

U.S. dropping case against former J. David exec

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The U.S. attorney's office announced yesterday that it will drop its case against former J. David & Co. executive Edward "Ted" Pulaski, ending a three-year quest to convict him of securities violations.

Given the hung jury in Pulaski's trial, "there is no reasonable assurance that a second trial would have a different result," U.S. Attorney William Braniff said in a prepared statement. "Given the heavy caseload in the district, it would not be in the public interest to consume scarce judicial resources without a greater expectation of a successful outcome."

Federal prosecutors now will move to dismiss the charges.

The announcement came as a surprise to Pulaski's attorneys, who had not been told by the government of its decision.

Attorney Bernard Skomal represented Pulaski in the five-week trial, which ended in June with a jury voting 7-5 for Pulaski's acquittal on six charges and also deadlocked on a conspiracy charge. The jury had deliberated three weeks.

Skomal said he was surprised by the government's move yesterday "because they told me that they would never dismiss the charges."

Because of a conflict in Skomal's schedule, Pulaski, who is a lawyer, planned to represent himself in his scheduled November retrial. He was working on his case with attorney Michael Crowley.

Crowley credited Skomal for the government's decision not to retry the case. He agreed that the action was surprising "because we were told by the government that they were proceeding ahead." Crowley said he had recently filed motions for dismissal.

"We're gratified that the U.S. attorney's office has seen fit to do that," he said. "Ted has maintained his innocence throughout."

Pulaski, a former Marine Corps officer and triathlete, was charged in March 1988 with using the mails to sell unregistered securities and with conspiracy to do so. The charges carried a maximum sentence of 35 years in prison and a \$70,000 fine.

Pulaski, now a consultant living in Hawaii, was an executive with the defunct J. David & Co., a firm that perpetrated a Ponzi scheme that bilked 1,500 investors out of \$80 million from 1979 to 1984.

During Pulaski's trial, J. David principal Nancy Hoover-Hunter testified for the first time that she had lied about her role in the company during her own trial. Hoover-Hunter is serving a 10-year prison sentence for her involvement in the J. David affair and is awaiting word from U.S. District Judge Earl B. Gilliam on whether her sentence will be reduced.

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Abstract (Document Summary)

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