

Forensic Accountants Society of North America

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NINE PEOPLE You Should Look For in Your Forensic Accountant

By Robert W. Holtzbauer, CPA, FASNA Member Firm, Urbandale, IA

Forensic accounting is part science, part art – and very different than many types of careers. It takes a special combination of talents, skills and experience that can often be difficult to find in one package.

So, how do you identify some of those talents, skills and experience to determine if you're working with the right forensic accounting partner? By identifying some of the best examples of each and looking for a bit of those people in the forensic accountant you are planning to work with. (Note: While my Kevin Costner looks have served me well over the years, I determined it wasn't one of the top 9 things that make a good forensic accountant).

JUDGE WAPNER (Legal Savvy)

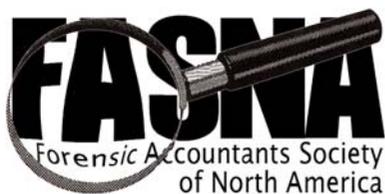
Grumpy Judge on the famous court tv show, People's Court, Judge Wapner spent many a day watching over court proceedings. I'm not saying that a forensic accountant needs to be any kind of legal expert. That's for the attorneys. However, they should have extensive experience in a courtroom setting - as well as knowledge of law and legal terms.

From a legal standpoint, a forensic accountant should be expected to provide suggestions for questioning of opposing experts in depositions based on their own experience and knowledge of the case. They should also be familiar with legal interpretations of terms. A witness without this kind of experience can often state things in depositions or courtrooms that may have a different legal interpretation than what they intended. Trying to unravel that during legal proceedings can become a distraction.

RACHEL RAY (Tenacious Enthusiasm)

If you've ever seen Rachel Ray, the host of the two Food Network tv shows, you know she has a passion for food. It's that kind of passion and drive that has made her one of the most famous foodies in the world. Surprisingly, there's not a cable channel dedicated to forensic accounting ... yet. However, any good forensic accountant shares the same passion and enthusiasm for business that Rachel Ray has for food.

Forensic accounting is entirely different from traditional accounting. While traditional accounting is fairly black-and-white, forensic accountants deal with a lot of gray areas and what ifs. Economic calculations. Trend analysis. Situational analysis. We like to ask questions and look for other answers, scenarios and possibilities before coming up with a conclusion. Look for a forensic accountant who asks a lot of questions. We're driven by curiosity. ►►





CASEWORK EXPERIENCE

FASNA member casework includes, but is not limited to, cases involving:

- Inventory/property loss
- Employee dishonesty
- Business income loss
- Personal injury or wrongful death claims
- Truth in lending/truth in leasing
- Post judgement matters/ calculations
- Loss of income/earnings
- Divorce and fidelity claims
- Business valuation
- Expert testimony
- Fraud

INDUSTRY EXPERIENCE

FASNA member experience includes, but is not limited to cases involving:

- Auto dealerships and transportation
- Colleges and universities
- Construction, contracting, and engineering
- Financial/money management, trust, and estate
- Healthcare
- State and Indian tribal government
- Insurance claims
- Manufacturing
- Real estate
- Restaurant and hotel industries
- Retailing/wholesale

Forensic accounting is all about details and investigating deeper. A good forensic accountant is naturally a curious person who also has just enough skepticism in them to make them not settle for the first answer without checking more details.

Michael Jordan (Unflappable Confidence)

When it was crunch-time, Michael Jordan always wanted the basketball in his hands. He had a level of confidence that was unflappable throughout his entire career. A good forensic accountant should have that same level of confidence in their own skills.

Consider this ... forensic accountants are brought in to sort out, analyze and make conclusions on everything from cases of fraud to calculations of business income loss to determining the value of inventory - sometimes without any records. We are then often put in front of a judge, a jury and an opposing jury to defend our findings. We are often asked to question employees suspected of fraudulent activities. These are tough situations. Understandably, people can sometimes get defensive or worse. Without a level-headed sense of confidence, a forensic accountant can shy away from asking the tough questions that sometimes need to be asked.

Henry Kissinger (Experience)

The ultimate strategist, former Secretary of State Kissinger exuded a level of experience that caused presidents long after his departure to call on him for his opinions and insights. You don't get experience without starting somewhere, but in forensic accounting, there's nothing more valuable than experience. With experience comes knowing what to look for, how to get the right answers, knowing what questions to ask, who to ask and when to ask.

An experienced forensic accountant can also be an invaluable asset to an attorney throughout interrogatories and depositions. Knowing what questions to ask and how to get the right answers often comes from experience. Look for a forensic accountant with a lot of traditional accounting experience with a variety of business clients as well as one who is specifically well-seasoned in forensic accounting cases. Definitely ask for a list of client references.

Oprah Winfrey (Communication)

Few could argue that Oprah Winfrey has made a successful career by being a good communicator. The stereotypical traditional accountant? Not so much. But forensic accountants are required to help insureds, juries, attorneys, insurers and others make sense out of what can often be very complicated issues and calculations. You can't do that if you're not a good communicator.

Being a witness in a courtroom can be intimidating. Your forensic accountant needs to be able to communicate clearly and confidently to jurors and the judge.

A common example of the need to communicate. Imagine being in a courtroom with twelve jurors of differing backgrounds. One may be a stay-at-home mom. Another, a fast-food worker. Yet another, a chiropractor. A forensic accountant may have to present a complicated explanation about how a fraud was committed to all of these people, while at the same time, fielding adversarial questions from an opposing attorney. If you can't communicate to that entire audience, chances are, you don't make your case.

