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Financial Cheating

How to recognize warning signs and improve communication.

BY JANET McCULLAR AND JAMES “JAKE” GILBREATH

When most people think of cheating, physical and emotional affairs are what first come to mind. But financial cheating is an overlooked topic that happens much more often than people expect. Despite not involving private meet ups or flirty texts, financial cheating is a significant form of deception that entails secrets and falsehoods that can destroy a relationship and impact the unaware spouse long after a divorce is granted. Here are some types of financial cheating and tips for noticing them and preventing such incidences from occurring.

Extravagant Purchases

Affairs provide one of the clearest examples of financial cheating, since paramours are rarely cheap to maintain. Petty expenses, such as flowers or dinner, will likely not hold up in court as evidence of infidelity, but extravagant purchases—such as big vacations, new cars, and paying another person’s rent or credit card bills—will definitely raise a red flag to an experienced judge. If one spouse is using community funds to pay for an affair, then the injured spouse can recapture that money during the divorce case, in addition to his or her presumptive right to half of the community estate.

Hidden Money

A less glaring form of financial cheating arises in the form of one spouse being less open or forthcoming with the injured spouse—such as hiding money. Unfortunately, a surprising number of married persons hide bank accounts and other financial accounts from their spouses. Similarly, financial cheating may come in the form of one spouse simply not being transparent about the

value of his or her assets. Both tactics, when used by a secretive spouse, could be considered cheating and may wind up as evidence during a divorce case.

The Telltale Signs

If you think your spouse is financially cheating on you, or you think it may be present in your current divorce case, the best course of action is for you or your client to become aware. Close attention must be paid to all family finances. A couple of signs to look for are increased cash withdrawals and changes made to online account passwords. Other—less obvious—signals include longer hours at work with no increase in income coming in and stricter household spending practices.

Tips For Improving Financial Communication

Not all actions are meant to deceive, however. If couples are more open and upfront with their finances from the beginning, they are significantly more likely to avoid spending time wasting community resources in the courtroom. Here are a couple of tips that will improve financial communication:

- Set aside a time once a month to discuss the spending habits from the prior month. This practice will force couples to be open with each other about all of their purchases and paychecks.
- Couples need to make a monthly budget together. If a couple forces themselves to make a list of financial liabilities and assets, they can find common ground and establish goals. If a couple has goals, they will be able

to work together and hold each other accountable to reach them. **TBJ**



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