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116TH CONGRESS
1ST SESSION

S. 1719

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

JUNE 5, 2019

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

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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.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ‘‘National Senior Investor Initiative Act of 2019’’ or the ‘‘Senior Security Act of 2019’’.

SEC. 2. SENIOR INVESTOR TASKFORCE.

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

"(k) SENIOR INVESTOR TASKFORCE.—

"(1) DEFINITIONS.—In this subsection—

"(A) the term 'appropriate committees of Congress' means—

"(i) the Committee on Banking, Housing, and Urban Affairs of the Senate;

"(ii) the Special Committee on Aging of the Senate; and

"(iii) the Committee on Financial Services of the House of Representatives; and

"(B) the term 'senior investor' means an investor who is older than 65 years of age.

"(2) ESTABLISHMENT.—There is established within the Commission the Senior Investor Taskforce (referred to in this subsection as the 'Taskforce').

"(3) DIRECTOR OF THE TASKFORCE.—The head of the Taskforce shall be the Director, who shall—

"(A) report directly to the Chairman; and

"(B) be appointed by the Chairman, in consultation with the Commission, from among individuals—

"(i) currently employed by the Commission or from outside of the Commission; and

"(ii) having experience in advocating for the interests of senior investors.

"(4) STAFFING.—The Chairman shall ensure that—

"(A) the Taskforce is staffed sufficiently to carry out fully the requirements of this subsection; and

"(B) the staff described in subparagraph (A) includes individuals from the Division of Enforcement, the Office of Compliance Inspections and Examinations, and the Office of Investor Education and Advocacy.

"(5) MINIMIZING DUPLICATION OF EFFORTS.—In organizing and staffing the Taskforce, the Chairman shall take such actions as may be necessary to minimize the duplication of efforts within the divisions and offices described in paragraph (4)(B) and any other divisions, offices, or taskforces of the Commission.

"(6) FUNCTIONS OF THE TASKFORCE.—The Taskforce shall—

"(A) identify challenges that senior investors encounter, including problems associated with financial exploitation and cognitive decline;

"(B) identify areas in which senior investors would benefit from changes in the regulations of the Commission or the rules of self-regulatory organizations;

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

"(D) consult, as appropriate, with State securities and law enforcement authorities, State insurance regulators, and other Federal agencies.

"(7) REPORT.—

"(A) IN GENERAL.—Subject to subparagraph (B), the Taskforce, in coordination, as appropriate, with the Office of the Investor Advocate and self-regulatory organizations, and in consultation, as appropriate, with State securities and law enforcement authorities, State insurance regulators, and Federal agencies, shall submit to the appropriate committees of Congress a biennial report containing—

"(i) appropriate statistical information and full and substantive analysis;

"(ii) a summary of recent trends and innovations that have impacted the investment landscape for senior investors;

"(iii) a summary of regulatory initiatives that have concentrated on senior investors and industry practices relating to senior investors;

"(iv) key observations, best practices, and areas needing improvement involving senior investors identified during examinations, enforcement actions, and investor education outreach;

"(v) a summary of the most serious issues encountered by senior investors, including issues involving financial products and services;

"(vi) an analysis with respect to—

"(I) existing policies and procedures of brokers, dealers, investment advisers, and other market participants relating to senior investors and topics involving senior investors; and

"(II) whether the policies and procedures described in subclause (I) need to be further developed or refined;

"(vii) recommendations for any legislative action, and any changes to the regulations, guidance, and orders of the Commission and self-regulatory organizations, as may be appropriate to resolve problems encountered by senior investors; and

"(viii) any other information, as determined appropriate by the Director of the Taskforce.

"(B) FIRST REPORT.—The first report required under this paragraph may not be submitted until after the Comptroller General of the United States has submitted, and the Taskforce has considered, the report required under section 3 of the National Senior Investor Initiative Act of 2019.

"(8) SUNSET.—The Taskforce—

"(A) shall terminate on the date that is 10 years after the date of enactment of this subsection; and

"(B) may be reestablished by the Chairman.".

SEC. 3. GAO STUDY.

(a) DEFINITIONS.—In this section—

(1) the term "senior citizen" means an individual who is older than 65 years of age; and

(2) the term "Taskforce" means the Senior Investor Taskforce established under subsection (k) of section 4 of the Securities Exchange Act of 1934 (15 U.S.C. 78d), as added by section 2 of this Act.

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

(c) CONTENTS.—The study required under subsection (b) shall include information with respect to—

(1) the economic costs of the financial exploitation of senior citizens, including—

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

(B) costs incurred by State and Federal agencies, law enforcement and investigatory agencies, public benefit programs, public health programs, and other public programs as a result of the financial exploitation of senior citizens;

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

(D) any other relevant costs that—

(i) result from the financial exploitation of senior citizens; and

(ii) the Comptroller General of the United States determines are necessary and appropriate to include in order to provide Congress and the public with a full and accurate understanding of the economic costs resulting from the financial exploitation of senior citizens in the United States;

(2) the frequency of the financial exploitation of senior citizens and correlated or contributing factors with respect to that exploitation, including information regarding—

(A) the percentage of senior citizens financially exploited each year; and

(B) factors that may contribute to an increased risk of exploitation of senior citizens, including race, social isolation, income, net worth, religion, geographic location, occupation, education, home-ownership, illness, and loss of spouse; and

(3) policy responses to, and the reporting of, the financial exploitation of senior citizens, including—

(A) the degree to which financial exploitation of senior citizens is not reported to the appropriate authorities;

(B) the reasons that financial exploitation of senior citizens may not be reported to the appropriate authorities;

(C) to the extent that suspected financial exploitation of senior citizens is reported, information regarding—

(i) which entities receive those reports, including—

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

(II) private sector entities, professional licensing boards, and other regulators;

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

(iii) the actions that the entities described in clause (i) take upon the receipt of such a report; and

(iv) any limits on the ability of the entities described in clause (i) to prevent that exploitation, such as jurisdictional limits, a lack of expertise, resource challenges, or limiting criteria with respect to the types of victims the agencies are permitted to serve;

(D) an analysis of gaps that may exist in empowering Federal, State, and local agencies to—

(i) prevent the financial exploitation of senior citizens; or

(ii) respond effectively to the suspected financial exploitation of senior citizens; and

(E) an analysis of the legal hurdles that prevent Federal, State, and local agencies from effectively partnering with each other and private professionals to effectively respond to the financial exploitation of senior citizens.

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