



Forensic Accounting Today

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

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Issue 32

I am pleased to introduce you to Tatyana Skevin, one of our senior accountants. Since joining our firm in 2013, Tatyana has become an integral member of the team, performing various forensic accounting analyses in the area of matrimonial litigation. Her analytical skills and dedication to uncovering facts to achieve accurate and fair results have been essential to forensic-related calculations. Tatyana's adeptness includes gross cash flow available for support, determining standard of living, performing perquisites analysis, apportioning retirement plans and other community property, analyzing restricted stock units vesting and allocations, tracing of assets, and division of marital assets and liabilities. She also has experience in valuing companies in a variety of industries.



**Tatyana Skevin,
CPA, CVA, CFE**

With a Bachelor's Degree in Economics from Tashkent State University, and an Executive Management Certificate in Osnabruek, Germany, Tatyana's work experience abroad included the banking and travel industries. She immigrated to the United States in 2005 and became a CPA in California within five years. Before joining our firm, Tatyana conducted audit engagements for manufacturing and nonprofit entities, and provided tax and business planning advice to high net worth individuals.

Tatyana obtained her business valuation certification of Certified Valuation Analyst, or CVA from the National Association of Certified Valuators and Analysts (NACVA). She shortly thereafter received her Certified Fraud Examiner designation, or CFE, from the Association of Certified Fraud Examiners (ACFE).

Tatyana is fluent in Russian and speaks Korean as a second foreign language.

Ron

How Diligent Tracing Saved a Client Hundreds of Thousands of Dollars (Part I)

By Tatyana Skevin, CPA, CVA, CFE Senior Accountant

Ron J. Anfuso, CPA/ABV, An Accountancy Corporation, was retained by a Family Law attorney on behalf of Jonathan Brown to perform accounting services. Our efforts included, but were not limited to (a) tracing the source, to separate or community property, of funds used to purchase a condominium in South Africa, and to determine the community property pro tanto interest, if any, in the South African property, (b) tracing the source, to separate or community property, of funds used to pay off loans secured by real property, (c) tracing the source, to separate or community property, of funds in various bank or investment accounts of the parties, (d) appraising the value of Respondent's business interest, and (e) accounting for the parties' expenditure of community and separate property funds after separation (post-separation accounting).

Jonathan and Joyce Brown were married on February 2, 1988 and separated on July 30, 2011. At the time of the marriage, Jonathan, Petitioner, was 41. Joyce, Respondent, was 29. Jonathan is an internationally known photographer whose work appears in numerous magazines, and Joyce is a graphic designer.

At the time of marriage, Petitioner had substantial assets. He had two real properties, one in South Africa (valued at \$190,000) and the other in Brentwood, CA (valued at \$675,000). The latter was gifted to Petitioner by his parents in 1985. Jonathan also had several bank and investment accounts. We determined the approximate value of his total assets as of February 2, 1988, including real estate, to be \$1,150,000. At the time of separation, the real property value of the South Africa condo was \$1,300,000 and the house in Brentwood was valued at \$2,200,000.

The property in South Africa was acquired prior to marriage and partially financed. In May 1994, the mortgage loan was completely paid off. The property was consistently rented out to tenants.

To determine the separate character of the property in South Africa, we performed a detailed tracing of the transactions to the property

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



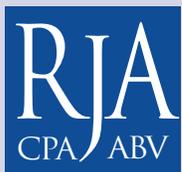
“Communicating directly with me doesn’t stop when you send us forensic accounting work...”

IT BEGINS

“I always welcome calls from referring attorneys AND their clients... regardless whether it’s prior to beginning casework, when engaged in our assignments or after completing our work. Even if you’ve been serviced by a staff person, feel free to call me directly. Anytime. You may call my office or my cell. Type me a text. Send me an e-mail. I’ll respond to you within one business day. And if it’s an emergency and I’m tied up in court when you call, I’ll get back to you as soon as I can make myself free. That’s my promise.”



In most cases, discussing issues with the staff person working on your client’s case is all you need. Although Ron hand picked our staff and all are competent professionals, Ron oversees each case the firm works on and is briefed daily. So, if you prefer to speak with Ron, in most cases, he will be completely up-to-date on the accounting issues of your client’s case. In the rare instances he is not, he will call for a priority briefing and promptly get back to you with the answers you need.



Contact Ron J. Anfuso, CPA/ABV An Accountancy Corporation to handle the accounting for your next case

Diligent Tracing: Continued from page 1

from the date of marriage through May 31, 1994. Based on our tracing, we determined that, with two exceptions, there were sufficient funds in the South African Trust account to pay all expenses associated with the ownership of the South African property. This included payment of the principal on the mortgage. As a result, during the marriage, two payments came from the bank in the United States.

These payments came from two sources. The first was established by Petitioner solely for the purpose of holding interest from mutual funds (Account 1).

The second checking account was opened by Petitioner in January 1988, prior to their marriage, with separate funds of \$50,000. This account continued to be used as a primary operating account by Petitioner after their marriage (Account 2).

The tracing we conducted on both accounts demonstrated the separate character of the transactions. Despite incomplete records of transactions, we were able to reconstruct bank activity during the relevant time period based on the available evidence, which included tax returns, Form 1099-MISC, 1099-INT, deposit slips, transaction receipts, incoming wire advices, checks, check registers, loan documents, amortization schedules, and records of photography sales.

In addition, certain assumptions were required. These included:

- All the income generated during the marriage and related expenses were deposited and withdrawn from *Account 2*
- Sale of photographic works prior to marriage was characterized as separate property
- Transfers from other accounts were characterized as either separate or community property, depending on the character of source account
- Income for which we found no records providing the character one way or the other was characterized as community property
- Investments were allocated as separate property based on Petitioner’s position that he intended all the mutual funds investments and income from there was and remained his separate property

In the next issue of *Forensic Accounting Today*, we will present additional information and the findings of *Brown vs. Brown*.

The above article was based on an actual case. However, the names of the parties involved and a few of the facts were changed in order to protect the parties’ privacy.