

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.

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## 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

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## 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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