

Tracy Coenen:

When it comes to really understanding what has been going on with your money, and if God forbid, you think there might have been fraud or hidden money, who's helping the folks who have that need?

James Robert Lay:

Greetings and hello. I am James Robert Lay. Welcome to episode 243 of the Banking on Digital Growth Podcast. Today's episode is part of the Exponential Insight series. I'm excited to welcome Tracy Coenen to the show. Tracy is a forensic accountant and creator of the Divorce Money Guide. Now, we all know money is stressful, but divorce really elevates the stress to an entire new level, especially when someone is trying to navigate the financial side of divorce alone. That's why I'm looking forward to this conversation with Tracy today, to educate you, to empower you, the dear listener, to guide account holders at your financial brand or fintech beyond the complexity, beyond the confusion, beyond the chaos divorce can bring to money. Welcome to the show, Tracy. It is good to share time with you today.

Tracy Coenen:

It is great to be here. I appreciate you having me.

James Robert Lay:

Absolutely. Before we get into talking about the Divorce Money Guide, which I think would be a fantastic collaboration opportunity with financial brands, with banks, with credit unions, with fintechs, what's going well for you, Tracy, right now, personally or professionally? It's always your pick to get started.

Tracy Coenen:

I have just been super busy professionally. I do a lot of consulting work as a forensic accountant. This year I have been fortunate to have some really interesting cases come in the door. Finding fraud is my thing. And so, I certainly enjoy doing that. The launch of the Divorce Money Guide and two new guides that are coming down the road has been super exciting. On the personal side, I'm excited because I'm planning my travel for next year, so I'm blocking time off of my calendar. That time is non-negotiable. There will not be work scheduled during those trips, and so that's been exciting to plan.

James Robert Lay:

What's on the horizon because I've got the travel bug myself, my wife and I do with our kids. It's been a while since we've been out on the road. Where are you headed?

Tracy Coenen:

Well, I don't like to share too much given that I'm a numbers spy, but I've been learning Spanish for the last two years and I am going to go spend a month in Mexico with my Spanish teachers.

James Robert Lay:

Fantastic. I love it, I love it. Let me transition our conversation because I want to roll back to something that you shared of what you do. You're a forensic accountant and you're on a mission to make forensic accounting available to anyone going through divorce. For clarity for the dear listener, what is a forensic accountant?

Tracy Coenen:

I find money. I do fraud investigations. If we're talking about divorce specifically, what I'm doing is I am digging through bank statements, credit card statements, investment account statements, tax returns, and I am trying to figure out where the money went. People in the process of divorce have concerns about what has been happening with the money because in most marriages, one spouse is primarily responsible for managing the money, keeping the records. It's just how we do it. A division of duties in the marriage. When it comes time for divorce, the spouse who hasn't been handling the money is really at a disadvantage regarding information. Now, do they necessarily suspect that there's fraud? Not necessarily. Even if they have a pretty good feeling that everything's on the up and up with the money, they are in a position, where they need to know firsthand what has been going on with the money.

They can't rely on their spouse to say, "Oh, everything's fine. You don't need to know those things." Not true. They need to know. How much do we have? Where is it? What have we been spending our money on for the last few years? And so as a forensic accountant, I certainly consult to people in cases like that. But it's expensive. Across the board, it's probably \$10,000 to \$15,000 to get started with a forensic accountant. We are used in the cases, where there are those suspicions of fraud and those suspicions rise to a pretty high level. But I said to myself about six months ago, what about the 95% of people in divorce who don't have access to a forensic accountant? What do they do? I said, I wanted to make a resource for them.

James Robert Lay:

Well, that's exactly what you did. You created the Divorce Money Guide, which is an online 10-step handbook for those that are in the process of divorce. I see this as, once again, for the dear listeners, such a great possible collaboration opportunity with banks, with credit and with fintechs to bring this knowledge. I think that's the key. It's to bring this knowledge to empower people who are going through a very difficult challenging time in their life. Why put this guide together in the first place? What was your inspiration that brought you to this point?

Tracy Coenen:

It really was all about helping people. I was in a coaching workshop, where we were talking about things that bother us about our businesses. I've been in business for myself for 23 years working as a forensic accountant, and I was saying it really bothers me that I can't help more people with their divorces. It's heartbreaking to receive that phone call from someone who has been left in the dark about the money and doesn't know where to start. But I have to say, I'm afraid I can't help you. There is literally no other resource out there on the forensic accounting side. There's lots of budgeting tools. There's divorce coaches who will help you with the emotional aspect of divorce. There's, of course, the divorce attorneys who help you with the legal process.

