

112TH CONGRESS
2D SESSION

H. R. 4846

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 HOUSE OF REPRESENTATIVES

APRIL 26, 2012

Ms. BALDWIN introduced the following bill; which was referred to the Committee on the Judiciary, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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 2012”.

4 **SEC. 2. FINDINGS.**

5 The Congress finds as follows:

6 (1) The proportion of the population of the
7 United States age 60 years or older is predicted to
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) It is estimated that between 500,000 and
12 5,000,000 seniors in the United States are abused,
13 neglected, or exploited each year.

14 (3) Abuse, neglect, and exploitation of seniors
15 crosses racial, social class, gender, and geographic
16 lines.

17 (4) Each year millions of individuals in the
18 United States are victims of financial exploitation,
19 including mail, telemarketing, and Internet fraud.
20 Many of those who fall prey to such exploitation are
21 seniors.

22 (5) It is difficult to estimate the prevalence of
23 fraud that targets 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 seniors in the United States are less likely to
3 report fraud because they do not know to whom to
4 report, they are ashamed to have been a victim of
5 fraud, or they do not know that they have been a
6 victim of fraud. In some cases, a senior who has
7 been a victim of fraud may not report the crime be-
8 cause he or she is concerned that relatives may con-
9 clude that the senior no longer has the mental ca-
10 pacity to take care of his or her own financial af-
11 fairs.

12 (7) According to a 2009 report by the MetLife
13 Mature Market Institute, the annual financial loss
14 by victims of senior financial abuse is estimated to
15 be at least \$2,600,000,000.

16 (8) Perpetrators of mail, telemarketing, and
17 Internet fraud frequently target seniors because sen-
18 iors are often vulnerable and trusting people.

19 (9) As victims of such fraudulent schemes,
20 many seniors pay a financial cost, having been
21 robbed of their hard-earned life savings, and fre-
22 quently pay an emotional cost, losing their self-re-
23 spect and dignity.

24 (10) Perpetrators of fraud targeting seniors
25 often operate outside the United States, reaching

1 their victims through the mail, telephone lines, and
2 the Internet.

3 (11) The Deceptive Mail Prevention and En-
4 forcement Act increased the power of the United
5 States Postal Service to protect consumers against
6 persons who use deceptive mailings, such as those
7 featuring games of chance, sweepstakes, skill con-
8 tests, and facsimile checks.

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

19 (13) In 2000, the United States Senate Special
20 Committee on Aging reported that consumers lose
21 approximately \$40,000,000,000 each year to tele-
22 marketing fraud, and estimated that approximately
23 10 percent of the Nation's 14,000 telemarketing
24 firms were fraudulent. Some researchers estimate

1 that only one in 10,000 fraud victims reports the
2 crime to the authorities.

3 (14) A 2003 report by AARP found that,
4 though the crime of telemarketing fraud is grossly
5 underreported among seniors who have been victims
6 of such fraud, seniors who are properly counseled by
7 trained peer volunteers are less likely to fall victim
8 to fraudulent practices.

9 (15) The Federal Bureau of Investigation re-
10 ports that the threat of fraud to seniors is growing
11 and changing. This is largely due to the fact that
12 many younger Baby Boomers have considerable
13 computer skills and criminals have responded by tar-
14 geting seniors through online scams like phishing
15 and email spamming, in addition to traditional tele-
16 phone calls and mass mailings.

17 (16) The Internet Crime Complaint Center
18 (hereinafter referred to in this paragraph as “IC3”)
19 is a partnership between the National White Collar
20 Crime Center and the Federal Bureau of Investiga-
21 tion that serves as a vehicle to receive, develop, and
22 refer criminal complaints regarding cybercrime. The
23 IC3 processed more than 219,553 complaints of
24 Internet crime in 2007. From these submissions, the
25 IC3 referred 90,008 complaints of Internet crime,

1 representing a total dollar loss of \$239,090,000, to
2 Federal, State, and local law enforcement agencies
3 in the United States for further consideration.

