

Alpha Chi Sigma Fraternity

Professional in the Chemical Sciences

Office of the

GRAND
MASTER ALCHEMIST



Dr. Jonathan E. Wenzel
1700 University Ave.
Flint, MI 48504
gma@alphachisigma.org
(573) 999-1753

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Friends,

It is surprising to me that this report marks my 21st year in Alpha Chi Sigma. In 1996 it would have been unbelievable for me to comprehend leading our wonderful fraternity. First, I must start with an apology, these reports are to come at the end of each calendar year as well as the end of each biennium. Regrettably, due to medical reasons, I was unable to prepare a report for the first four months of the biennium ending in 2016. This report will constitute, instead, a report on the Office of Grand Master Alchemist from the beginning of the biennium.

Alpha Chi Sigma is many things to many people and to most Brothers, the business aspects of the fraternal corporation should be remote and unremarkable. The Supreme Council, as the corporation's Board of Directors, is typically a policy, disciplinary, and budget setting body that oversees the strategic plan, growth, business operations, external relations, national programming, and discipline of members of chapters. Frequently the Supreme Council will set the tempo and character for the biennium. It has been my objective, as Grand Master Alchemist, to ensure that this biennium the Supreme Council and its direct reports be as transparent and as communicative to the rest of the fraternity as possible. In this respect, I submit my annual report for Alpha Chi Sigma with the utmost of honesty, humility, and integrity.

Alpha Chi Sigma Scholar—At the start of the biennium a discussion ensued with the Supreme Council regarding improving the Alpha Chi Sigma Scholar program. This was based on the feedback and advice of many Brothers. For years, the Alpha Chi Sigma Scholar award, which is selected by a committee appointed by the fraternity and funded by the Alpha Chi Sigma Educational Foundation, was \$1,000, which had not been increased in a long time. It was felt that the decreasing interest in the award was due to the low dollar value of the award and the lack of financial awards for runner-up applicants. Likewise, it was felt that a more substantial scholar award and runner-up awards would be an excellent promotion of the three objects of the fraternity. In order for the award to retain its value, with inflation, and for the award to be given out in perpetuity, it was the decision of the Supreme Council to donate funds for the Alpha Chi Sigma Educational Foundation to endow the award. The Supreme Council voted December 3, 2016 to donate \$100,000 to the Educational Foundation for this purpose of endowing the award. It was later decided to spread this amount over five years and the first \$20,000 installment was given in December 2017.

Growth—So far, this biennium has seen a record setting pace of new chapter installations in 50 years. The biennium started with the installation of a chapter at Christopher Newport at the end of 2016. In 2017, chapters have been installed at Albion College, University of New Orleans, Philadelphia University, and University of Richmond. In addition Alpha Gamma Chapter at the

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University of Kentucky was reactivated. By the end of 2017, the University of Tampa received permission to petition and University of California-Irvine had its Grand Master Alchemist visit as part of the petitioning process. In addition, the colony at Northern Illinois University has requested a Grand Master Alchemist visit to determine if the colony is ready to petition. By the end of the biennium, it is anticipated that three additional colonies will be ready to petition. This is phenomenal in terms of growth for Alpha Chi Sigma. Our co-collegiate expansion directors, Jennifer Schnippert and Katie Riley, our District Counselors, and the energetic college students making up the host chapters and colonies are to thank for the culmination of this phenomenal growth.

Nearing the end of 2017, Jennifer and Katie have announced their intentions to step-down as collegiate expansion directors. Both of their professions have called them away from service, and Alpha Chi Sigma Fraternity is grateful for their efforts over the past several biennia. Brother Melissa Ward is now serving as our new Collegiate Expansion Director. Regrettably, as we are installing a record number of chapters, some of which could have been installed the previous biennium, the number of new interest groups (which typically become colonies) is non-existent. There are a multitude of factors that may have contributed to the drop in inquiries. However, the likely key contributor was at the beginning of the biennium: the email address and/or links for the email address for expansion for the fraternity was accidentally disabled by the National Office Staff resulting in months of lost communications from expansion inquiries. While this error has been corrected, nearly an academic year of opportunity has been lost.

Other contributing factors may be the changing national attitude towards collegiate fraternal organizations and their exposures to hazing and risk management issues. While this has affected social fraternities throughout the country, Alpha Chi Sigma, as a Greek-lettered professional organization may inadvertently be associated with these issues. To counteract this, Alpha Chi Sigma has started working towards an active expansion campaign, rather than the mainstay passive campaign of nearly a decade. What does this mean? In the past the expansion director or directors would wait for an interested party to contact them. What the Supreme Council and Expansion Director Ward are now experimenting with is an active Facebook advertising campaign to markets where there are no Alpha Chi Sigma chapters present. This is a relatively inexpensive campaign to a small number of localities, but has generated a considerable amount of interest on Facebook. The Supreme Council, with the Expansion Director, will continue some form of cost-effective strategy of advertising to restart expansion.

