

In jail and on the phone, Lou Pearlman reverses the charges

Contributed by Lou Pearlman Writer
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By HELEN HUNTLEY, Times Personal Finance Editor

Published October 21, 2007 Lou Pearlman, right, is escorted to an awaiting van in June [Masako Watanabe]

As he sits in an Orange County jail cell, Lou Pearlman dreams of pitching a reality show called Second Chance featuring losers from shows like American Idol and hosted by a celeb who has done jail time -- maybe even Paris Hilton.

Facing federal fraud charges, he imagines himself getting out on bond and moving in with his longtime girlfriend.

Most of all, he proclaims his innocence.

"Somebody's been trying to frame me in this thing," Pearlman claimed in one of his phone calls to Alan Gross, 56, his childhood friend and onetime business associate.

"I'm being blamed for a lot of stuff. I'm being made a patsy here."

[Courtesy of Alan Gross] Alan Gross and Lou Pearlman admiring the papier mache blimp Alan built in Alan's Mitchell Green apartment. Circa 1965

Boy band producer Pearlman has yet to agree to a formal interview since he was jailed. But he offers revealing glimpses of his life and thoughts behind bars in these phone conversations with Gross, who grew up with Pearlman in the same apartment building in Queens, a borough of New York City.

[Helen Huntley | Times] Alan Gross and his collection of blimps. Pearlman has called Gross six times in the past two months, calls that cost Gross about \$15 a pop under the jail system for reversing the charges. Gross, a professional interviewer for the Census Bureau, took careful notes each time. Pearlman is free to call anyone he likes, but cannot receive incoming calls. All calls are recorded and available to investigators.

Arrested in Bali, Indonesia, four months ago, Pearlman, 53, is being held in Orlando without bail on federal charges of bank fraud. His trial is scheduled for March, but could be delayed since investigators are working on additional charges related to a \$317-million investment scheme run by Pearlman's company, Trans Continental Airlines.

Although millions are missing, Gross said the former music mogul's calls offer no hint of where the money might be or whether any is left at all.

One minute Pearlman acknowledges responsibility as Trans Continental's president. But the next minute, he tries to dodge it, saying he got involved with people who were bad news and disputing investor claims. Gross said Pearlman complained to him that investors exaggerated their claims by doubling or tripling their actual losses.

The conversation makes life a little less lonely for Pearlman, who is not allowed contact with other inmates. He is permitted out of his cell twice a day, including an hour to walk and do a few calisthenics on an outdoor court. He also gets an hour of indoor time for showering, watching television and making phone calls. He has no access to the Internet.

His 8-by-16-foot cell, which ordinarily would house two inmates, is furnished with bunk beds, a toilet and sink. He eats kosher meals, which he described as TV-dinner type meals that are better than regular jail fare. They are served on a tray pushed through a slot in his cell door, which also has a window. The cell has no bars; frosted exterior windows let in natural light.

Pearlman says he spends his time "chilling out, thinking, reading."

Like O.J. Simpson, Pearlman says he wants to find the real perpetrators of the crimes he has been accused of committing. "We're going to track by track, step by step, find out what happened," he promised Gross. To do that, he said he needs to get out of jail. Gross said that in every conversation Pearlman talks about his plans for bonding out, saying he wants to throw a barbecue when he is released.

So far federal public defender Fletcher Peacock has not requested bond for Pearlman, a move that prosecutors certainly would oppose since Pearlman is considered a flight risk. When his business empire was falling apart last January, he left the country, traveling to Europe, Central America and Asia. Pearlman eventually was captured in Indonesia, where he was registered at a Bali resort under the name "A. Incognito Johnson."

Pearlman says his actions have been misinterpreted.

He told Gross he was not hiding, saying "I stay under Incognito names all the time when I travel." He even claimed to have turned himself in in Guam. In reality, FBI agents and Indonesian police escorted Pearlman to Guam, a way station on his trip back to Orlando.

Pearlman would have no home to return to if he were released. His creditors forced him into involuntary bankruptcy and a bankruptcy trustee has been selling off all his property and possessions, including his Windermere mansion, which is mortgaged for more than its value.

"It's like I'm dead and they're trying to bury me," Pearlman told Gross.

If he is released, Pearlman told Gross he wants to move in with Tammie Hilton, 36, an Orlando nurse he has dated for about seven years who visits him two or three times a week.

Each week he is allowed three visits in which he and his visitors see each other on television screens and talk by telephone. When Hilton visits only twice, his third visitor often is Dave Hedrick, 46, of Apopka, owner of a business installing audio and video systems. Hedrick became fascinated with Pearlman after attending one of the two bankruptcy court auctions of his possessions. While he mostly bought items to resell on eBay, Hedrick spent \$6,000 to buy Pearlman's clothes just to give them back to him. He said he also plans to return to Pearlman photographs, diplomas and other personal items he bought at the auctions if Pearlman is found innocent.

"I asked him, 'Is it possible you did what they said?' And he said 'Dave, there's no way. The truth will come out.' I've got to take his word for it and see how the courts come out."

Gross hasn't heard from Pearlman since Vanity Fair published a report claiming Pearlman was a sexual predator who took advantage of the teenage boys in his bands. Others who have asked about the allegations say Pearlman is denying them.

Pearlman does most of the talking in their phone conversations, but Gross asks some pointed questions like what Pearlman would say to investors who have lost their money.

"Tell them I feel bad for them," he says Pearlman told him, promising "I will do my damndest to make sure everybody's made whole. I will not stop until this is done."

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