But when it comes to really understanding what has been going on with your money, and if God forbid, you think there might have been fraud or hidden money, who's helping the folks who have that need? And so I said, there's no resource out there. Why isn't there a resource? Well, wait a second, wrong question. The question isn't, why isn't there a resource? The question is why am I not creating the resource? That's what I did.

James Robert Lay:

Bingo, and I got a lot of empathy for this because as you're talking about the division of labor, if you will, between spouses. I think back to 2012, my wife and I had been married for about six years at that point, just had our second child, the business was thriving. I've talked about this on the podcast before. But I took us right up to the brink of divorce. My actions, my behaviors, my selfishness, I just was not in a good place. I remember I had made an investment in a fintech, and I specifically told my accountant and my attorney, do not let my wife know about this.

Tracy Coenen:

Wrong.

James Robert Lay:

Exactly.

Tracy Coenen:

Wrong, wrong.

James Robert Lay:

I was 100% in the wrong. I look back and I think, why would I do something like that? This was because I was not in a good place. Then, it was October 4, 2012, she confronted me and she was like, "I need to know everything." And so, that's when the flood gates came open. All the lies came out. The truth was brought into the light. There was a lot of money issues that were tied into this.

Tracy Coenen:


But let's be clear, I bet that when you made that investment, you had the best of intentions. You weren't trying to cheat your wife out of something or hurt your family. You were trying to help your family. And so, there are a lot of marriages, where there isn't shady stuff going on in terms of someone isn't trying to hide money, but they might be hiding the truth about the money.

James Robert Lay:

That's a better way to frame it. Because up to that point, we had been arguing. We'd been getting into fights about this, that or the other, about money. I'm like, she doesn't know, she doesn't understand. I'm trying to do the right thing. Then when it all came out, that sent me down a path of getting into therapy and getting into coaching for myself to work through a lot of challenges and issues. But I bring this up because according to Ramsey Solutions, it's money fights that are the second leading cause of divorce behind infidelity. You're known for saying, "We are nothing without a plan." What do you mean by this when it comes to navigating the complexities of both money and divorce? Because we know for many couples and individuals, for that matter, they lack a financial plan and then we're adding divorce on top of that. That's where just this chaos can just erupt, right?

Tracy Coenen:

Well, we are nothing without a plan and knowledge is power. And so, knowing how overwhelming this financial stuff can be to someone who is thinking about divorce, thinking that their spouse might be proposing divorce or into the stages of divorce, the money issues are overwhelming. Everyone loses in divorce. Everyone's standard of living goes down. People are concerned about the money. If you have not been in a position of handling the money or knowing about the money, it is very overwhelming to think about where do you start? Where do I start to get my arms around what's been happening with the money?



I said, here's the plan, the Divorce Money Guide lays out the plan. We've got 10 steps, and I called them 10 simple steps. I'm not lying about that. They are simple and anyone can do them even if you're not good with numbers. And so, by putting in a structure like that, a plan like that, that breaks it down into manageable pieces, I think it makes it less overwhelming. Then, the goal of working through these steps, no matter what order you do them in, or whether you do two steps or you do all 10, it's to bring you more knowledge about what's been going on with your finances.

James Robert Lay:

You mentioned knowledge is power and I agree, and that's why I think there is a collaboration opportunity here with you and with financial brands to bring this knowledge to bear to their account holders. I want to get your take on this because this is really, it's a tricky subject and it's very emotional. Money for that matter is very emotional, let alone, when you add divorce into the mix.

Tracy Coenen:

Well, divorce is probably one of the most terrible things someone can go through and it's probably a time when they feel most vulnerable in their lives. And so again, part of what I'm hoping to do is offer resources to help reassure, empower, provide a framework through which someone can tackle something that seems insurmountable. What I wanted to do is offer this product on exact same product, two tracks. One is direct to consumer. I'm out there on social media. I'm going on podcasts that consumers are listening to, let's say, in the personal finance space, and I'm talking about these divorce issues. I'm talking about red flags of fraud and what to look for and how you should know if there's something to worry about with the finances in your marriage. But then, there's the other track of working with companies who have a base of customers who are in need of financial information, who are hungry for information and finding a way for them to be able to get this material in their hands.

James Robert Lay:

You mentioned the red flags. You have an assessment and it helps people check to see if there might be financial fraud in their marriage. What are some of these red flags that people should be aware of that they should look for when it comes to financial fraud?