Supreme Council Meetings—To control costs this biennium, the present Supreme Council is continually in virtual session by email, Skype, and text message. To further save on cost, we have attempted to make the best use of installations where all Supreme Council members are present to have brief meetings. In addition, to take the burden of our National Office Staff, I have personally made the arrangements for lodging and meals for the Supreme Council meetings for most of this biennium. Rather than have most the Supreme Council meetings in Indianapolis, the SC meetings have been around the country with varying invited constituents so different members can provide their feedback and participate in meetings. This has been a unique and rewarding exposure for the SC. In addition to informal communications, the formally called meetings of the Supreme Council were

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- Winter 2017 meeting: December 3-5, 2016, Newport News, Virginia coinciding with the University of Richmond Installation.
- Conference Call to set the 2017 operating budget. January 26, 2017 via Skype.
- Executive Session to handle personnel matters, March 31, 2017, coinciding with the University of New Orleans installation
- Summer 2017 meeting: July 14-17 in Indianapolis. This coincided with the Alpha Chi Sigma Educational Foundation meeting. The special invited guests were the four most recent members of the Order of Altotus, Grand Parliamentarian John Adams, DC Chair Sarah Pickett, and PR Chair Stephanie Bates for retrospection and discussion for path forward on National Office operations
- Winter 2018 Meeting: January 12-14, 2018, Pittsburgh, to coincide with meeting with the host chapter for conclave, Gamma Upsilon.

March for Science—The 2016 presidential and gubernatorial elections were some of the most divisive in recent memory. In my humble and personal opinion, the United States, rather than moving towards cohesion, is moving apart with each party producing and consuming news that suit their own points of view with decreasing mutual dialogue or approach to the political center. It furthermore appears the membership of the fraternity is likewise divided. Late 2016, following the US presidential elections, saw the birth of a movement called the March for Science, a grass roots movement that initially had many nebulous goals and objectives. A feature of this movement was planned demonstrations in numerous localities on April 22, 2017. Acting on several direct requests from our members, I directed the Supreme Council and the General Advisory Board of Alpha Chi Sigma to concurrently, though separately, have a discussion as to whether or not the fraternity should provide endorsement for this event. In the Supreme Council's and Grand Historian's desire for transparency and historical legacy, many of these conversations have been preserved, to be released, in part, within a decade. From my own perspective, this has been an unusual time for Alpha Chi Sigma, an organization that, for me personally, preserves brotherhood over politics, and this event was causing heated discussion among members on social media. In performing my own research on Alpha Chi Sigma history, it is notable that the fraternity has rarely provided any political endorsement. Remarkably, in the Supreme Council database, the last time the Supreme Council expressed direct support by proposition in geopolitics is in events leading up to World War 1!

In our 2017 deliberations, sometimes energetic and heated, it was decided by the SC that nationally, Alpha Chi Sigma was to remain on the sidelines by not providing endorsement, nor financial support for the March for Science and a policy statement was released. Members were free to participate without making policy statements on behalf of the fraternity. Members of the Supreme Council, for their own individual reasons did participate in the March for Science in Ann Arbor prior to the installation of the chapter at Albion College. Unexpectedly, this appeared in the HEXAGON. The reasons for my SC vote regarding Alpha Chi Sigma's position regarding the March for Science was to preserve the fraternity from splintering along partisan lines and to protect our tax exempt status as a 501c3 organization. In addition, it was desirable to defer such a radical change in fraternity policy with substantial financial impact until there could be a careful, and thoughtful deliberation of all members, rather than a reactive response to the situation de

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jour. For me personally, Alpha Chi Sigma should remain a nonpartisan, intergenerational organization. While this decision proved very unpopular with several of our members, I find it truly commendable that the fraternity took upon such a painful and difficult task, and handled it professionally and ultimately Brotherly.

