

Union Calendar No. 70

118TH CONGRESS
1ST SESSION

H. R. 2593

[Report No. 118–93]

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

IN THE HOUSE OF REPRESENTATIVES

APRIL 13, 2023

Mr. GOTTHEIMER (for himself and Mrs. WAGNER) introduced the following
bill; which was referred to the Committee on Financial Services

JUNE 5, 2023

Additional sponsor: Mr. LAWLER

JUNE 5, 2023

Reported with an amendment, committed to the Committee of the Whole
House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italie*]

[For text of introduced bill, see copy of bill as introduced on April 13, 2023]

A BILL

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,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “National Senior Investor*
 5 *Initiative Act of 2023” or the “Senior Security Act of*
 6 *2023”.*

7 **SEC. 2. SENIOR INVESTOR TASKFORCE.**

8 *Section 4 of the Securities Exchange Act of 1934 (15*
 9 *U.S.C. 78d) is amended by adding at the end the following:*

10 *“(l) SENIOR INVESTOR TASKFORCE.—*

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

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

16 *“(A) report directly to the Chairman; and*

17 *“(B) be appointed by the Chairman, in con-*
 18 *sultation with the Commission, from among in-*
 19 *dividuals—*

20 *“(i) currently employed by the Com-*
 21 *mission or from outside of the Commission;*
 22 *and*

23 *“(ii) having experience in advocating*
 24 *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 Com-*
8 *pliance Inspections and Examinations, and Of-*
9 *fice of Investor Education and Advocacy.*

10 “(4) *NO COMPENSATION FOR MEMBERS OF*
11 *TASKFORCE.—All members of the Taskforce appointed*
12 *under paragraph (2) or (3) shall serve without com-*
13 *penetration in addition to that received for their serv-*
14 *ices as officers or employees of the United States.*

15 “(5) *MINIMIZING DUPLICATION OF EFFORTS.—In*
16 *organizing and staffing the Taskforce, the Chairman*
17 *shall take such actions as may be necessary to mini-*
18 *mize the duplication of efforts within the divisions*
19 *and offices described under paragraph (3)(B) and*
20 *any other divisions, offices, or taskforces of the Com-*
21 *mission.*

22 “(6) *FUNCTIONS OF THE TASKFORCE.—The*
23 *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-regu-
7 latory 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 Jus-
12 tice Coordinating Council; and

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

16 “(7) *REPORT.*—The Taskforce, in coordination,
17 as appropriate, with the Office of the Investor Advo-
18 cate and self-regulatory organizations, and in con-
19 sultation, as appropriate, with State securities and
20 law enforcement authorities, State insurance regu-
21 lators, and Federal agencies, shall issue a report every
22 2 years to the Committee on Banking, Housing, and
23 Urban Affairs and the Special Committee on Aging
24 of the Senate and the Committee on Financial Serv-
25 ices of the House of Representatives, the first of which

1 *shall not be issued until after the report described in*
2 *section 3 of the National Senior Investor Initiative*
3 *Act of 2023 has been issued and considered by the*
4 *Taskforce, containing—*

5 “(A) *appropriate statistical information*
6 *and full and substantive analysis;*

7 “(B) *a summary of recent trends and inno-*
8 *vations that have impacted the investment land-*
9 *scape for senior investors;*

10 “(C) *a summary of regulatory initiatives*
11 *that have concentrated on senior investors and*
12 *industry practices related to senior investors;*

13 “(D) *key observations, best practices, and*
14 *areas needing improvement, involving senior in-*
15 *vestors identified during examinations, enforce-*
16 *ment actions, and investor education outreach;*

17 “(E) *a summary of the most serious issues*
18 *encountered by senior investors, including issues*
19 *involving financial products and services;*

20 “(F) *an analysis with regard to existing*
21 *policies and procedures of brokers, dealers, in-*
22 *vestment advisers, and other market participants*
23 *related to senior investors and senior investor-re-*
24 *lated topics and whether these policies and proce-*
25 *dures need to be further developed or refined;*

1 “(G) recommendations for such changes to
 2 the regulations, guidance, and orders of the Com-
 3 mission and self-regulatory organizations and
 4 such legislative actions as may be appropriate to
 5 resolve problems encountered by senior investors;
 6 and

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

9 “(8) *REQUEST FOR REPORTS.*—The Taskforce
 10 shall make any report issued under paragraph (7)
 11 available to a Member of Congress who requests such
 12 a report.

