

THE GREAT WEALTH DIVERSION

How Looters and Parasites Could Hijack the Largest Transfer of Wealth in History

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PART ONE OF A TWO-PART EXPLORATION



PART I — THE CANARY

Maria Coleman was approaching ninety when her husband, Don Coleman, died after nearly six decades of marriage.

His death did more than end a marriage. It changed the architecture of Maria's life.

Maria now lived alone in Flint, Michigan. Her extended family lived thousands of miles away. She did not drive. She lived largely in an analog world—no smartphone and no internet access.

Yet describing her simply as a vulnerable elderly widow would badly misrepresent this force of nature.

Born in Germany, Maria grew up poor during the Nazi era. As a hungry child, she remembers accepting chocolate from a Black American tanker despite the racist caricatures about Black people she had been taught by her loving mother. Years later, she met, fell in love with, and then married Don Coleman, a Black American serviceman.

Their interracial marriage brought another kind of adversity. Maria recalls receiving death threats in Virginia because she was a white woman married to a Black man. When the couple later migrated to Flint, Michigan, after Don's decorated tours in the Korean and Vietnam Wars, Maria had to purchase their home in her name to circumvent racial discrimination against her husband.

She had spent a lifetime overcoming, going around, outwitting and digging her way out of unfairness.

Then her copilot, companion and soulmate passed away.

Soon afterward, Maria found herself fending off what she believed was the first parasite: a man who had been paid to perform odd jobs around the Colemans' home and drive them throughout Genesee County. Maria believed that after Don's death, the relationship had begun to change.

She told family members that the man and his wife were representing themselves as the Colemans' son and daughter, although the Colemans had no children. She reported persistent telephone calls and feared that they were trying to take her cars and seize control of her finances.

Whether every suspicion could be substantiated was precisely the problem.

Her family was trying to understand events in Flint from thousands of miles away. An attorney became involved. Law enforcement was contacted.

The Genesee County Sheriff's Office G.R.A.C.E. Elder Abuse Division was contacted.

This is where I entered the picture, in November 2023.

An attorney representing Maria asked me to prepare a cease-and-desist letter and file a temporary restraining order against the most egregious potential looter. That effort led me to retain a private investigator, narrowly scoped to gather evidence to buttress the TRO against the alleged harasser.

What began as an effort to protect one recently widowed woman became increasingly complicated.

More people entered Maria's life precisely because she needed help. Family members. Friends. Attorneys. Investigators. Government agencies.

That presented a paradox I did not initially recognize:

The more vulnerable someone becomes, the more people they may need to trust.

And trust creates access.

Access to personal facts. Access to decision rights. Sometimes access to property and money.

Most people granted that unfettered access may need it.

Some will abuse it.

Maria Coleman's experience could not be extrapolated to indicate how frequently trusted people exploit older adults, whether families and financial institutions can reliably detect it, or whether existing safeguards are adequate.

But it caused my magpie's curiosity to start asking questions.

Here was a fiercely independent woman who had survived poverty, war, racism and nearly nine decades of life. Intelligence and resilience had not disappeared. The environment around her had changed.

Widowhood. Isolation. Technology. Distance from family. Increasing reliance on other people.

Maria Coleman is not the headliner.

She is my canary in the coal mine.

Her circumstances led me to a much narrower question:

What happens when enormous amounts of wealth are concentrated among aging Americans at precisely the stage of life when some become increasingly dependent upon other people to help them protect and manage it?

This question led me to research the Great Wealth Transfer.

And what I found suggested that the story America has been told, so far, may be incomplete.

The Great Wealth Transfer is usually described as an inheritance story.

Parents accumulated wealth. Their children and grandchildren will inherit it.

The numbers are staggering.

Cerulli Associates estimates that approximately \$124 trillion will transfer through 2048, with roughly \$105 trillion passing to heirs and another \$18 trillion to charities. Nearly \$100 trillion is expected to originate with Baby Boomers and older generations.

But the headline number can obscure the structure underneath it.

This wealth is not evenly distributed across American households, nor will it move in a single transaction from one generation to the next. Glenmede, drawing on Cerulli's research, estimates that roughly \$62 trillion of the projected transfer will originate from high- and ultra-high-net-worth households—approximately 2 percent of American households.

And before much of the wealth reaches children or grandchildren, enormous amounts will move between spouses.

Cerulli estimates approximately \$54 trillion in spousal transfers through 2048, with nearly \$40 trillion ultimately passing to widowed women among Baby Boomers and older generations.

That creates an intermediate stage in the Great Wealth Transfer that deserves considerably more attention.

