BETHLEHEM, Pa.—Lehigh University’s 102-year-old chapter of the Sigma Chi fraternity has been banned from the campus for four years for creating a “sexually offensive environment” when it hired a woman to do a striptease at a party at its house on May 5.

The action followed a hearing held this month by the university’s assistant vice president of student affairs, John Smeaton.

The Allentown, Pa., woman who had been hired to perform at the party told the state police that she had been sexually assaulted the same day. She had originally reported that she had been raped on a nearby highway in an incident not related to Lehigh. But she later said she was sexually assaulted during the Sigma Chi party.

An investigation by the Northampton County District Attorney’s office and Lehigh University police concluded there was no evidence to substantiate the woman’s claims.

The woman, Donna Stephan, 19 years old, was subsequently charged with making false reports to law-enforcement officials. ’Investigation Was Paramount’

“The investigation found there was no rape,” said a state police spokesman, Sgt. Kenneth Swider. Miss Stephan has not yet had a hearing on these charges, he said.

Miss Stephan also called the office of Lehigh’s dean of students, saying the check she received from Sigma Chi had been returned because of insufficient funds, Dr. Smeaton said. The state police called the next morning to report her allegation about the fraternity incident, he said.

“The police investigation was paramount,” Dr. Smeaton said. Once it was finished last month, he said, the university began internal disciplinary action.

The fraternity was charged with two violations of the university’s social policy: creating a sexually intimidating, hostile or offensive social or educational environment, and performing an act that could be deemed degrading to the fraternity system.

The fraternity chapter will be disbanded for four years, during which any remaining members will not be permitted to participate in any fraternity activities. The 35 members must move from their house and find alternative housing off campus. At the end of four years, Sigma Chi will be allowed to submit a proposal for reinstatement. Dr. Smeaton said his verdict is “short of permanent removal.” ’Had a Good Relationship’

“This behavior was inappropriate and completely unacceptable,” he said. ”Any behavior which deems and dehumanizes another person will not be tolerated.” Sigma Chi has until tomorrow to appeal the verdict.

Fred Yoder, editor of publications for Sigma Chi’s national office, said the chapter at Lehigh technically still exists because the executive board, which meets quarterly, has not yet met.

“We deplore the whole incident that happened there,” Mr. Yoder said. ”We’ve had a good relationship at Lehigh ”and hope it will be a temporary discontinueance.”

Dr. Smeaton said the university plans to use the Sigma Chi house for undergraduate housing, following renovations, starting in the fall of 1990.

Sigma Chi is the second of the university’s 32 fraternities to be closed this summer. Alpha Chi Rho, which had been on campus since 1917, was closed earlier by its national office.

“The chapter wasn’t meeting our expectations programming-wise or grade-wise,” said James Spencer, national executive director of the fraternity. He also cited escalating bills, which had to be paid by the alumni, as a reason for the closing.
Alpha Chi Rho will be able to reopen at Lehigh in the fall of 1992. In the meantime, the university plans to use the house for undergraduate dormitories.