

On Jun 11, 2018, at 6:39 AM, Philip Lippincott
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Via Email

To: Connor Bloom, Full Officers of the Board of Associated Students of Claremont McKenna College

CC: Sharon Basso, Vice President for Student Affairs; Dianna Graves, Assistant VP and Dean of Students; Hiram Chodosh, President

Today, I am announcing my resignation as Chief Financial Officer of the Executive Board for ASCMC.

In the past month and a half, I learned that some individuals had submitted receipts for reimbursement which later turned out to be fraudulent. A subsequent investigation concluded that I did not perpetrate any of the fraudulent activities and cleared me of any knowledge that the receipts I was approving for reimbursement were fraudulent. However, the policies and procedures I oversaw ultimately allowed these fraudulent reimbursements to go undetected.

While I was thanked for my cooperation, thoughtfulness, and professionalism during the probe, and I was cleared of any direct involvement in the fraudulent conduct, I tender my resignation as Chief Financial Officer of ASCMC in hopes that ASCMC can move forward to carry out its mission to leave a positive impact on the Claremont McKenna College students.

Although I am leaving the position, I am proud of the improvements made during my tenure. These include ensuring taxes were filed on time; prior to my tenure tax returns had not been filed for the previous two years. In addition, I made numerous changes in an attempt to improve a chaotic reimbursement process. Among the changes I initiated were, incorporating three key steps: a first line of approval of initial expense by the board member who had direct oversight of the specific activity that incurred the expense; a second line of approval that included the treasurer, tasked with verifying the accuracy of expenses while entering them into the accounting system; and a third line of approval that tasked my position with verifying the receipts matched the numbers in the system before a check was disbursed.

While these modifications meaningfully reduced the outstanding expense reimbursement requests, on a year over year basis, additional improvements are still necessary. Unfortunately, none of these processes were sufficient to detect fraudulent reimbursements. I would encourage the ASCMC to adopt some of my suggestions to require those seeking reimbursement sign a code of ethical conduct with the submission of any expenses, as well as a checklist of items (including dates, specific items and overall amount) to be verified before any expense is reimbursed.

My voluntary resignation should not end this matter. I strongly recommend ASCMC to require the college to provide ASCMC with assistance so that all student groups can implement the best financial practices. Conversations that were started with the school's business office during the spring should be transitioned into actionable procedures.

I would like to help with the transition of my accounting duties so that systems continue to function smoothly after my departure. I have been asked to complete this year's taxes and 990s and I will do so. I will make certain that all reporting and records are updated before I hand over CFO responsibilities to a new student.

I've enjoyed my affiliation with the organization and value the many benefits that it brings to the broader CMC community in the form of support for clubs, social events and other student-oriented activities. I remain confident that the members of the board will continue to make meaningful improvements to the expense reimbursement process while still offering support for the amazing activities at CMC.

Sincerely,

Philip Lippincott