Wealth doesn't simply transfer. It passes through transitions.

Death. Widowhood. Inheritance. Trust administration. Changes in financial responsibility. New advisers. New caregivers. New family dynamics.

Each transition can introduce another intermediary between the wealth holder and the wealth.

This does not make widows or widowers incapable. It does, however, create moments when responsibilities, relationships and access can change rapidly.

Most of the people who enter those moments will be helpful.

But profound life transitions can also create opportunities for parasites, looters and predators—pieces of shit. 🤮

The potential for abuse is not confined to strangers. It can involve family, friends, professionals, caregivers, and agents holding powers of attorney.

The distinction that matters is not between authorized access and unauthorized access.

It is between legitimate assistance and exploitation.

The person moving the money may have the password. The signature may be genuine. The account holder may have voluntarily granted access. A power of attorney may be valid. The transaction itself may pass every conventional authentication test.

And yet the money may still be going somewhere the account holder never intended.

That is what makes this problem fundamentally different from conventional identity theft.

Identity theft asks:

Was this really the customer?

Exploitation requires another question:

Was this really the customer's intent?

Those questions are not interchangeable.

A financial institution can authenticate the person, authenticate the device, authenticate the signature and authenticate the transaction—and still fail to recognize that trust itself is being exploited.

The potential looter does not need to break into the vault.

Sometimes, the looter is handed the key.

This possibility changes the architecture of the Great Wealth Transfer.

Because if abuse of trust can survive conventional authentication while enormous amounts of wealth increasingly move through relationships of trust, dependence and delegated authority, another question emerges:

How much of the Great Wealth Transfer might be vulnerable to diversion along the way?

That leads to the critical question of this paper:

Could the Great Wealth Transfer become the Great Wealth Diversion unless financial institutions and families learn to detect the abuse of trust, not merely the breach of identity?

PART II — THE LOOTERS

Our cultural picture of financial fraud is heavily influenced by the stranger.

The phishing email. The romance scammer. The fake government official. The cryptocurrency pitch. The stolen password.

Those threats are real. But focusing primarily on strangers can obscure a different vulnerability.

AARP's Public Policy Institute estimated in 2023 that Americans over sixty lose approximately \$28.3 billion annually to elder financial exploitation. Its analysis estimated that approximately 72 percent—\$20.3 billion—was attributable to people the victim knew, rather than strangers.

That finding raises a different question about protecting the Great Wealth Transfer.

The person exploiting an older adult may not need to defeat cybersecurity. He may already know the password. She may already have access to the checkbook. He may hold the power of attorney. She may be the caregiver. He may be the new friend. She may be the child who has gradually assumed responsibility for paying bills. He may be a professional whose invoice the older person does not fully understand.

The Consumer Financial Protection Bureau explicitly recognizes that financial exploitation can involve neighbors, caregivers, professionals, friends and family members. It includes not only taking money without permission but charging excessively for services or failing to perform services for which someone was paid.

The Department of Justice similarly distinguishes financial fraud committed by strangers from financial abuse committed by someone the older person knows. It identifies misuse of powers of attorney, pressured transfers of property, forged signatures and unauthorized changes to financial arrangements among the forms exploitation can take.

This is where the word looter becomes useful.

It isn't a legal classification. It describes a behavior.

A looter sees vulnerability and converts it into opportunity.

The looter may steal outright. But outright theft is merely the easiest form to recognize.

A more sophisticated looter may persuade. Isolate. Overcharge. Pressure. Create dependency. Insert himself between the older person and other relationships.

Obtain legitimate authority and then misuse it. Or gradually normalize transactions that individually appear ordinary.

This distinction matters because many conventional financial defenses are built to answer one question:

Is this really the customer?

But elder exploitation increasingly requires another:

Even if this is the customer, who is influencing the decision?

Those are radically different fraud problems.

The first is principally an identity problem.

The second is a trust problem.

A bank can determine that a customer entered her own PIN. It cannot necessarily determine why she suddenly withdrew \$18,000.

A brokerage can authenticate a customer's login. It may have considerably more difficulty determining whether someone sitting beside the customer is directing the transaction.

A financial institution may recognize that a power of attorney is legally valid. That document alone cannot tell the institution whether the person exercising that authority is honoring the older adult's interests.

The critical point is easy to miss.

Many of those transactions can be properly authenticated.

The data can be correct.

The authorization can appear valid.

And the outcome can still be exploitation.

That raises a larger question: How much vulnerability might be hiding inside the Great Wealth Transfer—not because someone defeated the system, but because someone the wealth holder trusted was already inside it?

To be continued in Part Two.