

Forensic Accounting
Chuck Estes, CPA

1. Forensic Accounting

A. Definition: Application of accounting methods to the tracking and collection of forensic evidence, usually for investigation and prosecution of criminal acts such as embezzlement or fraud.

B. When is it needed?

1. Court ordered
2. Suspicion by you in your role as a personal rep, trustee, special administrator and conservator

C. How to recognize a need

1. Interviews/Conversation(s) with family members, friends, professionals, and others of the person of interest. (Look for conflicts of interest)

D. When need is discovered, what is the next step?

1. Simple situations
2. More complex situations
3. Seeking professional help

2. Discovery Process

A. Look at relationship(s) of person(s) in charge before and after death or before incapacitation

1. Persons having Power of Attorney or acting in roles as personal rep's and/or trustee
2. Ask yourself why and/or is it possible

Forensic Accounting
Chuck Estes, CPA

B. Test the water with information obtained from interviews and/or conversations-Test it

C. Based on your hunches and/or experiences do your own investigation(s)

3. Where to look for the need

A. Cash receipts and disbursements

1. Before and/or after death or incapacitation

2. Before your appointment

B. Securities

1. Brokerage/Non Brokerage

A. Dividends and interest

B. Sales of Securities

C. Assets missing from an inventory

1. Tax returns (1040, 1041, 706)

2. Other information

D. Real Estate

1. Sales or quick claim deeds

2. Rents accounted for

3. Related party transactions (Direct/Indirect)

E. Other Assets

1. Vehicles

2. Jewelry, precious art, antiques

3. Others (Hidden items)

4. Complex Situations

Forensic Accounting
Chuck Estes, CPA

A. Business's

B. Rental Real Estate

1. Commercial

2. Residential

C. Investments

1. General or family partnerships (LLC's)

2. Limited partnerships

D. Taxes

1. Income

2. Estate

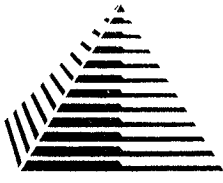
3. Gift

5. Over my head

A. Seek professional assistance

1. Accountant

2. Lawyer



ESTES / AVELLONE CPAs, LTD.

CERTIFIED PUBLIC ACCOUNTANTS

3411 N. 5th Avenue, Suite 500

Phoenix, Arizona 85013

Phone (602) 248-7703

Fax (602) 248-8160

Charles M. Estes is a CPA in Phoenix, Arizona. He is the founding member (1986) of the firm Estes/Avellone CPA's. Estes/Avellone is a full service Certified Public Accounting firm that provides accounting, tax consulting and advisory services to large and small companies and over 1,700 individuals.

Mr. Estes has over 30 years experience in public accounting. His vast experience includes services in forensic/fraud accounting, special master appointments, personal representation, special court appointed accounting assignments, as well as appointments as trustee. He also specializes in tax and estate consulting and planning.