

116<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 1876

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IN THE SENATE OF THE UNITED STATES

MAY 1, 2019

Received; read twice and referred to the Committee on Banking, Housing, and  
Urban Affairs

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## AN ACT

To create an interdivisional taskforce at the Securities and  
Exchange Commission for senior investors.

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 “National Senior Inves-  
3 tor Initiative Act of 2019” or the “Senior Security Act  
4 of 2019”.

5 **SEC. 2. SENIOR INVESTOR TASKFORCE.**

6 Section 4 of the Securities Exchange Act of 1934 (15  
7 U.S.C. 78d) is amended by adding at the end the fol-  
8 lowing:

9 “(k) SENIOR INVESTOR TASKFORCE.—

10 “(1) ESTABLISHMENT.—There is established  
11 within the Commission the Senior Investor  
12 Taskforce (in this subsection referred to as the  
13 ‘Taskforce’).

14 “(2) DIRECTOR OF THE TASKFORCE.—The  
15 head of the Taskforce shall be the Director, who  
16 shall—

17 “(A) report directly to the Chairman; and

18 “(B) be appointed by the Chairman, in  
19 consultation with the Commission, from among  
20 individuals—

21 “(i) currently employed by the Com-  
22 mission or from outside of the Commis-  
23 sion; and

24 “(ii) having experience in advocating  
25 for the interests of senior investors.

1           “(3) STAFFING.—The Chairman shall ensure  
2 that—

3           “(A) the Taskforce is staffed sufficiently to  
4 carry out fully the requirements of this sub-  
5 section; and

6           “(B) such staff shall include individuals  
7 from the Division of Enforcement, Office of  
8 Compliance Inspections and Examinations, and  
9 Office of Investor Education and Advocacy.

10          “(4) MINIMIZING DUPLICATION OF EFFORTS.—  
11 In organizing and staffing the Taskforce, the Chair-  
12 man shall take such actions as may be necessary to  
13 minimize the duplication of efforts within the divi-  
14 sions and offices described under paragraph (3)(B)  
15 and any other divisions, offices, or taskforces of the  
16 Commission.

17          “(5) FUNCTIONS OF THE TASKFORCE.—The  
18 Taskforce shall—

19           “(A) identify challenges that senior inves-  
20 tors encounter, including problems associated  
21 with financial exploitation and cognitive decline;

22           “(B) identify areas in which senior inves-  
23 tors would benefit from changes in the regula-  
24 tions of the Commission or the rules of self-reg-  
25 ulatory organizations;

1           “(C) coordinate, as appropriate, with other  
2           offices within the Commission, other taskforces  
3           that may be established within the Commission,  
4           self-regulatory organizations, and the Elder  
5           Justice Coordinating Council; and

6           “(D) consult, as appropriate, with State  
7           securities and law enforcement authorities,  
8           State insurance regulators, and other Federal  
9           agencies.

10          “(6) REPORT.—The Taskforce, in coordination,  
11          as appropriate, with the Office of the Investor Advoca-  
12          cate and self-regulatory organizations, and in con-  
13          sultation, as appropriate, with State securities and  
14          law enforcement authorities, State insurance regu-  
15          lators, and Federal agencies, shall issue a report  
16          every 2 years to the Committee on Banking, Hous-  
17          ing, and Urban Affairs and the Special Committee  
18          on Aging of the Senate and the Committee on Fi-  
19          nancial Services of the House of Representatives, the  
20          first of which shall not be issued until after the re-  
21          port described in section 3 of the National Senior  
22          Investor Initiative Act of 2019 has been issued and  
23          considered by the Taskforce, containing—

24                 “(A) appropriate statistical information  
25                 and full and substantive analysis;

1           “(B) a summary of recent trends and inno-  
2 vations that have impacted the investment land-  
3 scape for senior investors;

4           “(C) a summary of regulatory initiatives  
5 that have concentrated on senior investors and  
6 industry practices related to senior investors;

7           “(D) key observations, best practices, and  
8 areas needing improvement, involving senior in-  
9 vestors identified during examinations, enforce-  
10 ment actions, and investor education outreach;

11           “(E) a summary of the most serious issues  
12 encountered by senior investors, including  
13 issues involving financial products and services;

14           “(F) an analysis with regard to existing  
15 policies and procedures of brokers, dealers, in-  
16 vestment advisers, and other market partici-  
17 pants related to senior investors and senior in-  
18 vestor-related topics and whether these policies  
19 and procedures need to be further developed or  
20 refined;

21           “(G) recommendations for such changes to  
22 the regulations, guidance, and orders of the  
23 Commission and self-regulatory organizations  
24 and such legislative actions as may be appro-

1           appropriate to resolve problems encountered by senior  
2           investors; and

3                   “(H) any other information, as determined  
4           appropriate by the Director of the Taskforce.

