

**Hiding Assets During Divorce**  
**By Lili A. Vasileff, CFP®, CDS, CDFATM**  
**October 16, 2007**

1. What does it mean to hide assets? It may be any of the following three activities: transferring assets to individual accounts, to third parties, or simply spending them.
2. Is it hard to hide assets? It is usually more difficult to hide significant assets because of the explosion of information on Internet, sophisticated forensic investigation methods, required public disclosure of publicly owned businesses, etc. However, assets moved offshore or internationally are very difficult to trace.
3. Who tends to hide assets? The more likely candidates to hide assets include the spouse with liquid assets, the high wage earner, and the business owner.
4. What are some common hiding places?
  - a. Under spouse's name, aliases, friends, relatives, partners
  - b. Using cash to fund illiquid assets that still retain value: home mortgage pay downs, universal life insurance, collectibles, overpayments to IRS, overpayments to credit cards
  - c. savings bonds, travelers or cashiers checks
  - d. dissolved corporations (bank accounts, capital accounts)
  - e. stockbroker accounts
  - f. safe deposit boxes
  - g. offshore/foreign bank accounts / investments/corporations
  - h. transfers to children's accounts (529 plans, trusts, UGMAs)
  - i. overspending
  - j. family trusts
5. What are some indicators to look out for?
  - a. The value of your assets looks lower than you remember
  - b. Your spouse's income looks low (Your spouse is privy to executive supplemental plans and both qualified and nonqualified deferred compensation benefits)
  - c. Your spouse is reluctant to share information with you
  - d. Your spouse travels frequently and abroad
  - e. New efforts to gift to family members, to establish trusts or buy real estate held by third party
6. If you think a spouse is hiding assets, the best ammunition is collect evidence of suspicion with supporting and reliable information. Obtain a copy all documents that are relevant to marriage and divorce. Observe spouse's behavior. Attempt to engage spouse in sharing of financial information and communicate about money or estate planning goals.

The best way to find hidden assets is to prevent them from becoming hidden in the first place. A good way to do it is to make a pre or post nuptial agreement that discloses fully assets and governs the disposition of the assets in divorce. Become informed about your tax returns and those of any family owned or solo business.