

## Business news

Former chief executive of Qwest Communications, Joe Nacchio, front center, walks with family members and his attorney as they arrive at the federal courthouse in Denver Monday, April 9, 2007, where Nacchio's defense team is expected to finish their presentation. (AP Photo/Ed Andrieski)

ED ANDRIESKI: AP



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## Nacchio trial resumes

By SANDY SHORE AP Business Writer  
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DENVER — The judge in Joe Nacchio's insider trading trial said Monday he wanted to question a juror who reported that someone, possibly a news reporter, sought her opinion last week of how the former Qwest chief executive's trial was progressing.

The juror told the court clerk on Monday she was riding down a courthouse elevator when the individual asked "how she thought the case was going," U.S. District Judge Edward Nottingham said.

Nottingham recessed the trial to question the juror in his chambers. Attorneys for both sides joined him.

The development came as Nacchio's attorneys prepared to continue their defense, which they've said they expected to take no more than a day and a half. There was no immediate word on whether Nacchio would take the stand.

They planned to call one expert witness and display some video clips to jurors but said the much-anticipated explanation about secret government contracts that could have bolstered Qwest's bottom line likely won't get much more than a passing mention.

Nacchio is accused of illegally selling \$101 million in stock based on nonpublic information. Each of the 42 insider trading counts against him carries a penalty of up to 10 years in prison and a \$1 million fine.

Prosecutors have told jurors Nacchio completed the stock sales between January and May of 2001 after learning from business managers that the company was at financial risk and could miss revenue targets.

Defense attorneys have argued the sales were legal because Nacchio believed in the company's future and was required to exercise the stock options under the terms of his contract.


Last week, Qwest founder Phil Anschutz testified Nacchio was ready to resign in January 2001 so he could remain in New Jersey with his family after one of his sons attempted suicide.

The criminal case against Nacchio stems from a long government investigation into an accounting scandal at Qwest Communications International Inc., a Denver-based primary telephone service provider in 14 mostly Western states.

Federal regulators have said Qwest falsely reported fiber-optic capacity sales as recurring instead of one-time revenue between April 1999 and March 2002. The practice allowed Qwest to improperly report about \$3 billion in revenue, which helped pave the way for its acquisition of U S West Inc., regulators have alleged. Qwest later restated about \$2.2 billion in revenue.

The Securities and Exchange Commission has filed a civil fraud suit that is still pending against Nacchio and other former Qwest executives, alleging they orchestrated a financial fraud that led to the scandal.



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