

# FORENSIC ACCOUNTING AND DIVORCE

## YOU CAN'T SPLIT WHAT YOU DON'T KNOW YOU HAVE



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**Money makes the world go 'round. Combining finances during a marriage can be complex enough, but what about when they need to be unwound during a divorce?**

According to a recent survey conducted by SunTrust Bank, finances are the leading cause of relationship stress. This comes as no surprise, given that money impacts nearly everything we do. Moreover, persistent arguments about money remain one of the top predictors of divorce. And as much as we may hate to admit or face it, divorce and finances go hand in hand. Just as two lives are intertwined during marriage, so too were the financial identities.

From a financial standpoint, divorce essentially boils down to dividing assets and liabilities from the marriage. But how will you know that you will receive a fair settlement? For instance, couples who argue more frequently about money are more likely to hide assets or spending from their spouses. Complex financial situations require additional steps to ensure there is a fair and equitable division, but in order to do that, it is important that all cards are laid out on the table.

### **An Important Asset to Your Legal Team**

Having the right team of professionals during a divorce proceeding can make all the difference in achieving an optimal outcome. In fact, divorce lawyers commonly seek out the help of forensic accountants when a detailed financial expert is needed. Why? Ultimately, there are certain critical details about both parties that only a forensic accountant can bring to light. As financial experts and skilled investigators, forensic CPAs have unparalleled abilities to dive deep and uncover anomalies to assess and provide full financial stories.

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A common issue in both relationships and divorce is financial dishonesty. Not only does this include hidden assets, but also hidden debts and liabilities, which could have a major impact on settlements and further aggravate an already unpleasant situation.

A report by CreditCards.com found that 6% of Americans (that's 7.2 million people!) maintain a hidden bank account or credit card from a live-in partner. Forensic specialists are often able to access information that is hard to find or left dormant, including off shore accounts and cryptocurrency holdings.

How will you know that the settlement that you receive is fair?

Without proper guidance, you could literally be leaving money at stake, or even worse, compromising your financial future at the hands of your soon-to-be former spouse. In order to secure a fair settlement, ensure your immediate financial security, and help you avoid any further legal issues down the line, a forensic accountant is paramount to the journey.

### So, How Can a Forensic Accountant Make a Difference?

Divorce involves a multitude of complex factors. In addition to the possible existence of hidden accounts, child custody/support, business ownership, pension plans, and uneven earning power all have significant financial implications over final decisions and settlements. Forensic CPAs carry out the daunting process of a full financial review with due diligence, affording you peace of mind. Any suspicious behavior or activity is investigated and analyzed to the fullest extent.

Forensic accounting can be an excellent resource and a highly valuable service during a divorce. It can be used to:

- **Search for hidden assets, debts, or income**
- **Evaluate financial inconsistencies**
- **Corroborate financial information**
- **Perform a business valuation**
- **Determine personal expenses**
- **Assess the long term financial impact of a settlement**
- **Assist your legal counsel in gathering information, preparing document requests, and settlement negotiations**
- **Testify at depositions or in court on your behalf**
- **Identify potential taxable events from the transfer of assets**

### In Summary

Don't let the heartache of a divorce keep you from safeguarding your finances and optimizing outcomes. As you navigate this difficult transition, it is important to seek the right help. At Neumeister & Associates, our forensics team works meticulously to ensure that both parties are given the fair settlement they deserve. Let us ease some of the stress by taking the reins on assessing your unique financial situation and make sure there is no money left on the table.

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