

Al Parish: A buffoon or criminal mastermind?

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Staff Writer*

Was Al Parish a narcissist driven to fraud by an inordinate need to be seen as a larger-than-life persona? Or was he merely, in the words of his attorney, a buffoon who got in over his head after others took advantage of him?

That's likely to be the question a jury will be asked to decide when the former economist and well-known economic forecaster finally comes to trial for allegedly spending \$55 million of investors' money on an incredibly odd assortment of hard assets and a personal lifestyle that included chartered jet trips to Hawaii, a New York City timeshare and nearly \$9 million in credit card bills, including \$7.3 million spread across three American Express cards.

Two hearings held within hours of each other on May 31—one that led to Parish's release on bail, the other a status report by the court-appointed receiver in the multi-million federal fraud case—shed more light on what transpired over the life of Parish's investment pools and what has happened in the weeks since the initial charges were filed.

They also set the stage for what promises to be one of the most memorable trials in the history of the Holy City. But don't expect that trial to start anytime soon.

Parish's attorney, Andrew Savage, predicted the trial likely won't begin for months.

"You have to understand, the receiver's investigation, related to the civil case, and the FBI's investigation, related to the criminal case, are two different activities. And the FBI is not as far along in their activity," he said.

"Once the FBI investigation completes its investigation, we'll look at what they have and proceed from there."

Asked about a possible defense from Parish, Savage said the best-case scenario is for Parish to emerge as a "buffoon" rather than a criminal mastermind.

"You heard what was said during the receiver's report. A lot of people took advantage of him," Savage said. "People saw Al Parish coming, knew he was no expert about the kinds of things he was purchasing and put their hands out to collect his money."

Hard assets

Attorney J. David Dantzler, who is working with court-appointed receiver Hays Financial Consulting, said it appears Parish spent more than \$25 million in the acquisition of hard assets over the years and ultimately

amassed a collection of more than 2,000 items ranging from an 18-piece silver setting and a 1,000-year-old ivory chess set to Paul Revere Silver and Tiffany candelabras to expensive writing pens, cartoon art and Red Skelton clown paintings.

Parish maintained no system for keeping track of purchases, sales, storage and value of these assets and preferred to consider his credit card statements as his inventory, Dantzler said.

So many items were found in so many places in the first few weeks of the investigation that Parish's home on Rabbit Run Lane in Summerville eventually became a staging area for inventorying, packing and shipping of the items to climate-controlled warehouses.

As a result, Parish's wife, children and mother-in-law were forced to vacate the premises, and 24-hour armed security was employed. Yolanda Yoder Parish initially received \$11,000 for maintenance from the U.S. Securities and Exchange Commission, but the funds were nonrecurring.

Dantzler said he often crammed the SUV he drove from his home in Atlanta with artwork to take to Parish's Summerville home.

Numerous items were found in unexpected places. The candelabras, for instance, were found in Parish's garage next to gardening equipment. They've since been valued at approximately \$300,000 a piece. While numerous boxes for Mont Blanc pens were found in a storage room, the pens themselves—many of them valued at more than \$100,000—were found in drawers, cabinets and assorted other places.

Among the items of interest is a travel bag that once belonged to the artist Andy Warhol. Parish bought the case for \$35,000. Other discoveries included several large sculptures of animals found in Parish's backyard. Those statues have since been valued at \$30,000 each.

Bamboozled?

While Parish's purchases are still being valued—a process that prompted representatives of both the Christie's and Sotheby's auction houses to visit Charleston in recent weeks, Dantzler said it appears the economist had no idea what he should have been paying for many works.

Although Parish maintains he purchased the investment assets below market value, Dantzler said it now appears he was frequently cheated, so much so that the receiver is considering taking action against the dealers to try to recoup more money for investors.

Those activities alone will take up much of the summer, and Dantzler doesn't expect any significant developments until Labor Day weekend, he said.

Other questions in search of answers are why many of the items found in Parish's home had price tags on them at variance to what Parish spent on them. One Red Skelton clown painting, for instance, was found bearing a price tag of \$89,000. Dantzler said the invoice for the item states that Parish bought it for considerably less. The price tag on a diamond-encrusted watch displayed a price tag of \$590,000, but it was actually purchased for about \$35,000.

"We don't know who placed these price tags on the items and whether it was Parish's attempt to impress somebody," Dantzler said.

The receiver's team of investigators is also beginning to get its arms around Parish's "lifestyle spending"—spending that is now known to include more than \$700,000 on chartered jets that he flew to such destinations as Hawaii, Bermuda and the British Virgin Islands, and more than \$25,000 he spent in the last year on personal household servants and babysitters.

"An awful large amount of money was spent by Parish to pay for his interesting, expensive collection of suits," Dantzler said.

One pair of custom-designed suits was actually tailored to match the outfit worn by one of the clowns in a Red Skelton painting, he said.

In the last 27 months of Parish's investment activity alone, a period extending from January 2005 to March 2007, about \$68 million was received from investors and a slightly larger amount was disbursed or spent by Parish.

Records now in the government's possession indicate during that period, Parish paid out \$36.5 million to investors, while \$10 million was used to purchase "hard assets." Another \$2.5 million was paid in life insurance premiums, and several million dollars was spent on Parish's lifestyle.

The receiver said the use of about \$6.6 million requires further examination, although Dantzler assured the court that enough investigative work has been done to feel assured none was hidden.

Among the other revelations of the report was that Parish also had been a big-time investor in startup businesses, buying partial ownership shares in more than 30 private companies over the years, including Bellco Media LLC, publisher of High Roller, a magazine for gamblers, and a 40% interest in a company called Get Fit Now.

Other firms were in the oil, gas, banking, media, pharmaceutical and high-tech arenas. He even appears to have been a shareholder in a children's day school on Daniel Island.

Is Parish a flight risk?

Prosecutor Carlton Bourne left the courtroom May 31 unconvinced that Parish will not try to flee before his trial begins.

One reason is the amount of money that has been lost. Another is the punishment Parish faces. While the stated penalties suggest that Parish could be sentenced to a total of 205 years in prison if convicted of all 11 federal charges, federal judges must at minimum adhere to a sentencing point system tied directly to the facts of the case.

At minimum, Bourne said, a compilation of the points in Parish's case show that if convicted he will be sentenced to no less than life in prison.

"Desperate people sometimes do desperate things," he said.

And Parish, Bourne continued, is no run-of-the-mill criminal.

"He manufactured false documents that purported to show dividends in the millions. He ran a sophisticated

fraud scheme. Our belief is that the defendant has the sophistication to set up a new business and set up an international identity,” he said.

“Remember, while the receiver believes there’s no evidence that any money was hidden, this investigation is only, really, seven weeks old. My concern would be Parish having mason jars full of money in his backyard and his digging them up and heading to the airport. I stand by my belief that he’s a considerable flight risk.”

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