

Leadership Through the COVID-19 Pandemic

CARES Act Implementation and Compliance Risks

Learn more at: www.eliassen.com/risk-management-business-optimization

Overnight, the finance and healthcare industries have had their day-to-day operations interrupted, BCP plans initiated, transitioned to a remote workforce, and handed an urgent task to provide relief in accordance with a stimulus package designed to uphold the U.S. and global economies. Relief for both individuals and corporations impacts back office operations, core system functionality, client reporting, risk assessments, control execution and loss mitigation efforts. Those changes have institutions running at rapid pace to enable programs like:

- Mortgage payment forbearance
- Foreclosure and eviction prohibitions
- Credit reporting
- Retirement account distributions
- Paycheck Protection Program (PPP)
- Economic Injury Disaster Loans (EIDLs) for small businesses
- Business tax relief
- Tax credits
- Payroll deferrals, etc.

Guidance from key regulators makes it explicit that organizations are still expected to comply with existing regulations while deploying the new rules. This requires financial institutions to apply existing regulatory standards like beneficial ownership rules, consumer protection and response, etc.

Eliassen Group has identified several early trends our clients are facing, including:

New or Enhanced Products and Services. The CARES Act regulations have triggered deployment of new solutions and updated processes. Companies are moving at lightning speed to adapt workflows, modify customer channels, enhance systems, develop new procedures, train staff, strengthen controls, and respond to emerging risks.

Criminals and Fraudsters: New Methods to Take Advantage of the Vulnerable. Money laundering and fraud schemes are increasing as disaster related frauds, hacks, and cyberattacks surge. The need to reassess risk, develop new monitoring tools, educate staff on the new schemes, and modify alerts generated from transaction monitoring systems has garnered urgent attention.

Initiation of Business Continuity Plan (BCP) protocols.

Organizations are executing BCP plans with employees working from home and reduced staffing level. Employers are working to maintain effective privacy, information security, operational, and compliance control while managing oversight of dispersed teams of employees and functions. These efforts include employee, client, and third-party authentication protocols and enhanced cyber security standards along with updates to policies and procedures regarding handling and use of data and documents outside of the traditional office.

How We Can Help

As our clients work through their CARES Act response plans and build the processes, teams, and technology to deliver both operationally and in a compliant manner, Eliassen Group is ready to help.

POLICIES, PROCEDURES, AND INTERNAL CONTROLS

- Regulatory Change Impact Assessments, including new products and updated processes
- Workflow Design/Data Lineage Mapping
- Policy and Procedure Updates and Documentation
- Internal Control Design and Execution
- Quality Assurance / Quality Control Monitoring
- Remediation and Lookback Management and Execution

FINANCIAL CRIMES MONITORING

- Fraud/Financial Crimes Investigations
- Customer Due Diligence (CDD) / Enhanced Due Diligence (EDD) analysis
- Beneficial Ownership Execution
- Transaction Alert Clearing

PERFORMANCE IMPROVEMENT AND SPECIAL PROJECTS

- Program and Project Management
- Change Management
- Business Requirement Definition/Agile Execution
- Staff Augmentation with Professional/Experienced Personnel
- Continuity Plan Execution Support

REPORTING AND THIRD-PARTY REPORTING

- Fair Credit Reporting Act and Fair Lending Compliance
- Regulatory Reporting Support
- Regulatory Examination Preparation and Support

DATA PROTECTION / DATA PRIVACY

- Data Protection Enhancement and Monitoring
- Data Inventory, Lineage, and Mapping
- Data Management and Records Retention
- GDPR/CCPA and Data Privacy Compliance

CUSTOMER CARE

- Consumer Protection Compliance
- Complaint Handling and Dispute Resolution
- Conduct Risk Monitoring

About Eliassen Group:

Eliassen Group delivers strategic consulting and talent solutions that fuel your innovation and business results. We partner with you to marry your business objectives with our expertise, empowering your company to execute business strategy and scale your business effectively and efficiently.