What's next for former Qwest CEO Joe Nacchio as his prison term ends?

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Joe Nacchio is scheduled to be a free man Sept. 21, four years and five months after he began serving a 70-month prison sentence for illegal insider trading.

With millions of dollars likely still in the bank and the business connections that come with it, the former Qwest CEO's road back to society should be far smoother than the path most former inmates encounter, experts say.

"The situation with Nacchio is clearly unique," said Richard Zaranek, a consultant who helps defendants prepare for prison and inmates cope with life behind bars. "Having the corporate connection and having financial strength clearly helps these guys. It helps them cut through these layers of social stigma that exist out there."

Finding employment is typically difficult for former inmates with a felony on their records, and many lean on government-provided resources to help re-acclimate themselves to society, Zaranek said.

For Nacchio, if the line of work chosen by other former high-profile white-collar criminals is any indication, his options for generating income, or keeping busy, will include consulting, writing a book and joining the public speaking circuit.

Former Enron chief financial officer Andrew Fastow, who served several years in federal prison for securities fraud, has given a series of speeches about lessons learned, including one last year at the University of Colorado at Boulder.

Samuel Waksal, the biotech executive famously tied to Martha Stewart's insider-trading scandal, returned to the industry after he completed a multiyear sentence in 2009. He is now CEO of Kadmon Pharmaceuticals, a privately held, New York-based bio-pharmaceutical company.

Former lobbyist Jack Abramoff, released in 2010 after serving 43 months for fraud and other charges, published an autobiography a year later.

Nacchio's response to a request for comments for this article, through his attorney, suggests that the one-time Wall Street star plans to resurface publicly, at some point.

"Mr. Nacchio has advised me that insofar as he has not yet concluded his sentence, he is not, at this time, granting interviews or making commitments for same," said Thomas Gentile, an attorney with Lampf, Lipkind, Prupis & Petigrow.

"Difficult situation"

Nacchio, 64, is barred from serving as an officer or director of any publicly traded company as part of an agreement with the Securities and Exchange Commission to settle a civil fraud lawsuit in which he didn't admit guilt.

He last spoke publicly in May 2010 at a court hearing in Denver. The remarks provided a brief glimpse into Nacchio's mind-set after he had spent about a year behind bars at a prison camp in Pennsylvania.

"I have to tell you that everybody I've ever met in prison finds it a difficult situation, so the state has accomplished what it intended to do for all of us, and it certainly has been tough on my family and myself," Nacchio said during a five-minute speech at a hearing in which he waived his rights to attend his resentencing, which was held a month later.

Nacchio also spoke glowingly about his fellow inmates and said he served as the prison camp's only Catholic Eucharistic minister.

"The vast majority of them, if they serve more than a couple of years, their personalities will change," said Zaranek, president of Executive Prison Consultants. "Some of them become hardened, and they become very anti-bureaucracy, anti-the-system. ... Others change in a different way. A lot of them will devote their time to reading, research, religious-oriented activities."

Sentence reduced

In 2007, a jury found Nacchio guilty of illegally selling $52 million in Qwest stock in 2001 based on nonpublic information about the company's deteriorating finances. Nacchio has contended that he was optimistic about the Denver-based telecom company's prospects when he made those trades.

He was initially sentenced to serve 72 months in prison and two years' probation.

On appeal, U.S. District Court Judge Marcia Krieger trimmed the prison sentence by two months and withdrew the two years of supervised release. He was also ordered to forfeit $44 million in ill-gotten gains and pay $19 million in fines.

Nacchio has been able to cut the sentence further through good behavior and by completing an intensive residential drug-treatment program, according to the Bureau of Prisons.

During the resentencing, Krieger noted that the presentence report "does not indicate a risk of future substance abuse by the defendant."

As a rule of thumb, for every year of incarceration, it would take one month of freedom to adjust, said Donna Leone Hamm, executive director of Middle Ground Prison Reform, an advocacy organization that lobbies on prison-related issues.

Home detention

Nacchio was transferred from a minimum-security prison camp to a halfway house in March and transitioned to home detention in May. He is scheduled to remain under the supervision of the Bureau of Prisons until Sept. 21.

"Four and a half years or so is not enough time to become institutionalized to where he can't function without the institution telling him what his daily routine should be," Hamm said. "On a scale of 1 to 10, his adjustment is probably a 3."

Nacchio's financial picture plays a big role in the assumption that his transition back into society will be easier than most. He and his wife own several residential properties, including a multimillion-dollar home in Mendham, N.J., where he lived before entering prison.

"He and his wife's combined net worth at the time of the offenses was approximately $420 million," Krieger said at Nacchio's resentencing hearing in June 2010. "In 2002, he transferred assets of about $142 million to his wife."

Nacchio has sued to recover nearly $18 million in taxes paid on the insider- trading profits that he forfeited as part of his sentence. Gentile, Nacchio's attorney, said it could be "a number of months" before the matter is resolved.

When, or if, Nacchio opts to speak publicly again, one topic he may cover is the controversy over the National Security Agency's surveillance programs. Nacchio has alleged that, more than six months before 9/11, the NSA asked Qwest to participate in a wiretapping program the phone company thought was illegal. He also contended, according to court records, that when he refused to participate, the government retaliated by not awarding lucrative contracts to Qwest.

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