



Published September 18th, 2019

Scandal rocks Moraga Community Foundation

By Vera Kochan

Moraga Community Foundation announced in a Sept. 6 press release a potential embezzlement scheme perpetrated by F. Robert Fritzky while serving as MCF's treasurer.

Fritzky, a founding MCF board member, was nominated and elected into the treasurer's position. After an MCF document review, the foundation alleged that Fritzky began diverting funds into his personal checking account in June of 2016, well before his wife, Jeanette Fritzky, was diagnosed with lung cancer in July 2018. The MCF press release noted that Fritzky "also diverted MCF monies to a bank account belonging to MedMatRx, LLC, his pharmaceutical consulting firm based in Moraga. He also wrote numerous checks to the Jeanette Fritzky Foundation, a purported nonprofit charity founded in November 2018 following the untimely death of his wife, former Moraga Town Council Member Jeanette Fritzky, in September 2018."

During a recent board meeting, Fritzky reported that the MCF Mechanics Bank account contained over \$140,000 rather than the roughly \$9,000 it currently contains. He did so with a printed monthly financial report, which MCF now knows to have been fabricated.

Fritzky was replaced as treasurer by Wendy Scheck, who is also the associate publisher of Lamorinda Weekly, during the July MCF board meeting, in which MCF elected a new set of board members. Scheck, in the following weeks, requested all bank and financial records from Fritzky in order to perform her duties as newly elected treasurer. Her requests were stalled or ignored by Fritzky.

Scheck was finally able to access MCF bank account information on Aug. 29. According to the MCF press release, "A review of the transactions revealed that Mr. Fritzky had written 53 checks from the MCF bank account totaling more than \$220,000 which were deposited in three other bank accounts controlled by him. "We have also reviewed bank records appearing to confirm that Fritzky forged the signature of another MCF director on nine checks in order to get around the \$5,000 cap on his check writing authority. The total loss to MCF on these checks is in excess of \$61,000."

Fritzky is also alleged to have made numerous electronic transactions from the MCF account in order to pay for personal expenses which were not authorized by the MCF board of directors.

The Moraga Police Department was contacted on Aug. 29, the same day that the unauthorized transactions were discovered, and search warrants were served at Fritzky's home and business. Due to the nature of the allegations the United States Treasury Department has become involved. Moraga Police Chief Jon King stated, "They are the lead agency. We are continuing to work with them."

The MCF also states there is a second MCF account with Union Bank that is currently being examined to determine the extent of fraudulent activity. At this time, it appears that Fritzky wire transferred MCF funds totaling \$53,282.99 into his MedMaxRx account at First Republic Bank. Included in this activity are ATM cash withdrawals and payments for personal expenses such as credit card bills and travel expenses, which were discovered by a review of bank records. His alleged embezzlement from the Union Bank account at this point exceeds \$100,000 for 2017 alone.

In the process of taking steps to recover all of the funds, MCF has learned that Fritzky had filed for bankruptcy twice. The first time was in 2010, and most recently on May 19, one day before his home was scheduled for a foreclosure auction.

Fritzky also served as president of the Moraga Chamber of Commerce, but was removed from office shortly after his removal from the MCF board of directors on Sept. 3, at a special meeting in which Fritzky was not present. In a press release from Chamber of Commerce Executive Director Kathe Nelson, she stated, "I assure the chamber members that the Moraga Chamber of Commerce finances have not been misappropriated in any manner. Mr. Fritzky was not involved in the financial dealings of the chamber and only had a co-check signing access for checks exceeding \$1,500. During his presidency of the Moraga Chamber, he only performed this function twice."

Chamber Vice President Larry Tessler has taken over the duties as president and assures that the chamber will continue business as usual.

In a press release put out by the town of Moraga, Mayor Roger Wykle said, "I am saddened for the losses incurred by the Moraga Community Foundation which impact the entire Moraga community. It is disheartening to hear that a civic leader might have betrayed the community trust in this fashion."

The town has cooperated with the MCF on behalf of the community three times. In 2017, MCF held a fundraiser to help the MPD purchase and install a video surveillance system. According to the town's press release, "The receipt of those funds were audited and accounted for during the town's annual independent audit." MCF had proposed a donation of ADA-compliant restrooms for the Moraga Commons Park. At this time, the town has not received any of these funds. In March 2018, the town entered into a Memorandum of Understanding with the former owner of the Rheem Theatre, in the hopes of a potential future acquisition of the theatre by MCF. The MOU expired in March with no agreement having been reached.

Speculation as to what may have become of any donations made to the American Cancer Society during the 2018 Jeanette Fritzky Tribute Walk was laid to rest by Moraga Vice Mayor Kymberleigh Korpus. Korpus stressed that the town council had no involvement with the Jeanette Fritzky Foundation or the Tribute Walk, and that she herself served as a volunteer only due to her friendship with the former council member and colleague.

Korpus said, "To my knowledge neither Bob Fritzky nor the Jeanette Fritzky Foundation had any connection to the chain of command for the custody of the donations. Any donations made electronically went directly to the American Cancer Society." She added, "Money that was collected at the walk site was put into select buckets by two trusted volunteers, and delivered to the table where American Cancer Society workers took

the funds and transferred them into a locked box. At the end of the day, the locked box was opened in front of two people, myself being one of them, and the money was counted and the information was written down on a list of donors. The information was then reported back to Bobbie Preston, a volunteer organizer. Some donations were collected by a Boy Scout troop, who in turn delivered them directly to the American Cancer Society."

MPD recommends doing a small amount of research when solicited by or giving to charities to help avoid scams and ensure donations are being used as intended.

Bob Fritzky was contacted for comment, and in a Sept. 9 email, he stated, "Unfortunately, I am not allowed to respond under orders from my attorney. I do have a call into him to see how he wants it handled. Will be in touch soon." To date, no further comments have been forthcoming.

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