



Forensic Accounting Today

Newsletter of Ron J. Anfuso, CPA/ABV, An Accountancy Corp.

Ron J. Anfuso, CPA, ABV, CFF, CDFA, FABFA*

28441 Highridge Road, Suite 110 • Rolling Hills Estates, CA 90274

Phone: (310) 378-6606 • E-mail: rja@anfusco.com

Website: www.anfusocpa.com • Blog: blog.anfusocpa.com



Issue 30

On the evening of December 9th, we hosted the grand opening of our new office located in Rolling Hills Estates. We appreciate those of you who took the time at the conclusion of your busy day to stop by, meet our staff and take a tour of our office. Below are a couple of photos from the event.

As I previously mentioned, thanks to the trust many of you have continued to place in us, we have experienced unprecedented growth over the past few years. I realize that, because we have recently added staff, it is time to better acquaint you with our veterans, as well as to invite you to get to know those who have recently joined us. Through *Forensic Accounting Today*, we will soon provide you the opportunity to discover their backgrounds and the skills each brings to our firm. In addition, you will notice our professional staff contributing to articles appearing in future newsletters.

I have extended my policy of being easy to reach to my entire team. Whenever you need to speak to a staff person or me, you will receive a timely response.

Ron



Where Spouses Try to Hide Their Assets

Ron J. Anfuso, CPA, ABV, CFF, CDFA, FABFA*

The party guilty of hiding assets and income during a marital dissolution proceeding is usually the spouse who is the major breadwinner, runs a business or handles the family finances. One of the valued tasks of a Forensic Accountant representing the more dependent party is to look for and uncover any hidden assets of the other spouse. Over the years, I have found it amazing what a party to a divorce will do to hide income and assets despite how unethical and illegal it is. What I would like to do here is share with you some of the lengths a spouse will take to attempt to cheat the other party. Many of these I would expect you have experienced in your practice. Perhaps, a few you may have never knowingly encountered.

Transferring assets to a distinct account: In this most common attempt, the spouse transfers money to an account only in his or her name.

Storing money in a safe deposit box: The spouse may covertly do this in the family home or somewhere else.

Deliberately devaluing property: The spouse may purposely keep a property vacant or in disrepair so the support allocation is based on the devalued price.

Makes the business begin to “lose money”: A number of activities could be happening here. The spouse may be paying money to a girlfriend or boyfriend, or a sister or brother for services that were not delivered. Or, the spouse may be recording checks made to vendors for services never provided, in which the checks were not cashed. Usually, these checks will be voided after the dissolution is finalized. In addition, the spouse may delay sending out or collecting on invoices until the divorce has been finalized.

The spouse tries to defer income until after the divorce has been completed: This is such a common occurrence that I expect you have been faced with this on numerous occasions. Here, the spouse may ask his or her employer to defer income. Oddly enough, a spouse’s income rarely increases just prior to a divorce. Rather, it often plummets.

The spouse makes cash withdrawals on debit cards: This often begins long before the spouse informs the other party of his or her

Continued on page 2

* For an explanation of these titles, please visit our website or request a copy of Issue 3 of *Forensic Accounting Today*.



3 Questions

Most Forensic Accountants **DREAD** You'll Ever Ask

1. Are **you** going to be the one who will testify in court?
2. Will **you** guarantee no emergency in your practice will cause you to send an unprepared staff accountant to testify in your stead?
3. Are **you** going to study the case and prepare yourself so well you won't be caught off guard under tough cross examination?

Many attorneys know Ron Anfuso consistently delivers outstanding testimony... but not many know:

- **Ron Anfuso handles ALL expert witness testimony for the firm.** He has made over 325 straight court appearances without substitution. If he has his way, he'll double his streak.
- **Ron possesses superior organizational skills.** Regardless whether he assigns a case to a staff person or not, he knows exactly how far in advance he must begin preparation for his testimony. Ron has defined each step he needs to perform in planning his appearance and sticks to that plan. The result is thorough preparation, including for the "unexpected", and consistent execution in court. Ron will not only share with you his routine, he'll do so with delight and confidence.



Contact **Ron J. Anfuso, CPA/ABV An Accountancy Corporation** to handle the accounting for the next case you expect will go to trial

Hiding Assets: Continued from page 1

wish to divorce. Withdrawals of even \$200 weekly for a year equates to just \$10,400, but could serve as a warning that other shenanigans have been in the works.

Overpaying the IRS: I have seen this result in spouses trying to get away with receiving sizable refund checks after the finalization of the divorce.

Turning down promotions and raises: The spouse may have developed a close enough relationship with his or her boss to delay the award of a major promotion until after the divorce has finalized.

Purchasing valuable items that can be hidden, overlooked or undervalued: It is not so surprising to discover expensive furniture recently purchased for the office, the acquisition of large sums of gold coins, or valuable paintings hidden in an office closet with the hopes these would remain undeclared during the discovery process.

Debts surfacing from "nowhere": It may seem amazing that when it comes time to divorce, debts owed to friends and family members seem to magically appear. All too typically there may be a prearranged agreement for the friend to hold onto the "debt payment" until after the divorce is finalized. Then another stroke of magic occurs as a large sum of money suddenly materializes in the spouse's bank account.

The spouse receiving reimbursement on expense accounts: If a party is a high-paid salesperson, he or she may not reveal to the spouse that the party receives reimbursements on auto and travel expenses and spends extravagantly on entertainment when on the road. In addition, the spouse may receive and not disclose them. The spouse may delay submitting expense reports until after finalization of the divorce.

Delaying invoicing clients: Spouses may think it is easier to hide accounts receivable work in progress than to hide money received. Although this may seem true, a good Forensic Accountant will catch this.

Creating phony expenses: This can include actions such as adding relatives to the payroll, paying friends for consulting services never delivered, or disbursing money to vendors well in advance for future services. As a result, the spouse will usually claim the business is broke.

Of course, these are not the only forms of hiding assets I have encountered by spouses, as I have handled hundreds of cases. A competent Forensic Accountant should be adept at uncovering hidden assets from any of the above trickeries. If you need help and want a Forensic Accounting firm that excels in conducting such investigations, contact us.