Grand Recorder/Assistant Grand Recorder—Starting in October of 2016, a major crisis in the National Office began to rise culminating in the resignation of Patrick Johanns as Grand Recorder (GR) and two turnovers in National Office Staff. The Grand Recorder serves as the Secretary-Treasurer of Alpha Chi Sigma Fraternity and supervises the National Office. While Grand Recorder John Stipp, Patrick's successor, will provide many details between his annual report and the Supreme Council meeting minutes, I will summarize here. In October 2016, GR Johanns and I received a call from National Office Manager (NOM) Marena Gammons informing us of her intent to resign, as well as her willingness to remain on for a year-long transition for a considerably larger salary while she started her own business. In this call, Marena also informed us that Membership Services Coordinator (MSC) Allison Wisher was leaving the fraternity to take on a position that better fit her career ambitions and education effective in the immediate future. Marena had periodically requested higher salary in the past several biennium and would receive raises at the beginning of the next budget-cycle commensurate with her performance and the local job market. Her request in October 2016, however, was higher than the 90th percentile for office managers for non-profits the size of Alpha Chi Sigma in Indianapolis, as well as the median salary of recent graduates in the pure and applied chemical sciences. Marena's request for higher pay was declined and she agreed to resign with an end date of January 31, 2017. Marena was provided financial incentives to train her successor and successfully complete the audit/compilation with our auditors of the fraternity's and foundation's financials.

Following an advertised search on Indeed, a new office manager, Tamara, was hired in December 2016. The selection process involved screening by GR Patrick and myself, as well as in-person interviews by GR Patrick. Unbeknownst to the Supreme Council, GR Patrick offered the position to Tamara and hired her without a criminal background check, reference check, or drug test. Administrative Assistant Kirsten Cleveland was promoted to MSC. NOM Tamara and GR Patrick then hired a new employee, Heidi, without consent of the Supreme Council or performing a criminal background check, reference check, or drug test. Turmoil between GR Patrick, the newly hired employees, the outgoing employees and the remaining employees, ensued in January and February. In February, Kirsten Cleveland resigned as MSC and Harold Cowan as a volunteer IT coordinator. Either Heidi or Tamara, either by themselves or with accomplices, then proceeded to defraud the fraternity of several thousand dollars by check and credit card, undetected by GR Patrick. GR Patrick, after conferring with the Supreme Council, then hired Amy Fisher as an administrative assistant at the end of February. Amy has an extensive background in management and human resources.

On Amy's first day, March 1, 2017, she saw that strange men had access to the office and Tamara had offered Amy open access to fraternity funds. Amy Fisher informed GR Patrick of the highly suspicious behavior. The following day, GR Patrick informed the Supreme Council of the irregular behavior and with the approval of the Supreme Council proceeded to drive to Indianapolis to address the situation. Upon Patrick's arrival, he discovered some of the financial

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irregularities, terminated the offending employees and promoted Amy Fisher as NOM with consent of the SC. Patrick also brought on Marena as a consultant, however at a rate of pay that was not approved by the SC. On March 11, 2017 GR Patrick resigned and GMA Wenzel temporarily assumed the responsibilities as acting-GR in collaboration with the rest of the SC. A national search immediately ensured for a new GR.

Mid-March to Mid-May: During this time, many of the office policies came under review and interim policies were put in place regarding hiring, termination, discipline, vacation, information technology, credit card use, and financials pending appointment of a new GR. Access for all financials was transferred to the Supreme Council. In addition, an inspection of the financial records of the fraternity and the foundation was started by Marena and Amy and the compilation for the fraternity's taxes, with an extension, was prepared with the help of the fraternity's auditors. Early in the inspection of records, it became evident that no oversight of fraternity finances had been provided and the financial and fraternal records were in disarray. Nearly \$9,000 of fraternity funds was missing or misappropriated from December 2016 to March 1, 2017, and ultimately unrecovered. Termination notices for utilities and services had gone unaddressed by Tamara and Heidi leaving the office days aware from the electricity being turned off. In addition, deposits were not processed or recorded after the beginning of January, and most fraternity records regarding pledging, initiations, and officer elections hadn't been processed since October 2016. It was found that the fraternity credit card was grossly abused starting in December 2016, however it was later found that minor, unaccounted charges by staff had been occurring for over eight years. Police were contacted, financial institutions notified, checks canceled, and some questionable charges were reversed.

Shortly after Patrick's resignation, Amy and Marena discovered that hard copies of certain financial documents containing identifying information of former members of the Supreme Council, Educational Foundation Trustees, and former employees may have been inappropriately accessed. Given that these issues now extended beyond Indiana, the Supreme Council retained the law firm of Faegre Baker and Daniels, LLP on March 18, 2017 so as to protect the fraternity and its members. After an initial evaluation, a forensics firm was also retained to determine if there was a breach of electronic records. The issues at the national office, when discovered, were handled with accordance of federal and states laws, and affected parties were appropriately notified. Following an extensive and thorough review of Alpha Chi Sigma electronic records and emails, the forensics and legal team found that there was little likelihood that member data had been compromised. In May, following notification of the various State Attorney Generals, the affected former SC, Trustees, and former employees were notified that the paper records containing their identifying information may have been accessed and the fraternity provided the affected parties credit monitoring coverage. Out of an abundance of caution, the Supreme Council, in consultation with the fraternity's attorneys sent out a letter to the donors of the fraternity outlining the issues at the office that may have transpired.

