

Conman-turned-pastor convicted of cheating church

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SAN DIEGO — A man who went from teenage millionaire to convicted con artist to professional fraud fighter and pastor was convicted Wednesday of cheating his San Diego church congregation out of some \$3 million.

Barry Minkow pleaded guilty to embezzling funds from the San Diego Community Bible Church, a U.S. attorney's statement said. He was already serving a five-year sentence for a securities fraud conviction in Florida and could get five additional years when he is sentenced for the new conviction April 7.

Under the plea, Minkow admitted that he opened unauthorized church bank accounts, forged signatures on checks and used member donations for personal benefit.

"Barry Minkow is again convicted of fraud, this time for stealing money from the parishioners of San Diego Community Bible Church," U.S. Attorney Laura Duffy said. "We stand vigilant against those who cheat and steal without regard to the consequences wrought on their victims and their communities."

Minkow gained national attention as a teenager in the 1980s by founding the ZZZZ Best carpet cleaning company in Southern California. At age 21, he became the youngest person at the time in U.S. history to take a company public, and he became very wealthy on paper.

But ZZZZ Best turned out to be involved in a fraud scheme in which investors poured \$100 million into fake fire and water restoration projects. And in 1988, Minkow was sentenced to 25 years in prison after being convicted of 57 fraud charges.

He was released in 1995. Minkow became pastor of the San Diego church two years later, after undergoing a religious conversion in prison.

He also founded the Fraud Discovery Institute, which helped the FBI and other law enforcement agencies ferret out white-collar crimes around the country.

But even while working with the institute, he was engaged in manipulating the stock prices of the companies he was investigating, federal prosecutors said.

In 2011 in Miami, a federal judge sentenced Minkow to five years in prison for involvement in a scam that cost homebuilder Lennar Corp. some \$580 million in lost stock value.

The judge, Patricia Seitz, said at the time that Minkow was a "very gifted person," but he had "no moral compass that says 'stop.'"

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