                                       | (31,443)              | 3,689,871       |
| Billings in excess of revenues-unsecured                  | -               | -                                       | -                     | -               |
| Other accrued liabilities-unsecured                       | 10,461,806      | -                                       | (104,813)             | 10,356,993      |
| DIP financing                                             | -               | -                                       | -                     | -               |
| Long-term debt due within 1 year-unsecured                | -               | -                                       | -                     | -               |
| Long-term debt due within 1 year-secured                  | -               | -                                       | -                     | -               |
| Current liabilities of discontinued operations            | 667,391         | -                                       | (182,909)             | 484,482         |
| Total current liabilities                                 | 876,490,535     | -                                       | (277,073)             | 876,213,462     |
| Long-term debt                                            | -               | -                                       | -                     | -               |
| Long-term liabilities of discontinued operations          | -               | -                                       | -                     | -               |
| Other long-term accrued liabilities-prepetition unsecured | 4,408,273       | -                                       | -                     | 4,408,273       |
| Minority interest in subsidiary                           | -               | -                                       | -                     | -               |
| Total liabilities                                         | 880,898,808     | -                                       | (277,073)             | 880,621,735     |
| <b>Stockholders' Equity:</b>                              |                 |                                         |                       |                 |
| Preferred stock                                           | 6,665,152       | -                                       | -                     | 6,665,152       |
| Common stock                                              | 230,814         | -                                       | -                     | 230,814         |
| Treasury stock                                            | (4,866,900)     | -                                       | -                     | (4,866,900)     |
| Unearned compensation-restricted stock                    | (543,568)       | -                                       | -                     | (543,568)       |
| Additional paid-in capital                                | 352,365,701     | -                                       | -                     | 352,365,701     |
| Retained earnings (deficit)                               | (1,156,421,381) | -                                       | 2,445,725             | (1,153,975,656) |
| Cumulative translation adj.                               | -               | -                                       | -                     | -               |
| Total stockholders' equity                                | (802,570,182)   | -                                       | 2,445,725             | (800,124,457)   |
| Total liabilities and stockholders' equity                | 78,328,626      | -                                       | 2,168,652             | 80,497,278      |

THE IT GROUP, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF INCOME  
CASE NO. 02-10118  
AUGUST 30, 2003 THRU SEPTEMBER 26, 2003

|                                               |                         |
|-----------------------------------------------|-------------------------|
| Revenues                                      | -                       |
| Cost and expenses:                            |                         |
| Cost of revenues                              | -                       |
| Selling, general and administrative expense   | 352,384                 |
| Total cost and expenses                       | <u>352,384</u>          |
| Operating income/(loss)                       | (352,384)               |
| Unrealized gain/(loss) on stock held for sale | 2,757,704               |
| Interest income, net                          | 40,405                  |
| Net income/(loss) before income taxes         | <u><u>2,445,725</u></u> |

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The IT Group, Inc. and Subsidiaries  
Case No. 02-10118  
Accounts Payable Consolidated Aging  
as of September 26, 2003

| <u>Days Aged</u> | <u>Balance</u>    |
|------------------|-------------------|
| 0 - 30           | 526,574           |
| 31 - 60          | -                 |
| 61 - 90          | -                 |
| Over 90          | 42,637,869        |
| Balance G/L      | <u>43,164,443</u> |
| Pre Petition     | 42,637,869        |
| Post Petition    | <u>526,574</u>    |
|                  | <u>43,164,443</u> |

THE IT GROUP, INC. AND SUBSIDIARIES  
 ACCOUNTS RECEIVABLE RECONCILIATION AND AGING  
 CASE NO. 02-10118  
 As of September 26, 2003  
 (in thousands)

| Accounts Receivable Reconciliation                                 | Amount |
|--------------------------------------------------------------------|--------|
| Total Accounts Receivable at the beginning of the reporting period | -      |
| Prior Period Adjustments                                           | -      |
| + Amounts billed during the period                                 | -      |
| - Amounts collected during the period                              | -      |
| Total Accounts Receivable at the end of the reporting period       | -      |

| Accounts Receivable Aging                   |   |
|---------------------------------------------|---|
| 0 - 30 days past due                        | - |
| 31 - 60 days past due                       | - |
| 61 - 90 days past due                       | - |
| 91+ days past due                           | - |
| A/R not aged                                | - |
| Retainage                                   | - |
| Total Accounts Receivable                   | - |
| Amounts considered uncollectible (Bad Debt) | - |
| Accounts Receivable (Net)                   | - |

