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## When The Wealthy Divorce They Regularly Engage Forensic Accountants

Worldwide, the use of forensic accountants by the wealthy – especially the ultra-wealthy – is increasing. This is a trend that is likely to only accelerate. There are a number of different reasons the wealthy engage forensic accountants. Often, when the wealthy bring in a forensic accountant, it's to address business concerns. The questionable practices of business partners might very well prompt the hiring of a forensic accountant.

Relatively speaking, a burgeoning need by the wealthy for forensic accountants is driven by them divorcing. According to James DiGabriele, professor of accounting at Montclair State University, one of the foremost forensic accounting programs in the country, "It's impossible to appropriately divide marital assets if everyone doesn't know just what those assets are and what they're worth. High-net-worth couples generally have a number of types of assets such as investment portfolios, businesses, collectables, partnerships, and the list goes on. Divorce lawyers are not the professionals that are going to be able to determine the value of all the different assets. That's the job of the forensic accountant."

"When assets are held in trusts or partnerships, or located in different jurisdictions, getting a valuation can be complicated. Also, the valuation of retirement plans, deferred compensation arrangements, and life insurance programs all require the expertise of a qualified accountant," explains **Ellen Rabasca, partner at Geltrude & Company**, directing their divorce practice. "What's even more of an issue is when a spouse chooses to play dirty and tries to divorce plan by hiding marital assets. This can get very complicated when we're dealing with privately owned businesses. For example, business owners have been known to use dummy or shell corporations to conceal assets from divorcing spouses."

"Being able to determine a spouse's true income can be problematic. It can be very easy for a spouse to claim a contrived lower income," says DiGabriele. "From off-the-books income to creating fake debt to padding the payroll, there are many ways a divorcing spouse can show they're earning less income than they really are. A forensic accountant can dig into the numbers, comparing tax returns, examining bank balances and investment portfolios – dissecting the spouse's financial life – and determine the real income the spouse is earning."

Usually, considerable monies are at stake for a wealthy spouse going through a divorce. In order to ensure a fair and equitable result, that spouse requires a high-caliber team of professionals. Very often included on the team is a forensic accountant.