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CSU community 'shocked' by charges Board chairman: 'We regret' \$10M in scholarship funds were turned over to Parish firm

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It seemed like a good idea at the time.

Turn over \$10 million in Charleston Southern University scholarship funds to Parish Economics LLC, the investment company of Al Parish, the school's trusted, flamboyant economics professor with a reputation for shrewd money management.

The money was already invested elsewhere, but the Board of Trustees reasoned three years ago that the university would get a better return on its funds by placing them in the care of Parish, said board chairman and Moncks Corner businessman Johnny Ward.

'The Board of Trustees made this decision. Naturally, we regret it,' Ward said Friday.

Parish was accused Thursday of securities fraud by the federal government, which said perhaps tens of millions of dollars are missing from Parish Economics, a company owned by Parish and his wife that has invested on behalf of an estimated 300 individuals and companies - including CSU. The company was sued for five counts of civil fraud by the Securities and Exchange Commission.

On Monday, Vice President for Business Affairs Sue Mitchell sent a memo to Parish stating that the trustees wanted the \$10 million back. The trustees' Investment Committee met with Parish on March 27 to discuss the situation, according to the memo.

'I didn't realize the whole scope of things until (Thursday). The first I heard about anything was when he went into the hospital maybe last Friday. We were just worried about Al being sick,' Ward said.

Parish, 49, checked into a hospital last week, saying he had amnesia, according to acquaintances, the university and the SEC.

Ward said he learned the magnitude of the financial problem in a conference call with five other trustees Thursday night. News of the alleged wrongdoing stunned him, he said. 'We're just shocked. The whole community is shocked. It came out of the blue to me just like the general public,' Ward said.

Mitchell, a trustee and Investment Committee member, could not be reached for comment Friday. On Thursday, the university filed a lawsuit in Charleston County Circuit Court against Parish Economics and other related entities to protect the \$10.66 million that the school invested with him, according to a statement released by CSU President Jairy C. Hunter, who otherwise declined comment.

'Charleston Southern University is assessing the potential impact,' Hunter said in the

statement. 'University personnel and student scholarships will not be adversely affected. While this situation will require budget adjustments, Charleston Southern has operated in the black for 22 consecutive years and plans to continue to do so. The Charleston Southern family continues to pray for everyone impacted by this unfortunate situation.'

Ward said he didn't know Parish well but had heard him speak at the Lion's Club and Berkeley County Chamber of Commerce. 'I'm just a country boy. I wish I could speak near as well as he could speak,' Ward said.

He used to joke that Parish was in a contest with a former Moncks Corner doctor known for his outrageous clothing. 'You could always recognize

(Parish) by his dress,' Ward said.

Ward said he has two grandchildren enrolled at CSU.'

The children had so much respect for Al. My grandson called me this morning and said, 'What do you think?' I said, 'I really can't say, we don't know yet.' They're disappointed because he was such a good teacher,' Ward said.

Ward said he is waiting for the story to unfold in the next few weeks. In the meantime, he remains optimistic about the future of the university. 'We're a Christian university. We're accustomed to hard times because we don't have state money coming in like the public universities.' The bulk of the university's revenue is from tuition, he said.

Ward said he is sorry for the fact that Parish appears to be sick, but he said it's hard to know what's going on with him. 'I hope that maybe nothing's wrong, but when somebody is in the hospital you can't really find out. We'll all know more later, hopefully.'

Board Secretary Gloria Thiem said the situation seemed unreal. 'It's just real hard for me to believe that Al could have done this. I couldn't believe he would do this to his friends and the university,' she said.

Thiem said she hoped the situation was some sort of mistake and that all the missing money would be found. 'I'm just kind of emotionally drained. I spent a lot of time last night praying,' she said Friday.

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