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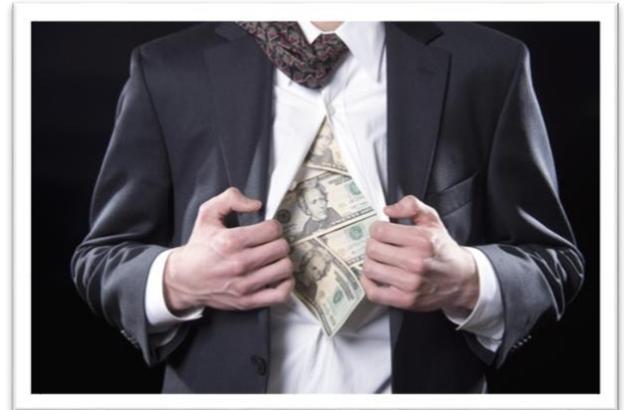
## They Hide & You Seek: Finding Assets in a Divorce

Although it doesn't always feel this way, it is very common for one spouse to be the primary budgeter of the family and handle the majority of the assets and debts. While this may work out smoothly while the parties are happily cohabitating, this becomes a source of anxiety for many clients when going through a divorce. This anxiety is increased in cases of financial abuse, where one spouse uses the finances to assert control over the other spouse.

Unfortunately, the attempt to hide assets in a divorce is commonplace but illegal. In this article, we will discuss some of the tools we use to uncover these "hidden" assets.

### DISCOVERY

In a prior article we discussed what discovery is and how it is used in a divorce or any proceeding to get information from an uncooperative spouse. However, there are specific documents that your family law attorney must ask for to uncover all of the marital property. This formal process of demanding information is imperative when you are dealing with an individual who is known for being less than honest. Avoiding discovery or failing to do it properly can cost you thousands of dollars and increase your chances of financial hardship down the road.



### WHAT TO ASK FOR

First, start with tax returns as they can be the biggest source of information because federal law mandates an itemization of all financial activity. Tax returns will show interest and dividends in properties, royalties and commissions, foreign bank accounts, and profit/losses from other businesses. There is a laundry list of forms and schedules your attorney should look at to verify sources of income, but do not stop there.

Second, it is very likely that at one point your spouse applied for a loan or credit account where income verification was required. Tax documents can be manipulated to make it seem like a family has less than they do.

What if I found out my spouse hid assets after my divorce was finalized?

You still have options! You may be able to seek recovery of any intentionally hidden assets if you can prove that Mr. or Mrs. Wonderful was intentionally deceitful and fraudulent.



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Whereas documents used for income verification tend to over-exaggerate how much a person has in earnings. Therefore, these documents provide pivotal contrast to under-exaggerated income or tax return filing. Typically, institutions will ask for pay stubs, account records, and a signed declaration regarding all assets and debts. Copies of these applications and statements can uncover hidden assets you otherwise might not see.

Third, tracing and analyzing accounts and cash flow during the marriage, when the spouse was potentially less careful about their financial maneuvers, provides insight into spending habits and secret accounts you may be unaware of. Your attorney should be looking into all financial accounts including savings, checking, brokerage, trust, and any business accounts for transfers and withdrawals. Your attorney should also get copies of cancelled checks and wire transfer authorizations. We also look at any gifts that were given to family and friends to see if there was a promise to “return the gift” after the finalization of the divorce.

Finally, if we have asked for all of the items above and we still think something seems a bit off, we have the ability to subpoena banks and businesses directly to compel them to give any and all documents in an individual’s name. Lying on discovery documents is the same as lying during court testimony, as discovery demands are under oath and subject to perjury charges through local law enforcement.

#### **MEET MARK AND LINDA**

Mark and Linda are seeking a divorce after 23 years of marriage. Linda is a homemaker while Mark is an entrepreneur with many different small businesses. Mark took care of the family’s finances while Linda took care of everything with the home and children. Linda chose a family friend as her attorney, but he did not specialize in family law and the divorce was taking forever. After getting nowhere in “negotiations” and receiving a seemingly inaccurate depiction of their finances, Linda walked into our office looking for help. Through discovery and the subpoena process, we discovered a foreign account, property held in another state, a separate retirement account, and two businesses that were undisclosed to Linda. It was (not) shocking how quickly Mark decided to re-negotiate his terms. Linda walked away with substantial amounts of alimony, ownership interest in two businesses, substantial retirement assets, and the marital home.

Divorces are complex and touch many different areas of the law. You want someone who focuses on divorce and ensuring your rights are protected. Call us at 605-777-1772 for an initial consult. Protect yourself and your financial security.

*\*This article is only intended to give general information and not specific legal advice. Consult with an attorney on your situation before taking any legal action.*