

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

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 2019” or the “Senior Security Act
6 of 2019”.

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.—The Chairman shall ensure
10 that—

11 “(A) the Taskforce is staffed sufficiently to
12 carry out fully the requirements of this sub-
13 section; and

14 “(B) the staff described in subparagraph
15 (A) includes individuals from the Division of
16 Enforcement, the Office of Compliance Inspec-
17 tions and Examinations, and the Office of In-
18 vestor Education and Advocacy.

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

1 “(6) FUNCTIONS OF THE TASKFORCE.—The
2 Taskforce shall—

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

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

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

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

19 “(7) REPORT.—

20 “(A) IN GENERAL.—Subject to subpara-
21 graph (B), the Taskforce, in coordination, as
22 appropriate, with the Office of the Investor Ad-
23 vocate and self-regulatory organizations, and in
24 consultation, as appropriate, with State securi-
25 ties and law enforcement authorities, State in-

1 surance regulators, and Federal agencies, shall
2 submit to 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 2019.

23 “(8) SUNSET.—The Taskforce—

1 “(A) shall terminate on the date that is 10
 2 years after the date of enactment of this sub-
 3 section; and

4 “(B) may be reestablished by the Chair-
 5 man.”.

6 **SEC. 3. GAO STUDY.**

7 (a) DEFINITIONS.—In this section—

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

10 (2) the term “Taskforce” means the Senior In-
 11 vestor Taskforce established under subsection (k) of
 12 section 4 of the Securities Exchange Act of 1934
 13 (15 U.S.C. 78d), as added by section 2 of this Act.

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

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

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

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

1 (B) costs incurred by State and Federal
2 agencies, law enforcement and investigatory
3 agencies, public benefit programs, public health
4 programs, and other public programs as a re-
5 sult of the financial exploitation of senior citi-
6 zens;

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

10 (D) any other relevant costs that—

11 (i) result from the financial exploi-
12 tation of senior citizens; and

13 (ii) the Comptroller General of the
14 United States determines are necessary
15 and appropriate to include in order to pro-
16 vide Congress and the public with a full
17 and accurate understanding of the eco-
18 nomic costs resulting from the financial ex-
19 ploitation of senior citizens in the United
20 States;

21 (2) the frequency of the financial exploitation of
22 senior citizens and correlated or contributing factors
23 with respect to that exploitation, including informa-
24 tion regarding—

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

3 (B) factors that may contribute to an in-
4 creased risk of exploitation of senior citizens,
5 including race, social isolation, income, net
6 worth, religion, geographic location, occupation,
7 education, home-ownership, illness, and loss of
8 spouse; and

9 (3) policy responses to, and the reporting of,
10 the financial exploitation of senior citizens, includ-
11 ing—

12 (A) the degree to which financial exploi-
13 tation of senior citizens is not reported to the
14 appropriate authorities;

15 (B) the reasons that financial exploitation
16 of senior citizens may not be reported to the ap-
17 propriate authorities;

18 (C) to the extent that suspected financial
19 exploitation of senior citizens is reported, infor-
20 mation regarding—

21 (i) which entities receive those re-
22 ports, including—

23 (I) Federal, State, and local
24 agencies, including adult protective

1 services agencies and law enforcement
2 agencies; and

3 (II) private sector entities, pro-
4 fessional licensing boards, and other
5 regulators;

6 (ii) the specific types of information
7 the entities described in clause (i) collect;
8 (iii) the actions that the entities de-
9 scribed in clause (i) take upon the receipt
10 of such a report; and

11 (iv) any limits on the ability of the en-
12 tities described in clause (i) to prevent that
13 exploitation, such as jurisdictional limits, a
14 lack of expertise, resource challenges, or
15 limiting criteria with respect to the types
16 of victims the agencies are permitted to
17 serve;

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

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

23 (ii) respond effectively to the sus-
24 pected financial exploitation of senior citi-
25 zens; and

1 (E) an analysis of the legal hurdles that
2 prevent Federal, State, and local agencies from
3 effectively partnering with each other and pri-
4 vate professionals to effectively respond to the
5 financial exploitation of senior citizens.

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