

Jury Acquits in Ralphs Labor Case

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LOS ANGELES — A federal jury took less than five hours to acquit three former Ralphs Grocery Co. executives and managers of charges alleging they illegally rehired hundreds of locked-out workers using false names and false Social Security numbers during Southern California's bitter 2003-04 supermarket labor dispute.

The stunning verdicts came after a three-week trial before U.S. District Judge Percy Anderson and after defense attorneys — in a highly unusual tactical move — collectively chose not to call a single witness to testify in their clients' defense.

"The proof wasn't there," said Evan A. Jenness, who along with William J. Genego Jr. of Nasatir, Hirsch, Podberesky & Genego represented ex-Ralphs Vice President Patrick Anthony McGowan. "These people are innocent."

Michael M. Amir of Doll Amir & Eley, who represented Scott Drew, a former vice president of Kroger Co., Ralphs' parent, said the defense told its side of the story through its cross-examination of

prosecution witnesses. Gregory L. Doll, also of Doll & Amir, represented Drew.

Thom Mrozek, a U.S. Attorney's Office spokesman, had no comment on the verdict.

Drew, McGowan and Karen Montoya, who once managed 23 Ralphs stores in Orange County, were mostly stoic as "not guilty" was read, one by one, on the 12 counts against them.

But at one point during the hearing, one of Montoya's attorneys, James W. Spertus of the Law Offices of James W. Spertus, wiped his eyes with a tissue then held his client's right hand. An emotional Montoya then began to cry.

After Anderson and the jury separately exited the courtroom, the defendants' family members wept and hugged them.

"I'm very pleased with the jury's verdict," said Spertus, who was assisted by his associate, Amanda R. Touchton, after the hearing. "It's time for healing now."

"Karen Montoya can now begin her life without this criminal investigation and indictment around her neck," Spertus said.

The verdicts ended a long legal battle for McGowan, Drew and

Montoya, as they had been under a federal investigation for five years.

In July 2006, Ralphs pleaded guilty to similar charges stemming from the labor dispute. Anderson fined the company \$20 million and ordered it to pay \$50 million in a fund to reimburse their workers and union.

After the indictments against McGowan, Drew, Montoya and five other former Ralphs executives and managers were returned in September 2008, Ralphs stopped advancing the defendants' legal fees. In turn, this caused attorneys such as Nicola T. Hanna of Gibson, Dunn & Crutcher, Bart H. Williams of Munger, Tolles & Olson and Gary S. Lincenberg of Bird, Marella, Boxer, Wolpert, Nessim, Dooks & Lincenberg, to step down from the case.

Two other ex-Ralphs managers, Charles Vance and Randall Kruska, pleaded guilty to charges while jury selection was underway. Three other ex-Ralphs managers, Craig Totman, Kelly Clark and Allen Moorman, each pleaded guilty in separate cases to lying to federal investigators.

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