Warren Buffett (Business Savvy)

Warren Buffett has made a fairly successful living understanding business. That's also the job of a forensic accountant. Of course, your forensic accountant should know how to analyze the typical financial reports generated by businesses. However, a good forensic accountant should be able to understand where those reports are generated from, who generates them and what, if any, motivation the people involved in that process have.

In cases of fraud, for example, a key employee is likely to cover up their fraudulent activity. Maybe they change financial documents. Maybe they destroy information needed to recreate accurate documents. Maybe they've made arrangements with vendors to overbill their employer and kick-back part of it to the employee. A forensic accountant needs to know where and how this can happen and what to look for to identify these issues.

John Stossel (Investigation)

John Stossel has made a name for himself on ABC over the years by investigating stories below the surface. A good forensic accountant also needs to be a good detective as well.

An example: A few years ago, we were working on a disability insurance claim from a guy who was injured. There were a number of things that didn't seem to add up in this case – making us suspicious of the motives and credibility of the case. We spent just a little bit of time watching the insured – but it was enough to determine the disabilities he was claiming were not legitimate. Good forensic accountants have just enough skepticism to make us investigate things deep enough to ensure we're getting the right story.

Martha Stewart (Details)

Okay, maybe a bad example here, but nobody can argue that Martha Stewart has a knack for covering all the details (except when it comes to her investment dealings). However, like Martha, a good forensic accountant is extremely detail-oriented – needing to be able to track specific financial, inventory and other recordkeeping data back to order slips, invoices, etc.

But it's not just finding the expected details. It's also about finding details that most people wouldn't consider. If a convenience store burned down and you had a claim for business interruption, most would consider sales figures for the previous months. Maybe you'd also look at sales from the same month the year previous. But would you look to identify why sales were higher a year ago than today? Maybe there was a weeklong event in the area last year that drove more traffic. If that event doesn't happen this year, how do you calculate its impact on income. Attention to the details is what separates the good forensic accountants.

Alice from Brady Bunch (Organized)

Remember Alice? The beehive haired live-in caretaker of the six Brady kids and their parents. You never saw Mike or Carol Brady doing anything productive in that house. It was all Alice organizing a household of six kids. Like Alice, a good forensic accountant has to be extremely organized.

Organizational skills not only help us work more efficiently, but also help us keep costs low. We often work with huge databases, extensive, detailed records and information from a variety of sources like personal interviews. Being able to find, analyze and cross-check all of this information in one claim is critical – and if you're not extremely organized in your approach to each case, you can end up doing the same work multiple times, causing delays and unnecessary expense.

Finding a good forensic accountant isn't as easy as finding a CPA. There is a combination of skills, talents and experiences required that can be difficult to find in one package. Before selecting one to help you, ask a lot of questions and make sure they have all the skills and experiences you need. And if you think you need to go that extra step and find someone with rugged good looks to match these skills, well, you know who to call.

FASNA members are dedicated to helping you resolve your most complicated claims. Call the member nearest you today.

When the economy is struggling, there are more cases of fraud within businesses. A good forensic accountant can help identify cases of fraud.



4248 Park Glen Road
Minneapolis, Minnesota 55416

www.fasna.org

FASNA Board of Directors

Forensic Accountants Society of North America

FASNA FORUM

Baldwin & Associates, PLLC

Billy Upchurch, CPA/ABV, CVA

713 West Main Street
Richmond, KY 40475

Phone (859) 626-9040

Phone (859) 626-4970

Fax (859) 626-8522

Email bupchurch@baldwincpas.com

Website www.baldwincpas.com

Benson & McLaughlin, PS

Steve Bishop, CPA, CVA

1400 Blanchard Plaza
2201 6th Ave

Seattle, WA 98121

Phone (206) 441-1447, ext. 305

Fax (206) 441-1551

Email steveb@bensonmcl.com

Website www.bensonmcl.com

BLAND & ASSOCIATES, P.C., CPAs

Jeff Cremers, CPA

8712 W. Dodge Road
Suite 200

Omaha, NE 68114

Phone (402) 397-8822 Ext 231

Fax (402) 397-8649

Email jcremers@blandcpa.com

Website www.blandcpa.com

Cremers, Holtzbauer

& Nearmyer, PC

Roger Nearmyer, CPA

6200 Aurora Ave

Suite 600 W

Urbandale, IA 50322-2871

Phone (515) 274-4804

Fax (515) 274-4807

Email info@chncpa.com

Website www.chncpa.com

Mellen, Smith & Pivoz PLC

Mike Pivoz, CPA, JD

30600 Telegraph Road
Suite 1131

Bingham Farms, MI 48025-4531

Phone (248) 642-2803

Fax (248) 642-7236

Email mpivoz@mspcpa.com

Website www.mspcpa.com

Sterling & Tucker, Inc

Michelle Tucker,

CPA/PFS, JD, CFE

Haseko Center

820 Mililani Street, 4th Floor

Honolulu, HI 96813

Phone (808) 531-5391

Fax (808) 538-3949

Email michelle@sterlingandtucker.com

sterlingandtucker.com

Website www.sterlingandtucker.com



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FASNA / 4248 Park Glen Road / Minneapolis, MN 55416 / Phone (952) 928-4668 / Fax (952) 929-1318 / www.fasna.org

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