DEBTOR QUESTIONNAIRE

| Must be completed each month                                                                                                                             | Yes | No |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|
| 1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below.           | -   | X  |
| 2. Have any funds been disbursed from any account other than a debtor in possession account this reporting period? If yes, provide an explanation below. | -   | X  |
| 3. Have all post petition tax returns been timely filed? If no, provide an explanation below.                                                            | X   | -  |
| 4. Are workers compensation, general liability and other necessary insurance coverages in effect? If no, provide an explanation below.                   | X   | -  |

The IT Group, Inc. and Subsidiaries  
Case No. 02-10118  
Debtor Bank Account Detail  
September 26, 2003

| G/L ACCT # | DEBTOR<br>CASE NUMBER | BANK ACCT #   | BANK NAME                                             | DESCRIPTION                      | 09/26/03<br>PER BALANCE<br>SHEET |
|------------|-----------------------|---------------|-------------------------------------------------------|----------------------------------|----------------------------------|
| 1010       | 02-10165              | 3050-7945     | Citibank, N.A., 399 Park Avenue<br>New York, NY 10043 | Citibank, NA (checking)          | 149,654                          |
| 1020       | 02-10165              | 3050-7953     | Citibank, N.A., 399 Park Avenue<br>New York, NY 10044 | Citibank, NA (savings)           | 1,339,852                        |
| 1030       | 02-10165              | 3050-9158     | State Street Bank and Trust Co.<br>Boston, MA         | Sale proceeds                    | 47,574,443                       |
| 1040       | 02-10165              | 3050-9174     | Citibank, N.A., 399 Park Avenue<br>New York, NY 10046 | Citibank, NA (employee benefits) | 148,396                          |
| 1060       | 02-10165              | 2662868294    | Dollar Bank, Miracle Mile,<br>Monroeville, PA 15146   | Petty Cash Corporate             | 2,000                            |
| 1070       | 02-10165              | 010-51-099-62 | Bank of America, Concord, CA                          | Petty Cash Northern California   | 8,000                            |
| 1210       | 02-10118              | 454353        | State Street Bank and Trust Co.<br>Boston, MA         | Restricted Cash Caterpillar      | 1,404,579                        |
| 1220       | 02-10118              | 454349        | State Street Bank and Trust Co.<br>Boston, MA         | Restricted Cash Fleet            | 2,550,192                        |
| 1240       | 02-10118              | 454341        | State Street Bank and Trust Co.<br>Boston, MA         | Restricted Cash Bookspan         | 510,039                          |
|            |                       |               |                                                       |                                  | 53,687,155                       |

(000's)

Summary Page

|                                                                        | September 2003 (a) | Cumulative       |
|------------------------------------------------------------------------|--------------------|------------------|
|                                                                        | Actual             | Actual           |
| Cash Beginning of Month                                                | Total (a)          | \$ 18,189        |
| Receipts                                                               |                    |                  |
| Cash Sales                                                             | -                  | -                |
| Accounts Receivable/Other Receivables                                  | 638                | 254,624          |
| Loans and Advances                                                     | -                  | -                |
| Sale of Assets                                                         | -                  | 69,288           |
| Other (Reimbursements from Shaw)                                       | 27                 | 20,008           |
| DIP Draw & (Repayment)                                                 | -                  | 50,000           |
| <b>Total Receipts</b>                                                  | <b>665</b>         | <b>393,920</b>   |
| Disbursements                                                          |                    |                  |
| Net Payroll & Benefits                                                 | (96)               | (89,836)         |
| Payroll Taxes                                                          | (29)               | (34,233)         |
| Sales, Use, and Other Taxes                                            | (24)               | (1,049)          |
| Operating Expenses                                                     | (463)              | (161,629)        |
| Rental & Leases                                                        | -                  | (14,019)         |
| Insurance                                                              | (43)               | (8,462)          |
| Administrative & Selling                                               | (37)               | (6,362)          |
| Sale of Assets                                                         | -                  | -                |
| Claims Settlements                                                     | -                  | (180)            |
| Other (Attach List)                                                    | -                  | (17,678)         |
| Professional Fees (b)                                                  | (633)              | (24,809)         |
| U.S. Trustee Fees                                                      | (25)               | (266)            |
| Court Costs                                                            | -                  | -                |
| <b>Total Disbursements (c)</b>                                         | <b>(1,350)</b>     | <b>(358,523)</b> |
| Net Cash Flow (Receipts Less Disbursements)                            | (685)              | 35,397           |
| Cash - End of Month                                                    | 53,586             | \$ 53,586        |
| Total Disbursements                                                    | (1,350)            |                  |
| Less: Transfers to Debtor in Possession Accounts                       | -                  |                  |
| Plus: Estate Disbursements Made by Outside Sources                     | -                  |                  |
| <b>Total Disbursements For Calculating U.S. Trustee Quarterly Fees</b> | <b>(1,350)</b>     |                  |