5           “(7) SUNSET.—The Taskforce shall terminate  
6           after the end of the 10-year period beginning on the  
7           date of the enactment of this subsection, but may be  
8           reestablished by the Chairman.

9                   “(8) SENIOR INVESTOR DEFINED.—For pur-  
10          poses of this subsection, the term ‘senior investor’  
11          means an investor over the age of 65.”.

12 **SEC. 3. GAO STUDY.**

13          (a) IN GENERAL.—Not later than 2 years after the  
14          date of enactment of this Act, the Comptroller General  
15          of the United States shall submit to Congress and the  
16          Senior Investor Taskforce the results of a study of finan-  
17          cial exploitation of senior citizens.

18          (b) CONTENTS.—The study required under sub-  
19          section (a) shall include information with respect to—

20                   (1) economic costs of the financial exploitation  
21          of senior citizens—

22                           (A) associated with losses by victims that  
23                   were incurred as a result of the financial exploi-  
24                   tation of senior citizens;

1 (B) incurred by State and Federal agen-  
2 cies, law enforcement and investigatory agen-  
3 cies, public benefit programs, public health pro-  
4 grams, and other public programs as a result of  
5 the financial exploitation of senior citizens;

6 (C) incurred by the private sector as a re-  
7 sult of the financial exploitation of senior citi-  
8 zens; and

9 (D) any other relevant costs that—

10 (i) result from the financial exploi-  
11 tation of senior citizens; and

12 (ii) the Comptroller General deter-  
13 mines are necessary and appropriate to in-  
14 clude in order to provide Congress and the  
15 public with a full and accurate under-  
16 standing of the economic costs resulting  
17 from the financial exploitation of senior  
18 citizens in the United States;

19 (2) frequency of senior financial exploitation  
20 and correlated or contributing factors—

21 (A) information about percentage of senior  
22 citizens financially exploited each year; and

23 (B) information about factors contributing  
24 to increased risk of exploitation, including such  
25 factors as race, social isolation, income, net

1           worth, religion, region, occupation, education,  
2           home-ownership, illness, and loss of spouse; and

3           (3) policy responses and reporting of senior fi-  
4           nancial exploitation—

5                   (A) the degree to which financial exploi-  
6                   tation of senior citizens unreported to authori-  
7                   ties;

8                   (B) the reasons that financial exploitation  
9                   may be unreported to authorities;

10                   (C) to the extent that suspected elder fi-  
11                   nancial exploitation is currently being re-  
12                   ported—

13                           (i) information regarding which Fed-  
14                           eral, State, and local agencies are receiving  
15                           reports, including adult protective services,  
16                           law enforcement, industry, regulators, and  
17                           professional licensing boards;

18                           (ii) information regarding what infor-  
19                           mation is being collected by such agencies;  
20                           and

21                           (iii) information regarding the actions  
22                           that are taken by such agencies upon re-  
23                           ceipt of the report and any limits on the  
24                           agencies' ability to prevent exploitation,  
25                           such as jurisdictional limits, a lack of ex-



1                   pertise, resource challenges, or limiting cri-  
2                   teria with regard to the types of victims  
3                   they are permitted to serve;

4                   (D) an analysis of gaps that may exist in  
5                   empowering Federal, State, and local agencies  
6                   to prevent senior exploitation or respond effec-  
7                   tively to suspected senior financial exploitation;  
8                   and

9                   (E) an analysis of the legal hurdles that  
10                  prevent Federal, State, and local agencies from  
11                  effectively partnering with each other and pri-  
12                  vate professionals to effectively respond to sen-  
13                  ior financial exploitation.

14               (c) SENIOR CITIZEN DEFINED.—For purposes of this  
15               section, the term “senior citizen” means an individual over  
16               the age of 65.

Passed the House of Representatives April 30, 2019.

Attest:                   CHERYL L. JOHNSON,  
*Clerk.*