

111TH CONGRESS  
1ST SESSION

# H. R. 3040

To prevent mail, telemarketing, and Internet fraud targeting seniors in the United States, to promote efforts to increase public awareness of the enormous impact that mail, telemarketing, and Internet fraud have on seniors, to educate the public, seniors, their families, and their caregivers about how to identify and combat fraudulent activity, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 25, 2009

Ms. BALDWIN (for herself, Mr. COBLE, Mr. CONYERS, Mr. SMITH of Texas, Mr. SCOTT of Virginia, and Mr. GOHMERT) introduced the following bill; which was referred to the Committee on the Judiciary, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To prevent mail, telemarketing, and Internet fraud targeting seniors in the United States, to promote efforts to increase public awareness of the enormous impact that mail, telemarketing, and Internet fraud have on seniors, to educate the public, seniors, their families, and their caregivers about how to identify and combat fraudulent activity, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Senior Financial Em-  
3 powerment Act of 2009”.

4 **SEC. 2. FINDINGS.**

5 The Congress finds as follows:

6 (1) The proportion of the population of the  
7 United States age 60 years or older will drastically  
8 increase in the next 30 years as more than  
9 76,000,000 Baby Boomers approach retirement and  
10 old age.

11 (2) Each year, anywhere between 500,000 and  
12 5,000,000 seniors in the United States are abused,  
13 neglected, or exploited.

14 (3) Senior abuse, neglect, and exploitation have  
15 no boundaries, and cross all racial, social class, gen-  
16 der, and geographic lines.

17 (4) Millions of individuals in the United States  
18 are victims of financial exploitation, including mail,  
19 telemarketing, and Internet fraud, each year. Many  
20 of those who fall prey to these crimes are seniors.

21 (5) It is difficult to estimate the prevalence of  
22 fraud targeting seniors because cases are severely  
23 underreported and national statistics on senior fraud  
24 do not exist.

25 (6) The Federal Bureau of Investigation notes  
26 that senior Americans are less likely to report fraud

1 because they do not know to whom to report, they  
2 are ashamed to have been a victim of fraud, or they  
3 do not know that they have been a victim of fraud.  
4 In some cases, a senior victim of fraud may not re-  
5 port the crime because he or she is concerned that  
6 relatives may come to the conclusion that the victim  
7 no longer has the mental capacity to take care of his  
8 or her own financial affairs.

9 (7) According to a 2009 report by the MetLife  
10 Mature Market Institute, the annual financial loss  
11 by victims of senior financial abuse is estimated to  
12 be at least \$2,600,000,000.

13 (8) Perpetrators of mail, telemarketing, and  
14 Internet fraud frequently target seniors because sen-  
15 iors are often vulnerable and trusting people.

16 (9) As victims of such fraudulent schemes,  
17 many seniors have been robbed of their hard-earned  
18 life savings and frequently pay an emotional cost,  
19 losing not only their money, but also their self-re-  
20 spect and dignity.

21 (10) Perpetrators of fraud targeting seniors  
22 often operate outside the United States, reaching  
23 their victims through the mail, telephone lines, and  
24 the Internet.

1           (11) The Deceptive Mail Prevention and En-  
2           forcement Act increased the power of the United  
3           States Postal Service to protect consumers against  
4           persons who use deceptive mailings, such as those  
5           featuring games of chance, sweepstakes, skill con-  
6           tests, and facsimile checks.

7           (12) During fiscal year 2007, analysts prepared  
8           more than 27,000 letters and informative postcards  
9           in response to mail fraud complaints. During that  
10          same year, postal inspectors investigated 2,909 mail  
11          fraud cases in the United States, and arrested 1,236  
12          mail fraud suspects, of whom 1,118 were convicted.  
13          Postal inspectors also reported 162 telemarketing  
14          fraud investigations, with 83 arrests and 61 convic-  
15          tions resulting from such investigations.

16          (13) In 2000, the United States Senate Special  
17          Committee on Aging reported that, each year, con-  
18          sumers lose approximately \$40,000,000,000 to tele-  
19          marketing fraud, and estimated that approximately  
20          10 percent of the Nation's 14,000 telemarketing  
21          firms were fraudulent. Some researchers estimate  
22          that only one in 10,000 fraud victims reports the  
23          crime to the authorities.

24          (14) A 2003 report by AARP found that the  
25          crime of telemarketing fraud is grossly under-

1 reported among senior victims, but that those who  
2 are properly counseled by trained peer volunteers are  
3 less likely to fall victim to fraudulent practices.

4 (15) The Federal Bureau of Investigation re-  
5 ports that the threat of fraud to seniors is growing  
6 and changing. Many younger Baby Boomers have  
7 considerable computer skills, and criminals are modi-  
8 fying their targeting techniques by using not only  
9 traditional telephone calls and mass mailings, but  
10 also online scams like phishing and e-mail spam-  
11 ming.