During this interim, Kirsten Cleveland also came back to serve as MSC. In May 2017, the Supreme Council decided to suspend the work from home policy for employees effective in June 2017 since it was being abused. Upon notification of the change in policy, Marena and Kirsten resigned without notice. In July, Harold resigned without notice and refused to turn over the administrative passwords for Alpha Chi Sigma information technology.

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During the search for a new Grand Recorder and in the aftermath of the crisis, the Supreme Council, in consultation with the Order of Altotus determined it was best to split the responsibilities of the Grand Recorder between the Grand Recorder and new volunteer Assistant Grand Recorder who is a brother. Previously the AGR was a paid employee of the fraternity that worked at the National Office as the national office manager. The purpose for setting up a GR/AGR team that were both members was for the AGR to take some of the responsibility off of the shoulders of the GR and for the AGR to providing financial and policy oversight. On May 15, 2017, after an extensive search, John Stipp and Ken Busch, members of the Order of Altotus were appointed by the GMA, with consent of the Supreme Council to the offices of Grand Recorder and Assistant Grand Recorder. I am truly grateful for John and Ken's willingness to serve, it was a godsend for the fraternity. John, Ken, and Amy Fisher, continued an extensive review of financials, contracts, and business policies for the fraternity. In addition, the Supreme Council has taken a more proactive oversight role over National Office Operations and finances. Finally GR Stipp and I have been in weekly contact, sometimes more, to keep the SC informed of the changes and findings at the office. More details of events during this time as well as changes following May 15, 2017 may be found in the GR's report.

The Fix—Going the national office up and going and putting safeguards in place is a work in progress. GR Stipp, AGR Busch, NOM Erin Goodwin, and HR Manager/Bookkeeper Amy Fisher have been rigorously involved in revising office practices to enable the National Office to conform to current non-profit small business practices. Amy Fisher, with GR Stipp, has completely revised the employee handbook, which was reviewed by an outside legal firm specializing in human resources. In addition, Alpha Chi Sigma's legal and forensics team provided a list of recommendations to implement to prevent a repeat of the events of early 2017 and to address other problems in the National Office operations. Some of this may be visible to the leadership of the Fraternity, for example a licensed and insured IT firm now handles Alpha Chi Sigma's informational technology needs and fraternity email and volunteer productivity software is now provided free of charge by G-suites. This was spearheaded in no small part by GCA Nalley. Additional IT and office productivity software changes will be implanted in 2018.

Importantly, when employees leave any organization, exit interviews have been performed to capture issues that may need to be addressed, however, for good or bad, there is a loss of institutional knowledge. To that end, GR Stipp had brought Pat Kemle, AGR-emeritus, on board to provide counsel to the new office staff and to review the Fraternity's and Foundation's financials. One of the first financial fixes, implemented by the SC in May 2017 is before any funds a drawn over a certain dollar amount, preauthorization is required of a Grand Chapter Officer. Credit card use polices have been modified and only the SC, GR, or AGR can now draw funds from any investment account. Following the summer 2017 SC meeting, each officer must review and approve any travel expense report. For example, SC travel expenses are approved by the GMA, unless it is the GMA in which case the 1st vice president signs off. The GCA approves the DC expense reports, etc. In addition, check printing capability has been split from check signing ability, so no one person can issue and sign a check. Furthermore, any new hire of Alpha Chi Sigma must successfully pass a criminal background, drug, and reference check. In addition, all employee policies were reviewed and modified to prevent abuse of finances as well as foster accountability in terms of time worked versus effort provided.

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Unfortunately, given all the turmoil and changes at the National Office starting in October 2016, national office operations have been reduced to core functions: record keeping, collecting revenue, and paying the bills. Allison Wisher was brought on as a consultant to audit and correct all member data for fall 2016 and spring 2017 initiations. Erin Goodwin was promoted to be the National Office Manager in fall 2017 when Amy Fisher had to move to northern Indiana. As GR Stipp has stated in his report, National Office operations are recovering and gradually returning to normal. This was an incredibly expensive endeavor for the fraternity, not only in terms of financial losses, but in terms of reputation. When thoughtfully considering the root causes, most of what has transpired could have been avoided with appropriate oversight and correct policies. Advice has been earnestly solicited by experts and corrective actions have been taken. This is a lesson not soon to be forgotten.

