

M&K purchase boosts LI forensics team

When crime does pay,
the Melville firm finds out

By **LAURA GLASSER**

Marcum & Kliegman is expanding its forensic accounting division eightfold on Long Island, a region where white-collar fraud has taken down some of its biggest companies.

The Melville-based accounting firm on June 1 acquired Roseland, N.J.-based Rosenfarb-Winters, which specializes in forensic accounting, boosting M&K's forensic division from 10 employees to 80 and giving the firm another office in New York City, along with two offices in New Jersey.

Forensic accountants often assist in litigation or act as investigators to nab white-collar criminals.

And if the past is any indication, Long Island is a good place to try and corner the forensic accounting market, according to Manny Alas, partner in the advisory services group at PricewaterhouseCoopers.

For example, CA Inc.'s securities fraud scandal landed former chief executive Sanjay Kumar in jail. Also, the fraud found in the Roslyn School District led to the incarceration of former Superintendent Frank Tassone, who stole \$2.2 million from the district.

And David Brooks is currently under house arrest while on trial for cooking the books at DHB Industries, the body armor company he founded in Woodbury.

Jeff Weiner, managing partner of M&K, said the local market is dotted with small forensic firms, and many large practices have small divisions. But there is no one dominant forensic practice in the tri-state area outside of the big four accounting firms.

"There's not really any firm that has this headcount

and depth of expertise," he said.

And the sector will continue to grow, especially while the economy is reeling.

Lou Grassi, managing partner of Lake Success-based Grassi & Co., which has its own forensic accounting division, said the downturn gives employees and business owners more of a reason to be dishonest.

Also, the push toward globalization has opened the door to more corporate fraud and corruption, he said.

"The world has gotten a lot more complex, and as the world gets more complex our services grow."

Apart from fraud investigation, forensic accountants assist lawyers when there's an accounting or monetary dispute, such as in a divorce.

John Martin, a litigation partner at the law firm Garfunkel, Wild & Travis in Great Neck, said forensic accountants help explain confusing accounting principles to lawyers, so they, in turn, can explain them to a jury. Forensic accountants are also occasionally called as expert witnesses, he added.

"Litigation is not dying in America, it's increasing," Weiner said, "and more and more financial experts are being called on to be part of the team that helps sort it out."

M&K currently rakes in between \$3 million and \$4 million a year in forensic accounting fees, but RosenfarbWinters, which becomes M&K Rosenfarb, will add about \$15 million a year, Weiner said.

The deal also beefs up M&K's New Jersey presence, he added, which has been a goal of the company's for a long time.

The firm has a few clients in New Jersey already, but Weiner said having a physical presence in the state will help boost business by \$20 million in the next three years.

Also, the RosenfarbWinters and M&K offices in NYC will eventually merge, he added.