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Charleston agog as financial guru accused of fraud

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Charleston — He rolled up to the convention center here a little more than a month ago in his signature purple Jaguar with the custom cat-print top. Dressed in a yellow suit, he then gave his annual economic forecast for the chamber of commerce.

Afterward, the area's most prominent economic guru drove back to Charleston Southern University, where he was a respected professor, and began to melt down. He complained of blurred vision and became incoherent. By day's end, he had checked into a hospital, claiming amnesia.

This week Al Parish, 49, was indicted on 10 counts of mail fraud and wire fraud in what federal investigators allege, and he says he can't remember, was one of the biggest and most bizarre scams the region has ever seen — so big and bizarre that the court has called in experts from Atlanta to sort it all out.

About 600 investors from around the country signed over what investigators believe was more than \$100 million to investment funds that Parish told them had grown to \$524 million, according to a report filed by a court-appointed receiver.

Almost all of it appears to be gone.

Much of it disappeared in random spending sprees on a motley array of items, much of which filled his suburban home nearly to overflowing: Red Skelton clown art, a \$2.2 million teapot, an ancient Chinese chess set (stashed among his four children's board games) estimated to be worth \$500,000, a \$590,000 watch (still boxed in bubble wrap), diamond-encrusted pens sealed in plastic bags. Not to mention the Jag.

"You could hardly move through the house," said Andrew Savage, Parish's defense lawyer.

Savage said he could not comment on his client's alleged misconduct because Parish "can't remember it."

Staid old Charleston has been aghast — and enthralled — by the story, an outsized blend of Southern Gothic and Sun Belt sharpie.

"It's a combination of 'Midnight in the Garden of Good and Evil' and 'A Man in Full,' " said David Dantzler, a lawyer at Atlanta's Troutman Sanders working with Hays Financial Consulting, also based in Atlanta, to unearth assets. They include more than \$10 million invested by the Baptist college where Parish taught.

"I've never seen anything like it," Dantzler said.

Two kinds of people

There are two kinds of people in Charleston: those who acknowledge they invested with Parish, and those who can't believe anybody did.

A paunchy circus bear of a man from the Lowcountry's deep woods, Parish could be spotted in red suits, in pastel outfits that invited comparisons to the Easter bunny, in ensembles that combined florals, stripes and cartoon characters.

"Charleston seems to embrace eccentricity from time to time," allowed Alex Sanders, president emeritus of the College of Charleston.

"But the thing that's startling to me is that, even though we embrace eccentricity, he could talk people out of that much money. It's not exactly confidence-inspiring to wear purple clothes and drive a purple car."

Yet Parish won over almost everyone he worked with. He sat on boards for organizations ranging from the

Charleston Regional Development Alliance to the Charleston Symphony Orchestra.

He wrote a financial advice column in the newspaper --- for free. He started a course at his church on investing from a Christian perspective.

"He's right up there with the best I've worked with," said Martin Regalia, chief economist for the U.S. Chamber of Commerce.

Raised beside a saltwater creek near Hollywood, S.C., about 20 miles from Charleston, he was the local boy made good who promised annual returns of 30 percent or more. One columnist dubbed him a "Bubba-turned-economics professor-turned-financial guru."

"We grew up in the middle of a cow pasture, where everybody worked and went to church," said Johnny Parish, Al Parish's younger brother and supervisor of a road crew who still lives next to the house where he grew up. "Al was always smart. He could do math problems in his head."

Al Parish earned a doctorate in mathematical economics from the University of North Carolina and in 1990 got a teaching job at Charleston Southern.

He had already started to invest other people's money, putting their investments in "pools" of different funds, such as futures or bonds.

He wasn't licensed by the state or the Securities and Exchange Commission, but Parish's clients often knew him or had heard about his investment company from those who did. Recommendations came from some of the area's most respected accountants.

Investigators say it isn't yet clear whether Parish defrauded investors prior to the last few years, when his spending spiraled. But what they call a "classic Ponzi scheme" began to unravel early this year.

Charleston Southern needed to pull \$1.5 million of its \$10.6 million investment.

Despite a balance on his books of more than a half-billion dollars, Parish couldn't come up with it, investigators say.

Colleague fooled

"If you asked me a month ago if I was a good judge of character, I would've said, 'Yes,' " said Arnold Hite, an economics professor at Charleston Southern whose office was down the hall from Parish's. "Now? I must not be."

Hite said he and his wife put money into one of Parish's most conservative funds. They thought it had grown into a six-figure nest egg. Then Hite learned the fund didn't exist.

"I just wanted to vomit," he said. "I've been beating myself up with, 'Why didn't I see it?' I guess I had too much faith in him. He had such deep roots here, it seemed too fantastic that he'd defraud me."

Walking across the North Charleston campus where building projects have stopped because of the school's losses, Hite said, "Multiply my story by 600."

Parish remains in the Charleston County jail, where he has been held since shortly after his breakdown. Still claiming to suffer from amnesia, he has been sued in civil court by Charleston Southern, other investors, and the SEC, which accuses him of five counts of civil fraud.

He is scheduled for arraignment in federal court May 23. If convicted on the criminal charges, he faces a fine of up to \$250,000 and up to 20 years in prison for each count of mail and wire fraud. He faces up to five years for a false statement charge.

Locals are still shocked. Executives at the Charleston Metro Chamber of Commerce, where Parish was considered its flamboyantly wonky face, say they didn't even know he ran an investment firm.

Few knew that, outside of his purple Jag, he had an other-life lifestyle that included five residences, six cars and art that ranged from an original Norman Rockwell painting to a Picasso drawing found among some computer manuals and a Degas that's likely a fake.

"He's an example of how people can have different aspects of their life going on simultaneously," said chamber President Charles Van Rysselberge.

Investigators continue, as Dantzer puts it, to "open up closets and find stuff." But they haven't found money stashed in shell corporations or overseas accounts.

Parish's hard assets are being catalogued for auction. The purple Jag was shipped to Atlanta because, as Dantzer told a district court judge, "We think a purple Jaguar will sell better in Atlanta than in Charleston."

Other fallout from Parish shows up in unexpected ways. Local artist Steven Jordan was hired by Parish years ago to paint the cat pattern on his Jaguar's top.

Later, when Jordan was in danger of being evicted from his purple studio, which doubled as his home, Parish called with a \$250,000 loan to buy the building.

"I tell everybody this building exists because I painted spots on someone's car," Jordan said. "I feel indebted to the guy."