Hexagon—During the summer of 2017, it was decided by the Grand Editor, Grand Recorder, and Supreme Council to make the Hexagon available to all members in an electronic format. In addition, it was decided that paper copies of the Hexagon would only be made available to active professional and collegiate members and to discontinue the practice of sending the Hexagon out to the entire membership once a year. Members will also be provided the option to opt-out of a paper copy. In the future the paper copy will be reduced to a maximum of 16 pages with enhanced content available online. Not only will this make the Hexagon available to a wider audience in an archival format many Brothers consume as media, but will result in a significant cost-savings to the fraternity.

Districts and District Counselors—At the beginning of this biennium, the Supreme Council voted to decrease the number of districts. While our district counselors are highly appreciated and often under-recognized, as the fraternity has grown, the number of districts has substantially increased. For this biennium, the Supreme Council decided to move to a more cost-effective regional model of management for the fraternity, emphasizing larger districts where the district counselor utilizes a district committee as provided for in the Constitution and Bylaws. In this model, district counselors supervise and mentor district committee members who handle chapter visits and other tasks such as providing support for district meetings. The district counselors then report activities and issues up to the Grand Collegiate Alchemist. The intention of operating the fraternity in this manner is also to provide considerably more post-college graduate leadership and development opportunities to young professionals, thereby growing professional participation in the fraternity. For this to work, some district counselors had to be willing to build district committees from scratch in areas where there had been little professional member presence. Some parts of the country have been particularly daunting for various reasons. Our district counselors have met varying degrees of success of utilizing their district committees and they were required to provide an assessment as part of their 2017 annual reports.

Conclave—Given the turmoil in the National Office, the request for bids for conclave was not issued until later in the Winter Semester of 2017. I decided to expand the opportunity for bids to visitor and convention bureaus in the Chicago area for a cost comparison for the chapter bids. It was also decided that chapters did not have to submit travel costs associated with the bids. This

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was done to simplify and expedite the submissions given the short turnaround from request for proposals to the submission deadline. In addition, due to a shortage of staff at the office in May, I personally processed the bids for comparison purposes. A total of 3 hotels and 2 chapters, Sigma, and Gamma Upsilon, submitted bids. It was immediately evident that it is cost prohibitive to host conclave at a hotel and I am truly grateful for Sigma's and Gamma Upsilon's bid. Ultimately, Gamma Upsilon's bid was selected and the chapter and I are busy preparing for conclave. Conclave will be held at Duquesne University in downtown Pittsburgh, Pennsylvania, July 23-27, 2018 and sponsorship is being solicited to defray costs. I am grateful for the organization and hard work our Gamma Upsilon Brothers have put forth so far, as well as my wife, Jenn, for volunteering her free time to prepare the travel budget for conclave.

Conclusion—This has been a very rewarding and trying year for Alpha Chi Sigma. The fraternity has gone through several growth experiences. While the Fraternity endured a terrible year at the National Office, operations are on the mend and our fraternity is in a far better place than where it was in terms of how it conducts business. I am truly grateful for all the individuals that have rendered assistance in righting our National Office, without their dedication and support, Alpha Chi Sigma may not have recovered. I specifically would like to thank John Stipp and Ken Busch for coming out of retirement and agreeing to step up into the Grand Recorder and Assistant Grand Recorder positions. A special thank you to Amy Fisher, who literally rescued us before more harm could have been done. Brother Pat Kemle, who literally came out of retirement as a former employee for her help. Josh Stenger and Jennifer Showerman were particularly helpful in volunteering at the office as well. I also wish to acknowledge the strength and wisdom of the other members of the Supreme Council, as well as our advisory board, the Order of Altotus. The spirit of Brotherhood and Friendship is what Alpha Chi Sigma was founded on and it is how it thrives, in bad times and in good. It has been phenomenal and awe inspiring bearing witness to the energy and enthusiasm of our collegiate members, the installations, conclave planning, and activities. It has been wonderful serving our professional brothers, their continued spirit for the Alpha Chi Sigma, as well as the counsel they provide. Though the past 16 months has taken a considerable toll on me, I am proud to lead the fraternity this biennium, I am proud of what our Fraternity is capable of, and I am proud of our members. Thank you.

Respectfully submitted.

Yours in the Double Bond,

A handwritten signature in black ink that reads "Jonathan E. Wenzel".

Dr. Jonathan E. Wenzel, Delta 1996
Grand Master Alchemist
Alpha Chi Sigma Fraternity