12 (16) The IC3 is a partnership between the Na-  
13 tional White Collar Crime Center and the Federal  
14 Bureau of Investigation that serves as a vehicle to  
15 receive, develop, and refer criminal complaints re-  
16 garding cybercrime. The IC3 processed more than  
17 219,553 complaints of Internet crime in 2007. From  
18 these submissions, the IC3 referred 90,008 com-  
19 plaints of Internet crime, representing a total dollar  
20 loss of \$239,090,000, to Federal, State, and local  
21 law enforcement agencies in the United States for  
22 further consideration.

23 (17) Consumer awareness is the best protection  
24 from fraud.

1 **SEC. 3. CENTRALIZED SERVICE FOR CONSUMER EDU-**  
2 **CATION ON MAIL, TELEMARKETING, AND**  
3 **INTERNET FRAUD TARGETING SENIORS.**

4 (a) CENTRALIZED SERVICE.—

5 (1) REQUIREMENT.—The Federal Trade Com-  
6 mission shall, after consultation with the Attorney  
7 General, the Secretary of Health and Human Serv-  
8 ices, the Postmaster General, and the Chief Postal  
9 Inspector for the United States Postal Inspection  
10 Service—

11 (A) disseminate to seniors and families and  
12 caregivers of seniors general information on  
13 mail, telemarketing, and Internet fraud tar-  
14 geting seniors, including descriptions of the  
15 most common fraud schemes;

16 (B) disseminate to seniors and families  
17 and caregivers of seniors information on means  
18 of referring complaints of fraud targeting sen-  
19 iors to appropriate law enforcement agencies,  
20 including the Director of the Federal Bureau of  
21 Investigation, the attorneys general of the  
22 States, and a national toll-free telephone num-  
23 ber for reporting mail, telemarketing, and  
24 Internet fraud established by the Federal Trade  
25 Commission;

1 (C) in response to a specific request about  
2 a particular entity or individual, provide pub-  
3 lically available information on any record of  
4 civil or criminal law enforcement action for  
5 mail, telemarketing, or Internet fraud against  
6 such entity; and

7 (D) maintain a website to serve as a re-  
8 source for information for seniors and families  
9 and caregivers of seniors regarding mail, tele-  
10 marketing, and Internet fraud targeting sen-  
11 iors.

12 (2) COMMENCEMENT.—The Federal Trade  
13 Commission shall establish and implement proce-  
14 dures to carry out the requirements of paragraph  
15 (1) not later than one year after the date of the en-  
16 actment of this Act.

17 (b) AUTHORIZATION OF APPROPRIATIONS.—There is  
18 authorized to be appropriated to carry out this section  
19 \$10,000,000 for each of the fiscal years 2010 through  
20 2014.

21 **SEC. 4. GRANTS TO PREVENT MAIL, TELEMARKETING, AND**  
22 **INTERNET FRAUD.**

23 (a) GRANT PROGRAM AUTHORIZED.—Subject to the  
24 availability of funds authorized to be appropriated under  
25 this section, the Attorney General, after consultation with

1 the Secretary of Health and Human Services, the Post-  
2 master General, and the Chief Postal Inspector for the  
3 United States Postal Inspection Service, shall establish  
4 and administer a competitive grant program to award  
5 grants to eligible organizations to carry out mail, tele-  
6 marketing, and Internet fraud prevention education pro-  
7 grams for seniors.

8 (b) ELIGIBLE ORGANIZATIONS.—The Attorney Gen-  
9 eral may award grants under this section to State Attor-  
10 neys General, State and local law enforcement agencies  
11 and groups, senior centers, and other local nonprofit orga-  
12 nizations that provide assistance to seniors, as determined  
13 by the Attorney General.

14 (c) AUTHORIZATION OF APPROPRIATIONS.—There is  
15 authorized to be appropriated to carry out this section  
16 \$20,000,000 for each of the fiscal years 2010 through  
17 2014.

18 **SEC. 5. SENSE OF THE CONGRESS RELATED TO NATIONAL**

19 **SENIOR FRAUD AWARENESS WEEK.**

20 It is the sense of the Congress that—

21 (1) there is a need to increase public awareness  
22 of the enormous impact that mail, telemarketing,  
23 and Internet fraud has on senior citizens in the  
24 United States;

1           (2) a week in the month of May should be des-  
2           ignated as “National Senior Fraud Awareness  
3           Week”;

4           (3) the people of the United States should ob-  
5           serve National Senior Fraud Awareness Week with  
6           appropriate educational activities; and

7           (4) the President is encouraged to issue a proc-  
8           lamation supporting increased public awareness of  
9           the impact of, and the need to prevent, fraud com-  
10          mitted against seniors.

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