Tracy Coenen:

There is a laundry list of red flags in the product, but some of the more common ones are things like changes in behavior, that is actually the most common one that I see. When your spouse's behavior changes, they become more secretive maybe, or they are hiding documents. They've removed your access to the online banking. They're not telling you things they used to tell you. I always like to bring up the spouse who starts hiding their phone a lot.

You and your wife have always had phones on the kitchen counter or on the nightstand, wherever you may be, and suddenly your spouse constantly has their phone on their person. Even when they go to the bathroom, even when they're showering, they just don't want to let that phone on their site. Those strange changes in behavior can be a huge red flag that something is going wrong. I look for changes in spending patterns. Your spouse is suddenly spending larger amounts of money or spending outside of the agreements that you have had. Things like affairs, gambling, drugs, those are warning signs that there may also be a problem with the money. Because those things are expensive first of all, but second of all, because there is deception involved in them. It is likely that there's deception in other areas such as the finances.

James Robert Lay:

As you're talking through some of these changes in behaviors, you mentioned spending, and I'm just going to put this thought out for the dear listener to maybe ponder on for another future opportunity within the more of the fintech space. But it would be interesting to see, if there was a way to analyze account spending between couples and maybe there was an AI that said, "Hey, the algorithm sees that something is a little bit off," approach it carefully and cautiously, but just bubble that up to the surface for people. I'm curious to see how that could work in the future.

Tracy Coenen:

Well, let's think about this. As a fraud investigator, I certainly do that type of analysis. We do data analytics to identify outliers, to identify changes in patterns, unusual amounts, unusual timing of payments, transactions, things like that. Now, when we think about the banks, they already have this technology. Have you ever gotten a fraud alert from one of your credit cards? There was a charge from Instacart. The reason they're able to send you that fraud alert is because they are doing these analytics behind the scenes that are analyzing transactions and saying, "Oh, hello. Tracy never bought from Instacart before, and there are now seven charges in a row that have occurred on Instacart all within three minutes." By the way, that just happened about six months ago, which is why I use that example. But the technology is there. The question is, how would they make that accessible to consumers to say, "Hey, turn this on for my account. Let me know when there's something out of character for us." I love it.

James Robert Lay:

Well, I want to stay on the subject of financial fraud for just a bit longer. What is a common misconception that people have about financial fraud, particularly when it comes to this subject, this topic of divorce, that maybe they're wrong and you can help provide a different perspective to reframe the reality for them?

Tracy Coenen:

Two things about finances and divorce that consumers are wrong about. One is when your spouse says you'll never get a dime, you're not going to get part of the home equity, you're not going to get part of my retirement, you're not going to get part of my paycheck every month. This is an argument that's used typically when one of the spouses has been a stay at home parent, isn't bringing in an income of their own, and there's a lot of talk about my money versus our money.

In the vast majority of cases, it's just not true. Unless, you have a prenup or some unusual situation with the laws where you live, you're probably entitled to part of the home and retirement and the paycheck. That's one. Two, if there is fraud, one of the misconceptions is, "Well, the money's gone and I can never get it back." I will tell you that in a lot of cases, the money may be gone. Yes, if you have a spouse that gambles or does drugs or something like that, they're not putting that money away. They're spending it and it is gone. But hopefully, there are other assets available in your family. That equity in the home, that retirement account, an investment account somewhere, some cars. A judge can award you a greater share of those assets to make up for what your spouse wasted, stole, spend inappropriately.

James Robert Lay:

I want to come back to the Divorce Money Guide, you have some questions and the last question is the guide only for women? Can men use it too?

Tracy Coenen:

Men can use it too. Here's the reality. Women are bigger losers in divorce. If you look at the statistic, everyone's standard of living goes down during divorce because you've got one pot of money, one pot of income. Once you separate, you've got two households to support. Everyone's got to give up a little bit. But unfortunately, women, their standard of living drops more than men. Men's will. What I found is there's a greater need for the resource. I have also found that when we're doing the division of duties in the household, it is still more common for the men to be in control of the money. As far as we've come with everything, men are still more often in control of the money. And so, there is a greater need, so I speak a lot to women, but the product is equally as useful to men.

I just worked last year on a case. My client was the husband. He had been a stay at home dad for years. He had given up his career. He had a very good career. He had given it up for 15 years to raise the children. His wife was a doctor and was making between \$1 to 2 million per year, depending on the year. They're getting divorced. She said, "It's nice that you stayed home all these years. I'd like to offer you \$2,000 a month of spousal support for the next year, and then you can be on your merry way." That's not fair. That's not how it works. I tell you that story to illustrate it happens to the men too. They are in need as well. And so, absolutely. The guide is written gender neutral, so it can be used by either.