13 “(9) *SUNSET.*—The Taskforce shall terminate
 14 after the end of the 10-year period beginning on the
 15 date of the enactment of this subsection.

16 “(10) *SENIOR INVESTOR DEFINED.*—For pur-
 17 poses of this subsection, the term ‘senior investor’
 18 means an investor over the age of 65.

19 “(11) *USE OF EXISTING FUNDS.*—The Commis-
 20 sion shall use existing funds to carry out this sub-
 21 section.”.

22 **SEC. 3. GAO STUDY.**

23 (a) *STUDY.*—Not later than 2 years after the date of
 24 enactment of this Act, the Comptroller General of the United
 25 States shall submit to Congress and the Senior Investor

1 *Taskforce the results of a study of financial exploitation of*
2 *senior citizens.*

3 (b) *CONTENTS.—The study required under subsection*
4 *(a) shall include information with respect to—*

5 (1) *economic costs of the financial exploitation of*
6 *senior citizens—*

7 (A) *associated with losses by victims that*
8 *were incurred as a result of the financial exploi-*
9 *tation of senior citizens;*

10 (B) *incurred by State and Federal agencies,*
11 *law enforcement and investigatory agencies, pub-*
12 *lic benefit programs, public health programs,*
13 *and other public programs as a result of the fi-*
14 *nancial exploitation of senior citizens;*

15 (C) *incurred by the private sector as a re-*
16 *sult of the financial exploitation of senior citi-*
17 *zens; and*

18 (D) *any other relevant costs that—*

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

21 (ii) *the Comptroller General deter-*
22 *mines are necessary and appropriate to in-*
23 *clude in order to provide Congress and the*
24 *public with a full and accurate under-*
25 *standing of the economic costs resulting*

1 *from the financial exploitation of senior*
2 *citizens in the United States;*

3 (2) *frequency of senior financial exploitation*
4 *and correlated or contributing factors—*

5 (A) *information about percentage of senior*
6 *citizens financially exploited each year; and*

7 (B) *information about factors contributing*
8 *to increased risk of exploitation, including such*
9 *factors as race, social isolation, income, net*
10 *worth, religion, region, occupation, education,*
11 *home-ownership, illness, and loss of spouse; and*

12 (3) *policy responses and reporting of senior fi-*
13 *nancial exploitation—*

14 (A) *the degree to which financial exploi-*
15 *tation of senior citizens unreported to authori-*
16 *ties;*

17 (B) *the reasons that financial exploitation*
18 *may be unreported to authorities;*

19 (C) *to the extent that suspected elder finan-*
20 *cial exploitation is currently being reported—*

21 (i) *information regarding which Fed-*
22 *eral, State, and local agencies are receiving*
23 *reports, including adult protective services,*
24 *law enforcement, industry, regulators, and*
25 *professional licensing boards;*

1 (ii) information regarding what infor-
2 mation is being collected by such agencies;
3 and

4 (iii) information regarding the actions
5 that are taken by such agencies upon receipt
6 of the report and any limits on the agencies'
7 ability to prevent exploitation, such as ju-
8 risdictional limits, a lack of expertise, re-
9 source challenges, or limiting criteria with
10 regard to the types of victims they are per-
11 mitted to serve;

12 (D) an analysis of gaps that may exist in
13 empowering Federal, State, and local agencies to
14 prevent senior exploitation or respond effectively
15 to suspected senior financial exploitation; and

16 (E) an analysis of the legal hurdles that
17 prevent Federal, State, and local agencies from
18 effectively partnering with each other and pri-
19 vate professionals to effectively respond to senior
20 financial exploitation.

21 (c) *SENIOR CITIZEN DEFINED.*—For purposes of this
22 section, the term “senior citizen” means an individual over
23 the age of 65.

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