

115TH CONGRESS
1ST SESSION

S. 547

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.

IN THE SENATE OF THE UNITED STATES

MARCH 7, 2017

Mrs. GILLIBRAND (for herself and Ms. COLLINS) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

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 2017”.

4 **SEC. 2. FINDINGS.**

5 Congress makes the following findings:

6 (1) The proportion of the population of the
7 United States that is 60 years of age or older will
8 drastically increase in the next 30 years as more
9 than 76,000,000 baby boomers approach retirement
10 and 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 and
20 many of the individuals who fall prey to these crimes
21 are seniors.

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

1 (6) The Federal Bureau of Investigation notes
2 that a senior may be less likely to report fraud be-
3 cause the senior—

4 (A) does not know to whom to report the
5 fraud;

6 (B) is ashamed to have been a victim of
7 fraud;

8 (C) does not know that the senior has been
9 a victim of fraud; or

10 (D) in some cases, is concerned that rel-
11 atives may come to the conclusion that the sen-
12 ior no longer has the mental capacity to take
13 care of the financial affairs of the senior.

14 (7) According to a 2011 report by the MetLife
15 Mature Market Institute, the annual financial loss
16 by victims of senior financial abuse is estimated to
17 be at least \$2,900,000,000.

18 (8) As victims of senior financial abuse, many
19 seniors have been robbed of their hard-earned life
20 savings, and even their homes, and can suffer severe
21 emotional and health-related consequences.

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

1 (10) The Deceptive Mail Prevention and En-
2 forcement Act (Public Law 106–168; 113 Stat.
3 1806) increased the power of the United States
4 Postal Service to protect consumers against persons
5 who use deceptive mailings, such as those featuring
6 games of chance, sweepstakes, skill contests, and
7 facsimile checks.

8 (11) During fiscal year 2007, analysts prepared
9 more than 27,000 letters and informative postcards
10 in response to mail fraud complaints. During that
11 same fiscal year, postal inspectors investigated 2,909
12 mail fraud cases in the United States and arrested
13 1,236 mail fraud suspects, of whom 1,118 were con-
14 victed. Postal inspectors also reported 162 tele-
15 marketing fraud investigations with 83 arrests and
16 61 convictions resulting from the investigations.

17 (12) In 2000, the Special Committee on Aging
18 of the Senate reported that, each year, consumers
19 lose approximately \$40,000,000,000 to tele-
20 marketing fraud and estimated that approximately
21 10 percent of the 14,000 telemarketing firms in the
22 United States were fraudulent.

23 (13) Some researchers estimate that only one in
24 10,000 fraud victims reports the crime to the au-
25 thorities.

1 (14) A 2003 report by AARP, Inc., found that
2 the crime of telemarketing fraud is grossly under-
3 reported among senior victims, but that individuals
4 who are properly counseled by trained peer volun-
5 teers are less likely to fall victim to fraudulent prac-
6 tices.

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

15 (16) The Internet Crime Complaint Center is a
16 partnership between the National White Collar
17 Crime Center and the Federal Bureau of Investiga-
18 tion that serves as a vehicle to receive, develop, and
19 refer criminal complaints regarding cybercrime. The
20 Internet Crime Complaint Center processed more
21 than 219,553 complaints of Internet crime in 2007
22 and, from these submissions, the center referred
23 90,008 complaints of Internet crime, representing a
24 total dollar loss of \$239,090,000, to Federal, State,

1 and local law enforcement agencies in the United
2 States for further consideration.

3 (17) Consumer awareness is the best protection
4 from fraud.

5 **SEC. 3. DEFINITIONS.**

6 In this Act:

7 (1) COMMISSION.—The term “Commission”
8 means the Federal Trade Commission.

9 (2) SENIOR CITIZEN.—The term “senior cit-
10 izen” means an individual who is not younger than
11 65 years of age.

12 **SEC. 4. INFORMATION AND CONSUMER EDUCATION ON**
13 **MAIL, TELEMARKETING, AND INTERNET**
14 **FRAUD TARGETING SENIOR CITIZENS.**

15 (a) CENTRALIZED SERVICE.—

16 (1) DISSEMINATION OF INFORMATION.—The
17 Commission, after consultation with the Attorney
18 General, the Secretary of Health and Human Serv-
19 ices, the Postmaster General, the Chief Postal In-
20 spector for the United States Postal Inspection
21 Service, and the Internet Crime Complaint Center,
22 shall—

23 (A) disseminate to senior citizens and the
24 families and caregivers of the senior citizens in-
25 formation—

1 (i) regarding mail, telemarketing, and
2 Internet fraud that targets senior citizens,
3 including descriptions of the most common
4 fraud schemes; and

5 (ii) which shall be—

6 (I) disseminated in a way that is
7 easily accessible and user-friendly to
8 senior citizens; and

9 (II) proactive so as to teach sen-
10 ior citizens about scam and fraud pre-
11 vention through safe and smart finan-
12 cial practices; and

13 (B) with respect to the information de-
14 scribed in subparagraph (A)(ii)(II)—

15 (i) update the information regularly to
16 keep pace with the changing nature of
17 criminal activity; and

18 (ii) include—

19 (I) instructions on how to refer a
20 complaint to the appropriate law en-
21 forcement agency; and

22 (II) a national toll-free telephone
23 number, to be established by the Com-
24 mission, which shall—

1 (aa) have a live individual,
 2 rather than an automated serv-
 3 ice, available to answer calls from
 4 senior citizens who are calling—

5 (AA) to seek advice on
 6 where and how to report in-
 7 stances of fraud; or

8 (BB) to ask questions
 9 about issues relating to
 10 scams or fraud of senior
 11 citizens; and

12 (bb) be similar to the Fraud
 13 Hotline established by the Spe-
 14 cial Committee on Aging of the
 15 Senate.

