

117TH CONGRESS
1ST SESSION

S. 856

To amend the Securities Exchange Act of 1934 to create an interdivisional taskforce at the Securities and Exchange Commission for senior investors, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 18, 2021

Ms. SINEMA (for herself and Ms. COLLINS) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To amend the Securities Exchange Act of 1934 to create an interdivisional taskforce at the Securities and Exchange Commission for senior investors, 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “National Senior Inves-
5 tor Initiative Act of 2021” or the “Senior Security Act
6 of 2021”.

1 **SEC. 2. SENIOR INVESTOR TASKFORCE.**

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

5 “(k) SENIOR INVESTOR TASKFORCE.—

6 “(1) DEFINITIONS.—In this subsection—

7 “(A) the term ‘appropriate committees of
8 Congress’ means—

9 “(i) the Committee on Banking,
10 Housing, and Urban Affairs of the Senate;

11 “(ii) the Special Committee on Aging
12 of the Senate; and

13 “(iii) the Committee on Financial
14 Services of the House of Representatives;
15 and

16 “(B) the term ‘senior investor’ means an
17 investor who is older than 65 years of age.

18 “(2) ESTABLISHMENT.—There is established
19 within the Commission the Senior Investor
20 Taskforce (referred to in this subsection as the
21 ‘Taskforce’).

22 “(3) DIRECTOR OF THE TASKFORCE.—The
23 head of the Taskforce shall be the Director, who
24 shall—

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

1 “(B) be appointed by the Chairman, in
2 consultation with the Commission, from among
3 individuals—

4 “(i) currently employed by the Com-
5 mission or from outside of the Commis-
6 sion; and

7 “(ii) having experience in advocating
8 for the interests of senior investors.

9 “(4) STAFFING.—

10 “(A) IN GENERAL.—The Chairman shall
11 ensure that—

12 “(i) the Taskforce is staffed suffi-
13 ciently to carry out fully the requirements
14 of this subsection; and

15 “(ii) the staff described in clause (i)
16 includes individuals from the Division of
17 Enforcement, the Office of Compliance In-
18 spections and Examinations, and the Of-
19 fice of Investor Education and Advocacy.

20 “(B) MEMBERS OF THE PUBLIC.—

21 “(i) IN GENERAL.—A member of the
22 public may serve as a member of the
23 Taskforce.

24 “(ii) TRAVEL EXPENSES.—The Chair-
25 man shall provide to any member of the

1 public serving as a member of the
2 Taskforce travel expenses, including per
3 diem in lieu of subsistence, at rates au-
4 thorized for an employee of an agency
5 under subchapter I of chapter 57 of title 5,
6 United States Code, while away from the
7 home or regular place of business of the
8 member in the performance of the duties
9 of the Taskforce.

10 “(C) FEDERAL EMPLOYEES.—A member
11 of the Taskforce who is an employee of any
12 agency, office, or other establishment in the ex-
13 ecutive, legislative, or judicial branch of the
14 Federal Government shall receive no additional
15 compensation for performing the duties of the
16 member with respect to the Taskforce.

17 “(5) MINIMIZING DUPLICATION OF EFFORTS.—
18 In organizing and staffing the Taskforce, the Chair-
19 man shall take such actions as may be necessary to
20 minimize the duplication of efforts within the divi-
21 sions and offices described in paragraph (4)(A)(ii)
22 and any other divisions, offices, or taskforces of the
23 Commission.

24 “(6) FUNCTIONS OF THE TASKFORCE.—The
25 Taskforce shall—

1 “(A) identify challenges that senior inves-
2 tors encounter, including problems associated
3 with financial exploitation and cognitive decline;

4 “(B) identify areas in which senior inves-
5 tors would benefit from changes in the regula-
6 tions of the Commission or the rules of self-reg-
7 ulatory organizations;

8 “(C) coordinate, as appropriate, with other
9 offices within the Commission, other taskforces
10 that may be established within the Commission,
11 self-regulatory organizations, and the Elder
12 Justice Coordinating Council; and

13 “(D) consult, as appropriate, with State
14 securities and law enforcement authorities,
15 State insurance regulators, and other Federal
16 agencies.

17 “(7) REPORT.—

18 “(A) IN GENERAL.—Subject to subpara-
19 graphs (B) and (C), the Taskforce, in coordina-
20 tion, as appropriate, with the Office of the In-
21 vestor Advocate and self-regulatory organiza-
22 tions, and in consultation, as appropriate, with
23 State securities and law enforcement authori-
24 ties, State insurance regulators, and Federal
25 agencies, shall submit to the Secretary of the

1 Senate, the Clerk of the House of Representa-
2 tives, and the appropriate committees of Con-
3 gress a biennial report containing—

4 “(i) appropriate statistical information
5 and full and substantive analysis;

6 “(ii) a summary of recent trends and
7 innovations that have impacted the invest-
8 ment landscape for senior investors;

9 “(iii) a summary of regulatory initia-
10 tives that have concentrated on senior in-
11 vestors and industry practices relating to
12 senior investors;

13 “(iv) key observations, best practices,
14 and areas needing improvement involving
15 senior investors identified during examina-
16 tions, enforcement actions, and investor
17 education outreach;

18 “(v) a summary of the most serious
19 issues encountered by senior investors, in-
20 cluding issues involving financial products
21 and services;

22 “(vi) an analysis with respect to—

23 “(I) existing policies and proce-
24 dures of brokers, dealers, investment
25 advisers, and other market partici-

1 pants relating to senior investors and
2 topics involving senior investors; and

3 “(II) whether the policies and
4 procedures described in subclause (I)
5 need to be further developed or re-
6 fined;

7 “(vii) recommendations for any legis-
8 lative action, and any changes to the regu-
9 lations, guidance, and orders of the Com-
10 mission and self-regulatory organizations,
11 as may be appropriate to resolve problems
12 encountered by senior investors; and

13 “(viii) any other information, as de-
14 termined appropriate by the Director of
15 the Taskforce.

