

Invoices related to premiums paid by the District under CIPA's OCIP program were issued by ASCIP and addressed to either Mr. Didion or Mr. Hardash, who also signed the invoices to authorize payment by the District.⁴³

Based on our interviews with individuals from the District's Business Services Department, it did not appear that the District received any rebates from either CIPA or ASCIP related to premiums paid under the OCIP program. During our interview with ASCIP representatives, ASCIP stated that they would not be able to provide Weaver with information or documentation pertaining to CIPA due to CIPA being a separate entity, despite the fact that the insurance premiums paid by the District related to CIPA were paid to ASCIP. As such, we were unable to corroborate whether the District was eligible for rebates related to insurance premiums paid to ASCIP under CIPA's OCIP program.

u. Review of Conflicts of Interest Concerning Mr. Didion's Role with ASCIP / CIPA

During his tenure with the District, Mr. Didion served as a member of ASCIP's Executive Committee during the 1999 – 2016 time period, including as President of the Executive Committee during the 2000 – 2002 time period and again during the 2009 – 2010 time period. It is also our understanding that Mr. Didion previously served as a member of ASCIP's Executive Committee prior to his tenure with the District, during his tenure at Long Beach Community College District. We also determined that Mr. Didion served as a founding Board member for CIPA when it was formed in 2005, and served as a CIPA Board member through 2016.⁴⁴

Following his retirement from the District in 2016, Mr. Didion entered into a contract agreement with CIPA in January 2017 to serve as CIPA's Managing Director, with compensation of \$8,000 per month.^{45,46} Mr. Didion's role as Managing Director included responsibilities for program development, operational oversight and management of CIPA's OCIP program, and other insurance, reinsurance and related operations and programs at CIPA's direction. It appeared that Mr. Didion transitioned to the role of Board President of CIPA in January 2024.

While it did not appear that Mr. Didion received compensation from ASCIP or CIPA during the time he was employed by the District, it appeared that Mr. Didion's long-stand relationship with ASCIP

⁴³ See Exhibit 55 (ASCIP Invoices related to CIPA OCIP program)

⁴⁴ Mr. Didion also serves on the Board of Directors for SchoolsFirst Federal Credit Union, which has a financial relationship with the District.

⁴⁵ See Exhibit 11 (Managing Director Agreement between Mr. Didion and CIPA)

⁴⁶ It is our understanding that Mr. Didion stepped down from his role as a CIPA Board member when he started to receive compensation for his role as Managing Director for CIPA in 2017.

and CIPA, including his role as President of the Executive Committee, created inherent conflicts of interest concerning his role with the District and decisions related to the deferral of rebates from ASCIP to be held in the RMDF.^{47,48} It was notable that the District rejoined as a member of ASCIP in June 1997, shortly after Mr. Didion started his employment with the District in January 1997. It was also notable that Mr. Didion led the Joint Benefits Committee which recommended for the District to switch health insurance providers and join ASCIP's Health Benefits program in 2015, during which time Mr. Didion served as a member of ASCIP's Executive Committee.⁴⁹

v. Review of Conflicts of Interest Concerning Mr. Hardash's Role with ASCIP / CIPA

Mr. Hardash served as a representative of ASCIP's Executive Committee during the 1997 – 2000 time period and again during the 2016 – 2020 time period, serving either as a member or an alternate member. Email communications indicated that Mr. Didion nominated Mr. Hardash to fill his seat on the ASCIP Executive Committee prior to Mr. Didion's retirement from the District in 2016.⁵⁰

From:	Hardash, Peter
Sent time:	06/09/2016 02:17:34 PM
To:	Didion, John
Subject:	RE: ASCIP

Yes, I accept the nomination. Will you tell him or should I?
Thanks

Peter Hardash
Vice Chancellor
Business Operations/Fiscal Services
Rancho Santiago Community College District
714-480-7340 - Office
714-796-3950 - Fax

-----Original Message-----
From: Didion, John
Sent: Thursday, June 09, 2016 12:14 PM
To: Hardash, Peter
Subject: ASCIP

Apparently I was the only person who turned in a nomination for my seat on the ASCIP board. Fritz wanted to confirm that you accept the nomination

⁴⁷ CIPA Board members received travel accommodations paid by ASCIP and/or CIPA to attend conferences and other meetings for CIPA, which were typically held at luxury hotels in Hawaii such as the Grand Hyatt Kauai Resort & Spa.

⁴⁸ As described previously in this Report, ASCIP's Bylaws require the Executive Committee to be comprised of individuals employed by an ASCIP member.

⁴⁹ The District paid premiums to ASCIP ranging from \$23.8 - \$29.3 million each year as a member of ASCIP's Health Benefits program beginning in 2015.

⁵⁰ See Exhibit 53