

CASE STUDY

FINANCIAL ABUSE OF OLDER PEOPLE

Case study three: Potential abuse of trust and theft

Source: Senior Rights Victoria

Background

Ron and his wife Janine have been farmers since 1954. They have two children, Richard and Stephanie. They own a 2000 hectare sheep and wheat farm at Blackacre. In 2007, upon the advice of their accountant, Ron and Janine transferred Blackacre into a Family Trust to allow them to claim the Age Pension. Richard was made the trustee of the trust. Ron and Janine and both children were discretionary beneficiaries of the trust. However, since 2010 only Richard has received a distribution from the trust.

In 2012, Richard arranged for the property to be sold. Ron, Janine and Stephanie expected to receive a distribution from the trust, however, they received nothing. From 2010 onwards their accountant was aware that the only beneficiary receiving a distribution was Richard and he is aware that the money from the sale of the property was not paid into the Trust.

Issues for practitioners

The accountant has spoken to Richard about this and he denies any wrongdoing although Richard has asked him not to discuss this issue with Ron and Janine. The accountant is unsure about whether he should talk to Ron and Janine about what has happened. He is also unclear as to whether he should report Richard to the authorities. He contacts the CPA for advice.

- What is your advice to the accountant?

BE HEARD.
BE RECOGNISED.