16 “(B) FIRST REPORT.—The first report re-
17 quired under this paragraph may not be sub-
18 mitted until after the Comptroller General of
19 the United States has submitted, and the
20 Taskforce has considered, the report required
21 under section 3 of the National Senior Investor
22 Initiative Act of 2021.

23 “(C) ELECTRONIC COPIES.—Each report
24 submitted under this paragraph to the Sec-
25 retary of the Senate and the Clerk of the House

1 of Representatives shall include an electronic
2 version of the report, which any Member of
3 Congress may obtain, upon request to the appli-
4 cable official.

5 “(8) USE OF EXISTING FUNDS.—The Commis-
6 sion shall carry out this subsection using amounts
7 otherwise made available to the Commission and no
8 additional funds are authorized to be appropriated
9 to carry out this subsection.

10 “(9) SUNSET.—The Taskforce shall terminate
11 on the date that is 10 years after the date of enact-
12 ment of this subsection.”.

13 **SEC. 3. GAO STUDY.**

14 (a) DEFINITIONS.—In this section—

15 (1) the term “senior citizen” means an indi-
16 vidual who is older than 65 years of age; and

17 (2) the term “Taskforce” means the Senior In-
18 vestor Taskforce established under subsection (k) of
19 section 4 of the Securities Exchange Act of 1934
20 (15 U.S.C. 78d), as added by section 2 of this Act.

21 (b) STUDY.—Not later than 2 years after the date
22 of enactment of this Act, the Comptroller General of the
23 United States shall submit to Congress and the Taskforce
24 the results of a study of financial exploitation of senior
25 citizens.

1 (c) CONTENTS.—The study required under sub-
2 section (b) shall include information with respect to—

3 (1) the economic costs of the financial exploi-
4 tation of senior citizens, including—

5 (A) costs associated with losses by victims
6 that were incurred as a result of the financial
7 exploitation of senior citizens;

8 (B) costs incurred by State and Federal
9 agencies, law enforcement and investigatory
10 agencies, public benefit programs, public health
11 programs, and other public programs as a re-
12 sult of the financial exploitation of senior citi-
13 zens;

14 (C) costs incurred by the private sector as
15 a result of the financial exploitation of senior
16 citizens; and

17 (D) any other relevant costs that—

18 (i) result from the financial exploi-
19 tation of senior citizens; and

20 (ii) the Comptroller General of the
21 United States determines are necessary
22 and appropriate to include in order to pro-
23 vide Congress and the public with a full
24 and accurate understanding of the eco-
25 nomic costs resulting from the financial ex-

1 ploitation of senior citizens in the United
2 States;

3 (2) the frequency of the financial exploitation of
4 senior citizens and correlated or contributing factors
5 with respect to that exploitation, including informa-
6 tion regarding—

7 (A) the percentage of senior citizens finan-
8 cially exploited each year; and

9 (B) factors that may contribute to an in-
10 creased risk of exploitation of senior citizens,
11 including race, social isolation, income, net
12 worth, religion, geographic location, occupation,
13 education, home-ownership, illness, and loss of
14 spouse; and

15 (3) policy responses to, and the reporting of,
16 the financial exploitation of senior citizens, includ-
17 ing—

18 (A) the degree to which financial exploi-
19 tation of senior citizens is not reported to the
20 appropriate authorities;

21 (B) the reasons that financial exploitation
22 of senior citizens may not be reported to the ap-
23 propriate authorities;

1 (C) to the extent that suspected financial
2 exploitation of senior citizens is reported, infor-
3 mation regarding—

4 (i) which entities receive those re-
5 ports, including—

6 (I) Federal, State, and local
7 agencies, including adult protective
8 services agencies and law enforcement
9 agencies; and

10 (II) private sector entities, pro-
11 fessional licensing boards, and other
12 regulators;

13 (ii) the specific types of information
14 the entities described in clause (i) collect;

15 (iii) the actions that the entities de-
16 scribed in clause (i) take upon the receipt
17 of such a report; and

18 (iv) any limits on the ability of the en-
19 tities described in clause (i) to prevent that
20 exploitation, such as jurisdictional limits, a
21 lack of expertise, resource challenges, or
22 limiting criteria with respect to the types
23 of victims the agencies are permitted to
24 serve;

- 1 (D) an analysis of gaps that may exist in
2 empowering Federal, State, and local agencies
3 to—
- 4 (i) prevent the financial exploitation
5 of senior citizens; or
- 6 (ii) respond effectively to the sus-
7 pected financial exploitation of senior citi-
8 zens; 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 the
13 financial exploitation of senior citizens.

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