(a) September actual includes cash flow activity from September 1, 2003 through September 30, 2003.

(b) Professional fees include \$168,708.61 and \$106,534.48 to Skadden Arps on 09/17/03 and 09/24/03, \$115,872.91 to Kroil Zolfo Cooper on 09/24/03, \$13,048.92 to The Bayard Firm on 09/24/03, \$51,853.06 and \$78,513.02 to White & Case on 09/03/03 and 09/10/03, and \$50,158.04 to Channin Capital Partners on 09/24/03.

(c) The Debtor companies have limited business operations and all of the Debtor companies with the exception of IT Corporation had no or de minimis disbursements.

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# EXHIBIT B

EXHIBIT B

The IT Group, Inc., et al.  
Case No. 02-10118

**Debtors**

The IT Group, Inc.  
2790 Mosside Blvd.  
Monroeville, PA 15146-2792  
Attn: Harry J. Soose  
(By Overnight Courier)

**Counsel to Debtors**

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Gregg M Galardi, Esq.  
Marion Quirk, Esq.  
Skadden, Arps, Slate, Meagher  
& Flom, LLP  
One Rodney Square  
P.O. Box 636  
Wilmington, DE 19899-0636

**United States Trustee**

Mark S. Kenney, Esq.  
Assistant U.S. Trustee  
Office of the U.S. Trustee  
844 King Street  
Wilmington, DE 19899  
(By Hand Delivery)

**Counsel to Creditors' Committee**

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The Bayard Firm  
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Wilmington, Delaware 19899  
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John Cunningham, Esq.  
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**Counsel for Prepetition Bank Group**

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**Counsel for Postpetition Bank Group**

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Aaron G. York, Esq.  
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Dallas, Texas 75201  
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(By Overnight Courier)

William P. Bowden, Esq.  
Christopher S. Sontchi, Esq.  
Ashby & Geddes  
222 Delaware Avenue, 17th Floor, P.O.  
Box 1150  
Wilmington, DE 19899  
(The Shaw Group, Inc.)  
(By Hand Delivery)

**Miscellaneous:**

02-10118-MFW The IT Group, Inc.

**U.S. Bankruptcy Court**

**District of Delaware**

**Notice of Electronic Filing**

The following transaction was received from Quirk, Marion M. entered on 10/24/2003 at 1:30 PM EDT and filed on 10/24/2003

**Case Name:** The IT Group, Inc.

**Case Number:** 02-10118-MFW

**Document Number:** 3128

**Docket Text:**

Debtor-In-Possession Monthly Operating Report for Filing Period August 30, 2003 through September 26, 2003 Filed by The IT Group, Inc. (Quirk, Marion)

The following document(s) are associated with this transaction:

**Document description:**Main Document

**Original filename:**C:\temp\convert\Monthly Operating Report.pdf

**Electronic document Stamp:**

[STAMP bkecfStamp\_ID=983460418 [Date=10/24/2003] [FileNumber=2011952-0] [a00108153ff55554ff3f66f3010bbf867700b5cb0cd3ef06b8d1904f2749772238da083b3d3a16fe8ea17ae45be0b7bab6cd656f51bcd1903eeae9389d4a32c2]]

**02-10118-MFW Notice will be electronically mailed to:**

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