

Privacy and Security Issues - Multiemployer Plans

Presented
By

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Privacy

- Multiemployer Plans have not had many issues with privacy on the whole
- Personal data collected during the working career of a plan participant is limited
- Most personal information not needed until retirement
- This process is a finite one and the flow of information does not usually lend itself to privacy concerns
- More issues can be present in the 401(K) model with instant access to live information via websites and IVR systems

Security

- The industry has adopted much of the same protocols and procedures used in transmitted and relaying information that are required in the HIPAA standards
- Personal identification data can be masked and data is usually transmitted in an encrypted format using a secure connection

Fraud

- Fraud on the Plans is more an area of concern
- Several types of fraud can effect a plan
 - Internal fraud
 - Active Participant fraud
 - Participants who use the same SSN
 - Misreporting of hours and contributions
 - Retiree fraud
 - At time of application for Benefits
 - Spouse Wavier
 - Marital Status
 - In pay status
 - Not notified of death of pensioner
 - Checks continue to be cashed
 - Joint accounts allow direct deposits to continue
 - Outside check and ACH fraud are always possible
 - The banking system has automated most functions and some of the systems that have been relied on are no longer available
- Fraud Mitigation
 - Utilize effect Internal Controls and Procedures
 - Multi-step approval process for Pensioner's
 - Pensioner audits and declarations
 - SAS 70 reports for outside vendors to insure they have effective controls