

# FRAUD RISK ASSESSMENT

Annual Fraud Risk Identification and Controls Review

<b>Control Reference</b>	BIZOPS-12
<b>Document Version</b>	1.0
<b>Effective Date</b>	June 1, 2026
<b>Next Review</b>	June 1, 2027
<b>Classification</b>	Confidential – Internal & Customer Use
<b>Maintained by</b>	Altnetix LLC Security & Compliance Team
<b>Contact</b>	compliance@altnetix.com



## 1. Purpose and Scope

This Fraud Risk Assessment identifies, evaluates, and documents fraud risks relevant to Altnetix LLC's financial operations, healthcare billing processes, and technology platform. It supports SOC 2 CC3.2 and the Company's overall risk management program.

## 2. Fraud Risk Categories

Category	Risk Description	Likelihood	Impact	Controls
Financial	Expense reimbursement fraud	Low	Moderate	Two-person authorization for approvals
Financial	Vendor payment fraud (fake invoices)	Low	High	Verified vendor list, CEO approval for new vendors
Financial	Payroll manipulation	Low	High	Segregation of duties, payroll audit trail
Healthcare Billing	Upcoding / unbundling claims	Low	High	Billing audit logs, compliance review
Technology	Unauthorized access to billing systems	Low	High	MFA, RBAC, API authentication
Technology	Data exfiltration for people	Low	Critical	DLP controls, audit logging, background checks
Procurement	Conflict of interest in vendor selection	Low	Moderate	Conflict-of-interest policy, CEO approval

## 3. Key Anti-Fraud Controls

- Segregation of duties for financial approvals and disbursements
- All financial transactions over \$500 require two-person authorization
- Comprehensive audit logging of all system access and data changes
- Background checks for all new hires with access to PHI or financial systems
- Whistleblower policy with anonymous reporting channel
- Annual financial statement review by external accountant
- Vendor onboarding process with identity verification and contract execution



## **4. Detection and Response**

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Suspected fraud should be reported immediately to the CEO and Security Officer at [compliance@altnetix.com](mailto:compliance@altnetix.com). All reports are investigated confidentially. Substantiated fraud will result in termination, recovery of losses, and referral to law enforcement. For healthcare billing fraud, HHS OIG may be notified per applicable law.

## **5. Review Frequency**

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This assessment is reviewed quarterly by the Security Officer and updated following material changes to operations, financial systems, or workforce. Results are reported to Company leadership.