

## Accelerating Case Throughput and Compliance: A CIO/CTO/CAIO-Led Overhaul of Bankruptcy-Processing Operations

### Background

A nationally recognized bankruptcy-processing and defaulted-receivables servicing company and a trusted counterparty for many of the country's largest financial institutions, credit issuers, and GSEs. Intersecting consumer bankruptcy law, regulated collections, and high-volume sensitive financial data, the law firm manages portfolios that include millions of discrete consumer records governed by the U.S. Bankruptcy Code, CFPB supervision, and federal consumer-protection statutes.

In a market where regulators routinely publish consent orders and where a servicer's license to operate depends on verifiable controls, they are known in the industry for the discipline of its process, the transparency of its reporting, and its ability to satisfy the audit and examination standards of its bank and investor clients.

### The Challenge

Organizations operating in regulated, data-sensitive servicing fields face a shared challenge: modernizing without compromising privacy, security, or regulatory standing. Legacy systems and manual case handoffs increased both cycle time and control risk. Any modernization effort had to preserve the firm's SOC 1 and SOC 2 Type II posture and align with the evolving expectations of the CFPB, prudential regulators, and the firm's financial-institution clients.

### The Approach

The firm engaged with Varium's technology executive whose profile is built for precisely this kind of environment: approximately 15 years of combined CIO and CTO experience in regulated financial services, followed by approximately 2 years leading the firm's AI transition as Chief AI Officer.

The CIO chapter focused on stabilization and control. The CTO chapter delivered architectural modernization: a cloud-native servicing platform with compartmentalized data domains, tokenized PII, zero-trust network segmentation, immutable audit logging, and automated orchestration for bankruptcy docketing, proof-of-claim preparation, and cashiering. The CAIO chapter introduced AI into document intake, skip-trace validation, compliance review, and exception handling — under a governance program aligned with the NIST AI Risk Management Framework, ISO/IEC 42001, and the CFPB's stated expectations for explainability and disparate-impact testing in consumer-facing AI. **Every model is inventoried, monitored, and subject to review on anything that touches a consumer outcome.**

## The Strategic Advantage

The combined effect is a servicing operation that is faster, more accurate, and more defensible. Regulatory examinations and client audits are met with evidence that is already in place. Automation has reduced manual touch on compliance-sensitive workflows. AI operates under documented controls, not as a shadow capability. The firm is able to take on larger portfolios and more complex mandates from financial-institution clients without proportionally expanding risk or operational overhead.

## Applicability to Other Organizations

Our leadership model translates directly to any high-sensitivity, regulated environment:

- **Financial services organizations** are automating servicing, underwriting, and compliance under GLBA, FFIEC, NYDFS 500, and OCC standards, while using AI for fraud detection, risk scoring, and securing data across legacy and cloud systems.
- **Government agencies** are digitizing case management under FedRAMP, StateRAMP, CJIS, and FISMA, using AI for routing and backlog reduction, enforcing strict governance and accountability.
- **Healthcare and life sciences teams** are integrating EHRs, protecting PHI under HIPAA/HITECH, applying AI to documentation and claims with governed models, and aligning frameworks with FDA and ONC HTI-1 rules.
- **Insurers** are streamlining claims, policy servicing, and document workflows under NAIC and state DOI requirements, applying AI to fraud detection, and modernizing core platforms with compliance.

## Take the Next Step Toward Responsible Transformation

If your organization is ready to modernize under examination-grade controls and to deploy AI without surrendering security or compliance, the path is proven and the leadership profile is available.

## What We Do

### Built for businesses who don't just want to keep up—they want to lead

Modern and scalable technology solutions—delivered as a unified practice. Varium helps organizations adopt, implement, and operationalize emerging technologies while ensuring their people, processes, and systems evolve together.

