**FAIR OAKS ROTARY CLUB FOUNDATION**

**Board of Trustees *Executive* Meeting**

**October 3, 2021**

**CALL TO ORDER – A special meeting was called to order by President Broad at 5:08 pm on *Zoom*. This meeting is in the strictest confidence.**

1. Attending – Nick Broad, Dennis Dunbar, Bonnie McClain, Alisa Lisagor, Anne Browning, Jim Cralle, Alida Bray, Diana Cralle
2. Absent – Marlow Simonetto

Opening Remarks
President Nick welcomed all attendees to this important executive meeting as we deal with the missing money and lack of cooperation from past Treasurer, Peter Wick.

Discussion regarding the missing CD’s and additional funds

* Nick reported last Friday, Oct 1st, was the deadline for Peter to respond to the Board’s letter sent by certified mail and emailed on September 27. None of the compliances in the letter were met by Peter. Ralph Carhart then called Peter today. Peter will not comply with any collateral; he is still only hinting but not admitting he did this. He seems to be willing to come to some sort of payment plan for the $78,700.86, while the $4400 that’s missing he said is in the bank account but stated it in an orthodox way. (He previously said this $4400 was in a clearing account and he did not know how to get it back). Alisa said it is not in the bank account.
* Peter asked for a new letter and said that Nick should apologize and Alisa, our Treasurer, should get QuickBooks training because she does not know what she is doing.
* What we have is a stall and blame placed on others by Peter. He is not addressing the real issue. Peter *solely* oversaw the financial records and bank accounts for 14 years. Where did the money go?
* Dennis pointed out the payment schedule which Peter, the prior treasurer, presented is about $600 short of the total.
* He owes over $100,000 including interest. What is our responsibility to this legal matter?
* Nick called Ralph yesterday and asked him to speak with Peter. Peter is not willing to comply with our request because he would then be admitting something. His payment plan suggests it but is not signed or dated.
* We discovered this on August 30th when Peter came into Dustin Buck’s office, admitted he had taken some money and then wrote a partial repayment check for $2,500. It is important to know the date, then wait another month before reporting an *alleged embezzlement*.
* The dilemma as Nick stated is
	1. We have gone to American River Bank and asked for records of the CD’s. After three searches they have no financial record where these CDs were or where they went to.
	2. Our own financial records only go back 5 years because Peter had record of them and likely destroyed them. So, we do not know where the CDs are and have no paper trail.
* Peter has given flimsy set of facts. The only thing we have is Peter hinted he wants to repay the amounts. We have three options:
	1. Accept his word that he will repay starting in October 2021;
	2. Send a demand letter since he is not responding;
	3. Report him to the authorities, filing a legal report alleging embezzlement of charity funds.
* Can we get the money back?
	1. If we do turn him into authorities it is a minimum of an 18 month process, then a judgement, and we may still have a payment plan.
	2. Or do we go on blind faith and naively accept his payment plan? (His real debt is over $100,000 including interest).
* Nick is torn what is right thing to do…
* Any questions about the facts before the discussion?
* Nick asked what is our course of action? With Ralph as our emissary are we going to proceed and go by the payment plan Peter physically presented to Dennis on Sept 20, 2021, or are we going to turn him in to authorities?
* Bonnie stated we cannot believe anything he says. He stole from us and is repeatedly lying to us. A title search was done and shows *his house is not in his name* but solely in his wife’s name.
* He has no collateral. His wife took out a large loan on the mortgage about two months ago.
* He is not cooperating in any way at all!
* For the record he paid $2,500 in August, none in September and claims he will pay $3,000 in Oct.
* Anne pointed out that without a contract, what is to keep him from saying it is a tax deductible *donation*. We need to have something in writing and notarized or a witness to show he owes this and will pay it back. Without a contract, what if he just quits paying? It is *our fiduciary responsibility to the Club*. We want it in writing. Down the line if someone looks at this, sees he owes the club of $100,000, and says this is all you did? It is our responsibility to address this in a legal matter
* We could lose our tax free status.
* Alida suggested under the circumstances, let him pay back the money on his terms. After we get a few payments from him, that will acknowledge he is in this process. If he does not pay after a few months, further action must be taken. Diana expressed similar feelings.
* Nick stated that although we suspected this for months, we discovered this on August 30th when Peter briefly met with Dustin Buck and wrote his first check as an utterance that we became aware the money is missing. The date is important for when you can report the embezzlement. It is as Federal offense.
* Anne asked if it is ok to check with Bill Stapelfield, a previous FO Rotarian and a retired IRS agent. Bill had expressed concern about the security of our funds several years ago.
* The most important thing is to get the money back.
* Many believe he will not pay this. He has been avoiding us from May and prior. Alisa does not believe he is going to pay; she is making note of all the emails.
* We should have all this in email or written down as we do not believe anything he says. Bonnie as secretary is recording all in fine detail.
* He has told different people different stories depending on who he is talking to.
* Nick said we should wait to see if we get any money in October.
* If the embezzlement is over $60,000, it is 40 years in jail, and he surely does not want this.
* He is aware we all know.
* Melanie informed us the tax report is due on October 15th. Should it be reported as a *loan* or *money* *missing*. She will do this year’s return with $78,700 missing and change the last two years.
* As current treasurer, Alisa is showing the money “missing” or as “unauthorized loan by previous treasurer.”
* Could we lose our 501(c)3 status? The money has been missing for years.
* Anne will talk to Bill Staplefeld and Jim to the State Dept. of Justice; Nick will talk to Ralph.
* Ralph talks to Peter, but nothing is in writing; Ralph believes he will repay.

Everyone gave a big thanks to Nick for all he is doing and for having discovered this long lasting problem.

Peter illuded to Dustin the funds went missing 12 years ago---before most of us members were in Rotary.

We have three accounts

1. General checking
2. Investments, which Dustin is managing
3. Restricted funds, consisting of two missing CDs

Nick reminded we must keep this confidential.

Should Joedda be informed? Not yet.

Adjournment

* Meeting adjourned at 6:13 PM
* Next meeting will be scheduled as this situation continues.

Sincerely,

Bonnie McClain

FO Rotary Foundation Secretary

PS. When people continually deny guilt, try transferring blame to others and will not admit or confess guilt, will not put anything in writing including their signatures, show not guilt or remorse, you can assume they will continue lying, are not sorry for what they did. They will continue denying they did anything wrong and are completely untrustworthy and will continue to talk and act like a criminal.