

Ponzi schemer Barry Minkow facing third strike

By Kaja Whitehouse

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Barry Minkow delivers a sermon on materialism at the Community Bible Church in San Diego while wearing his prison jump suit in 2002.

Photo: AP

Two-time felon Barry Minkow is facing financial fraud charges for a third time.

Minkow could be hauled before a judge soon over allegations that he misused funds and swindled members of the San Diego church where he became head pastor after serving prison time for the ZZZZ Best investment scam in the 1980s, court documents reveal.

The former financial whiz kid is serving a five-year sentence in the Federal Medical Center in Lexington, Ky., for a second fraud case in which he admitted to conspiring to drive down the stock of Florida-based home builder Lennar Corp. He is slated to be released in early 2014 — assuming the San Diego feds don't get him first.

Minkow is "likely to be transported soon, via a writ, to the Southern District of California in connection" with the church allegations, Jerrob Duffy, the Miami federal prosecutor who handled the Lennar case, wrote in a letter to a federal judge in Florida.

Duffy was responding to Minkow's recent request for an extended halfway-house stint, which Minkow has since withdrawn. Duffy asked US District Judge Patricia Seitz to deny the request, saying he believed it was part of a ploy to delay the pending California charges.

“The government respectfully suggests ... the motion is in part designed by the defendant to try to obtain an order from this court that somehow delays [or takes advantage of] any expected writ to California,” Duffy wrote to the judge.

Minkow’s lawyers didn’t return requests for comment.

Minkow rose to fame when he took his carpet-cleaning company ZZZZ Best, which he founded while still in high school, public in 1986. At 18, he was a millionaire.

But most of the revenues were a fantasy, complete with phony invoices and fake offices. When the scheme collapsed, he was sentenced in 1989 to 25 years in prison. After his release in 1995, he built a new life as the charismatic pastor of the Community Bible Church in San Diego.

He also launched a career as a fraud investigator until 2009, when he was accused by Lennar of making unsubstantiated claims about the company’s financials. He later admitted to fraudulently shorting the stock.

What’s more, feds in San Diego have been investigating claims that he commingled the church’s money with his own, including using church funds to support his corporate investigations business.

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