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The arduous quest for accountability



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As a young accountant, Kevin Knierim faced two choices: Become a number-crunching geek for the rest of his life or join the FBI.

In the 1980s, the Federal Bureau of Investigation needed accountants to sift through the wreckage of the savings-and-loan crisis.

At age 25, Knierim answered the call, beginning a 15-year career as an investigator of economic crimes - from embezzlements to corporate schemes.

Sometimes, Knierim's job allowed him to witness rare moments in history. In 1993, for instance, he was in Waco, Texas, during the FBI's tragic standoff with cult leader David Koresh. For the most part, though, Knierim's job was tedious.

"I have had cases where it's all I worked for two solid years - just to get one guy in jail," Knierim said.

Knierim, 40, resigned from Denver's FBI office last March to start his own consulting firm, Independent Inquiries Ltd. (www.ind-inq.com). These days, he's often helping law firms conduct internal investigations for their corporate clients. The work, he says, is very much the same. "When I get involved, it's to package the investigation for the U.S. attorney's office or the FBI," he said.

Until last March, Knierim worked with the same squad of FBI agents now working day and night to put former Qwest chief

executive Joe Nacchio behind bars on insider-trading charges.

Knierim said he did not work on the Qwest case himself. He was just one of the guys working other cases to help free up resources for the Nacchio case.

An army of FBI and U.S. Postal Inspection Service agents has been assembling the case for nearly five years. They are up against a once-lauded CEO who may spend up to \$75 million in legal fees, and Qwest is advancing him the money. The case goes to trial March 19.

"The FBI and the U.S. Postal Inspection Service play a very important role as the government prepares for trial," said Jeff

Dorschner, spokesman for the U.S. attorney's office. "This is a document-intensive case, and they are helping the government organize the evidence and coordinate the logistics involving witnesses."

Mountains of paperwork

The case involves truckloads of filing boxes, some requiring top government security clearances to open. Nacchio has claimed in court filings that he was landing secret government telecommunications contracts as he sold his stock - lucrative deals that he claims gave him an optimistic view of Qwest's prospects.

Prosecutors, meanwhile, will argue that Nacchio knew his company - which restated \$2.5 billion in revenues after his watch - was sinking into the muck of a telecom-industry meltdown and that he dumped his stock on an unsuspecting public.

I'm not sure how effective Nacchio's "I Spy" defense will be in court, but I do know it has beleaguered the agents working the case. There is perhaps no greater time-suck than

the management of classified documents.

"There are people traveling all over the country doing interviews, serving subpoenas and going through all the classified stuff," Knierim said.

And as the trial date approaches, agents are probably revisiting witnesses they haven't seen in years.

"And people think we spend all our time chasing down bank robbers and catching kidnapers," Knierim said with a laugh.

It can't be easy. On Jan. 26, Judge Edward Nottingham admonished federal prosecutors to turn over evidence to Nacchio's lawyers in a more timely fashion.

Assistant U.S. attorney Cliff Stricklin told the judge that the government is still interviewing witnesses. And he complained that Nacchio's lawyers are demanding more than they really need.

"We're doing the best we can with the resources we have," Stricklin said.

Knierim offered no predictions about how the case will go from here.

"I will say that prosecutors and their agents take their responsibilities seriously," he said. "They don't do things they don't think they can prove. ..."

"What I always enjoyed about working fraud was that it was never clear-cut, and it was an arduous thing to bring to trial," Knierim said. "But I knew that no other agency was going to dedicate those kinds of resources just to hold one person accountable. That's what kept me going."

Al Lewis' column appears Sundays, Tuesdays and Fridays. Respond to him at denverpostbloghouse.com/lewis, 303-954-1967 or alewis@denverpost.com.