

Member Firm Case Study: A Sweetheart Scam

An 83-year-old client, Tom, met his wife on Match.com. Approximately three months after they were married, the wife began calling the branch to change Tom's IRA beneficiaries and move the rest of Tom's assets into a joint account with herself as co-owner.

When the Financial Advisor received an IRA change of beneficiary form with the client's trust removed and the client's wife written in as both the primary and contingent beneficiary, the Advisor called the client's house. Tom's wife answered the phone and told the Advisor that, not only did they want to change the IRA beneficiaries, but they also wanted to transfer the assets in Tom's trust account into a joint account between the wife and Tom. The Advisor told the wife that he would need to speak with Tom, so the wife put Tom on the phone – Tom told the Advisor not to do anything at this time. Within 10 minutes, the wife called the Advisor back with Tom on the line. Tom told the Advisor to make the changes that the wife had requested. The Advisor could hear the wife coaching the client in the background. The Advisor and Branch Office Manager then called the Elder Client Initiatives team and spoke with an Elder Case Specialist. At that time, the specialist advised them to try to speak with the Tom alone, and to ask open-ended questions in order to see if Tom appeared to have the necessary mental capacity and to attempt to determine what Tom actually wanted.

Per the Specialist's suggestions, the Branch Office Manager met with Tom, but the wife was present. When Tom told the Branch Office Manager that he'd been married to the wife for two years, the wife corrected him and said she and the client had been married only three months and that they had met on Match.com. The Branch Office Manager told the couple that he wanted to prepare an Asset Review before making the aforementioned changes. Shortly thereafter, the wife called the Advisor to request \$15K from Tom's account, as she and Tom were going on a cruise to Venezuela. The Advisor again asked to speak with Tom. When the Advisor asked Tom if he was taking a trip, Tom said, "Hold on, let me ask Lisa [his wife]." The Advisor knew Tom had a son but did not know the son's name or contact information. The Elder Case Specialist then called an Internal Fraud Investigator, who was able to run a report that listed the son and his phone number, which the Elder Client Initiatives team provided when she filed the APS report. The APS Social Worker contacted the son, who told the Social Worker, he had Tom's power of attorney and was successor trustee of the trust. The son said he had a doctor's letter stating that Tom had Alzheimer's. The son is now in the process of being added as fiduciary to the client's accounts.

Thanks to the Financial Advisor, Branch Office Manager and Elder Case Specialist, the client's assets and estate plans have been protected.