16 (2) SHARING OF INFORMATION.—The Commis-
 17 sion shall—

18 (A) maintain an Internet website that
 19 serves as a source of information for senior citi-
 20 zens and the families and caregivers of senior
 21 citizens regarding the types of fraud described
 22 in paragraph (1)(A)(i);

23 (B) work with State enforcement agencies
 24 to create a national database that tracks in-

1 stances of fraud committed against senior citi-
 2 zens; and

3 (C) in response to a specific request about
 4 a particular person, provide publically available
 5 information on any record of a civil or criminal
 6 law enforcement action taken against the per-
 7 son for fraud that targeted senior citizens.

8 (b) IMPLEMENTATION.—Not later than 1 year after
 9 the date of the enactment of this Act, the Commission
 10 shall establish and implement procedures to carry out the
 11 requirements of this section.

12 **SEC. 5. EDUCATION TO CERTAIN ENTITIES REGARDING FI-**
 13 **NANCIAL EXPLOITATION OF SENIOR CITI-**
 14 **ZENS.**

15 (a) IN GENERAL.—The Commission shall, in con-
 16 sultation with the appropriate Federal financial institu-
 17 tions (as defined in section 8(e)(7)(D) of the Federal De-
 18 posit Insurance Act (12 U.S.C. 1818(e)(7)(D))), regu-
 19 latory agencies, State agencies, and local agencies, con-
 20 vene and provide education to the entities described in
 21 subsection (b) regarding the legal obligations of those enti-
 22 ties and industry best practices for those entities with re-
 23 spect to financial exploitation and neglect of senior citi-
 24 zens.

1 (b) COVERED ENTITIES.—An entity described in this
 2 subsection is—

3 (1) a depository institution (as defined in sec-
 4 tion 3(c) of the Federal Deposit Insurance Act (12
 5 U.S.C. 1813(c)));

6 (2) a credit office;

7 (3) a remittance transfer provider (as defined
 8 in section 920(g) of the Electronic Fund Transfer
 9 Act (15 U.S.C. 1693o–1(g)));

10 (4) a person who distributes general-use pre-
 11 paid cards (as defined in section 915(a)(2) of the
 12 Electronic Fund Transfer Act (15 U.S.C. 1693l–
 13 1(a)(2))); and

14 (5) any individual who—

15 (A) is employed by a financial institution;

16 (B) has access to the financial records of
 17 senior citizens; and

18 (C) may be able to identify instances of
 19 elder financial abuse because of discrepancies in
 20 those financial records.

21 (c) REQUIRED TRAINING.—A State agency may not
 22 receive Federal funds under this Act unless the agency
 23 ensures that the entities described in subsection (b) in that
 24 State receive appropriate training that improves—

1 (1) the ability of the entities to recognize evi-
 2 dence of financial exploitation and neglect of senior
 3 citizens; and

4 (2) the understanding of the entities of the re-
 5 porting requirements in that State with respect to fi-
 6 nancial exploitation and neglect of senior citizens.

7 (d) IMPLEMENTATION.—Not later than 1 year after
 8 the date of the enactment of this Act, the Commission
 9 shall establish and implement procedures to carry out the
 10 requirements of this section.

11 **SEC. 6. GRANT PROGRAM TO PREVENT MAIL, TELE-**
 12 **MARKETING, AND INTERNET FRAUD AND FOR**
 13 **SCIENTIFIC RESEARCH ON SENIOR CITIZENS'**
 14 **INCREASED VULNERABILITY TO SCAMS.**

15 (a) GRANT PROGRAM.—

16 (1) AUTHORIZATION.—The Attorney General
 17 may award grants, on a competitive basis, to eligible
 18 entities to carry out fraud prevention activities de-
 19 signed to protect senior citizens.

20 (2) ELIGIBLE ENTITIES.—For purposes of the
 21 grant program, an eligible entity is any State attor-
 22 ney general, State or local law enforcement agency,
 23 senior center, or other State or local nonprofit orga-
 24 nization that provides assistance to senior citizens.

1 (3) PRIORITY.—In awarding grants under this
 2 subsection, the Attorney General shall give priority
 3 to an eligible entity that has established a public-private
 4 partnership with a computer or software company that is focused on developing tools to enhance
 5 Internet scam prevention.
 6

7 (4) AUTHORIZATION OF APPROPRIATIONS.—
 8 There are authorized to be appropriated to the Attorney General to carry out this subsection
 9 \$5,000,000 for each of fiscal years 2018 through
 10 2022.
 11

12 (b) RESEARCH.—

13 (1) IN GENERAL.—The Director of the National
 14 Institutes of Health shall conduct scientific research
 15 related to the increased vulnerability of senior citizens to scams and fraud due to age-related health
 16 and neurological conditions.
 17

18 (2) AVAILABILITY OF FUNDS.—No additional
 19 amounts are authorized to be appropriated to carry
 20 out this subsection. Amounts to carry out this subsection shall be derived from amounts not specifically
 21 appropriated to carry out this subsection.
 22

23 **SEC. 7. SENSE OF CONGRESS ON NATIONAL SENIOR FRAUD**
 24 **AWARENESS WEEK.**

25 It is the sense of Congress that—

1 (1) there is a need to increase awareness of
2 fraud targeting senior citizens;

3 (2) a week in March of each year should be des-
4 ignated as “National Senior Fraud Awareness
5 Week” to coincide with the end of winter, which—

6 (A) is commonly a period of increased iso-
7 lation; and

8 (B) precedes tax season;

9 (3) the people of the United States should ob-
10 serve National Senior Fraud Awareness Week with
11 relevant educational activities; and

12 (4) the President should issue a proclamation
13 supporting increased awareness of senior fraud.

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