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

6 **SEC. 3. CENTRALIZED SERVICE FOR CONSUMER EDU-**
7 **CATION ON MAIL, TELEMARKETING, AND**
8 **INTERNET FRAUD TARGETING SENIORS.**

9 (a) CENTRALIZED SERVICE.—

10 (1) REQUIREMENT.—The Federal Trade Com-
11 mission, after consultation with the Attorney Gen-
12 eral, the Secretary of Health and Human Services,
13 the Postmaster General, the Chief Postal Inspector
14 for the United States Postal Inspection Service, and
15 the Director of the Bureau of Consumer Financial
16 Protection, shall—

17 (A) periodically disseminate to seniors, and
18 families and caregivers of seniors, general infor-
19 mation on mail, telemarketing, and Internet
20 fraud targeting seniors, including descriptions
21 of the most common fraud schemes;

22 (B) periodically disseminate to seniors, and
23 families and caregivers of seniors, information
24 on methods available to report fraud targeting
25 seniors, such as—

1 (i) referring complaints to law en-
2 forcement agencies, including the Director
3 of the Federal Bureau of Investigation and
4 State attorneys general; and

5 (ii) calling a national toll-free tele-
6 phone number established by the Federal
7 Trade Commission for reporting mail, tele-
8 marketing, and Internet fraud;

9 (C) in response to a specific request by a
10 party to the Federal Trade Commission inquir-
11 ing about any history of fraud committed by a
12 particular entity or individual, provide to such
13 party any publically available information on
14 any record of law enforcement action for fraud
15 against such entity or individual—

16 (i) by the Federal Trade Commission;
17 and

18 (ii) by any other agency that reports
19 such actions to the Federal Trade Commis-
20 sion; and

21 (D) maintain a Web site to serve as a re-
22 source for information for seniors, and families
23 and caregivers of seniors, regarding mail, tele-
24 marketing, and Internet fraud targeting sen-
25 iors.

1 (2) PROCEDURES AND COMMENCEMENT.—The
2 Federal Trade Commission shall establish and im-
3 plement procedures to carry out the requirements of
4 paragraph (1), including procedures—

5 (A) with respect to the frequency and
6 mode of dissemination of information under
7 subparagraphs (A) and (B) of such paragraph;
8 and

9 (B) that provide for the implementation of
10 the requirements of such paragraph not later
11 than one year after the date of the enactment
12 of this Act.

13 (b) AUTHORIZATION OF APPROPRIATIONS.—There is
14 authorized to be appropriated to carry out this section
15 \$10,000,000 for each of the fiscal years 2013 through
16 2017.

17 **SEC. 4. GRANTS TO PREVENT MAIL, TELEMARKETING, AND**
18 **INTERNET FRAUD.**

19 (a) GRANT PROGRAM AUTHORIZED.—Subject to the
20 availability of funds authorized to be appropriated under
21 this section, the Attorney General, after consultation with
22 the Secretary of Health and Human Services, the Post-
23 master General, the Chief Postal Inspector for the United
24 States Postal Inspection Service, and the Director of the
25 Bureau of Consumer Financial Protection, shall establish

1 and administer a competitive grant program to award
2 grants to eligible organizations to carry out mail, tele-
3 marketing, and Internet fraud prevention education pro-
4 grams for seniors.

5 (b) ELIGIBLE ORGANIZATIONS.—The Attorney Gen-
6 eral may award grants under this section to State Attor-
7 neys General, State and local law enforcement agencies
8 and groups, senior centers, and other local nonprofit orga-
9 nizations that provide assistance to seniors, as determined
10 by the Attorney General.

11 (c) AUTHORIZATION OF APPROPRIATIONS.—There is
12 authorized to be appropriated to carry out this section
13 \$20,000,000 for each of the fiscal years 2013 through
14 2017.

15 **SEC. 5. SENSE OF THE CONGRESS RELATED TO NATIONAL**
16 **SENIOR FRAUD AWARENESS WEEK.**

17 It is the sense of the Congress that—

18 (1) there is a need to increase public awareness
19 of the enormous impact that mail, telemarketing,
20 and Internet fraud have on senior citizens in the
21 United States;

22 (2) a week should be designated as “National
23 Senior Fraud Awareness Week”;

1 (3) the people of the United States should ob-
2 serve National Senior Fraud Awareness Week with
3 appropriate educational activities; and

4 (4) the President is encouraged to issue a proc-
5 lamation supporting increased public awareness of
6 the impact of, and the need to prevent, fraud com-
7 mitted against seniors.

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