James Robert Lay:

One of the other things that I find quite fascinating, and I've talked a lot about this on the podcast before, is the aspect of coaching. Because back to your point, knowledge is power. But it's really when you apply that knowledge, when you turn that knowledge, you turn that insight into action. That's where the real exponential power comes from. One of the things that you have with the Divorce Money Guide is group coaching. I've been advocating for this for financial brands for years and will continue to do so to bring people together, to learn together, to grow together because they don't feel like they have to do this alone. You mentioned before, this can also often feel like an insurmountable mountain to climb. What have you found through the Divorce Money Guide and bringing people together, to learn together and navigate this journey as a group instead of doing it solo or trying to rambo it through as an individual?

Tracy Coenen:

The coaching has been fantastic. The group aspect brings a different feel to it all. The guide itself is, as you mentioned, very action oriented. There are videos. There's written materials. If you don't want to watch the videos, you can read the materials. There's worksheets. There's checklists. Everything someone needs to know that takes them step-by-step from point A to B to C to D to accomplish what they need to accomplish. But we found out really, really quickly that people were saying, "I still need some support. I still need some help. I need a little more of the how." And so, we created the group coaching as a way to give people more insight into the how. We meet once a week for 60 to 90 minutes.

What I do is I show them the how, "Okay, here's what the guide says that you're going to need to do A, B, C, and D. Let me show you how I do that." Of course, give them extra tips. They can ask questions. Then, we spend some time with the floor open for, Ask Tracy Anything. Whatever it is about your divorce, about a concern you might have about the money. If you wanted to say, "Hey, I brought this concern to my attorney and he said it was nothing to worry about, what do you think?" Happy to answer those kinds of questions. Between that live question answering and the supporting one another and seeing that other people have the same concerns and the same questions, that's been really valuable.

James Robert Lay:

Money is emotional, as I mentioned before. Divorce amplifies this even further and together combined, it can be a very painful experience. As you look ahead towards the future, what is it that makes you feel hopeful for those going through separation, those going through divorce to reduce financial fraud? What have you seen through your experience over the years?

Tracy Coenen:

When people feel empowered, they can get a better outcome in their divorce. A better outcome in the divorce means they feel like they got a fair share of the money. They have financial security to move forward in their lives. And so, those things make me feel hopeful for people, and the opportunity to help, literally, thousands of people each year have better financial outcomes in their divorces. That makes me really excited.

James Robert Lay:

I want to get real practical as we start to wrap up here. Tracy, I'm very grateful for the knowledge and the wisdom that you have shared with all of us today. Where can a financial brand, a bank, a credit union, a fintech, the dear listener, begin to empower people to navigate the complexities of divorce, to reduce financial fraud? If there was one thing that they might be able to just bring awareness to their account holders that are going through a situation like this, what might that one next best step be for them?

Tracy Coenen:


I think letting the account holders know the information that they have access to. As silly as it might sound to one of us who works with finances all the time, people are not necessarily fully educated on what they can find in their online banking and things like that. I've got a step in the Divorce Money Guide about how to get your bank statements. To you or I, that sounds silly. It's really easy to get the bank statements. But to someone who's never done it before, maybe never accessed online banking, it's all new to them. And so, I walk them through, log on, find this section, do this thing. And so, having them understand what information is available to them as, if your name's on the account you have legal access to all of it. That'd be a great starting point.

James Robert Lay:

I really appreciate that perspective because it is one, I think, that provides a lot of empathy too because back to the point of knowledge, there is the curse of knowledge that I see a lot of financial brands inherently have. We know all of these things. We take these things, this knowledge for granted. It's what we do every single day. But for the person who was not the one managing the finances of the household, to get thrust into a situation like this and then have to figure it all out alone. Having someone that they can call and just be that empathetic guide is really truly a way for financial brands to put the transformation of people over the commoditized transaction of dollars and cents. Tracy, thank you for the fantastic conversation. What is the best way for someone to reach out and continue the discussion that we've started here today?

Tracy Coenen:

You could find me at [fraudcoach.com](https://fraudcoach.com) because I am your fraud coach. Now, that's where the Divorce Money Guide is found. There's an email address there where you can reach out to me. That's the best way. Or if you happen to be on the socials, find me on Instagram @divorcemoneyguide.



James Robert Lay:

Connect with Tracy. Learn with Tracy. Grow with Tracy. Tracy, thanks again for joining me for another fantastic episode of Banking on Digital Growth.

Tracy Coenen:

Thanks for inviting me. You're a great host.

James Robert Lay:

As always and until next time, be well, do good and make your bed.