

117TH CONGRESS
1ST SESSION

H. R. 1565

To create an interdivisional taskforce at the Securities and Exchange
Commission for senior investors.

IN THE HOUSE OF REPRESENTATIVES

MARCH 3, 2021

Mr. GOTTHEIMER (for himself, Mr. HOLLINGSWORTH, Mr. VICENTE GONZALEZ of Texas, Mr. CASTEN, and Mr. FITZPATRICK) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To create an interdivisional taskforce at the Securities and
Exchange Commission for senior investors.

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 2021” or the “Senior Security Act
6 of 2021”.

7 **SEC. 2. SENIOR INVESTOR TASKFORCE.**

8 Section 4 of the Securities Exchange Act of 1934 (15
9 U.S.C. 78d) is amended by adding at the end the fol-
10 lowing:

1 “(k) SENIOR INVESTOR TASKFORCE.—

2 “(1) ESTABLISHMENT.—There is established
3 within the Commission the Senior Investor
4 Taskforce (in this subsection referred to as the
5 ‘Taskforce’).

6 “(2) DIRECTOR OF THE TASKFORCE.—The
7 head of the Taskforce shall be the Director, who
8 shall—

9 “(A) report directly to the Chairman; and

10 “(B) be appointed by the Chairman, in
11 consultation with the Commission, from among
12 individuals—

13 “(i) currently employed by the Com-
14 mission or from outside of the Commis-
15 sion; and

16 “(ii) having experience in advocating
17 for the interests of senior investors.

18 “(3) STAFFING.—The Chairman shall ensure
19 that—

20 “(A) the Taskforce is staffed sufficiently to
21 carry out fully the requirements of this sub-
22 section; and

23 “(B) such staff shall include individuals
24 from the Division of Enforcement, Office of

1 Compliance Inspections and Examinations, and
2 Office of Investor Education and Advocacy.

3 “(4) NO COMPENSATION FOR MEMBERS OF
4 TASKFORCE.—All members of the Taskforce ap-
5 pointed under paragraph (2) or (3) shall serve with-
6 out compensation in addition to that received for
7 their services as officers or employees of the United
8 States.

9 “(5) MINIMIZING DUPLICATION OF EFFORTS.—
10 In organizing and staffing the Taskforce, the Chair-
11 man shall take such actions as may be necessary to
12 minimize the duplication of efforts within the divi-
13 sions and offices described under paragraph (3)(B)
14 and any other divisions, offices, or taskforces of the
15 Commission.

16 “(6) FUNCTIONS OF THE TASKFORCE.—The
17 Taskforce shall—

18 “(A) identify challenges that senior inves-
19 tors encounter, including problems associated
20 with financial exploitation and cognitive decline;

21 “(B) identify areas in which senior inves-
22 tors would benefit from changes in the regula-
23 tions of the Commission or the rules of self-reg-
24 ulatory organizations;

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

6 “(D) consult, as appropriate, with State
7 securities and law enforcement authorities,
8 State insurance regulators, and other Federal
9 agencies.

10 “(7) REPORT.—The Taskforce, in coordination,
11 as appropriate, with the Office of the Investor Advo-
12 cate and self-regulatory organizations, and in con-
13 sultation, as appropriate, with State securities and
14 law enforcement authorities, State insurance regu-
15 lators, and Federal agencies, shall issue a report
16 every 2 years to the Committee on Banking, Hous-
17 ing, and Urban Affairs and the Special Committee
18 on Aging of the Senate and the Committee on Fi-
19 nancial Services of the House of Representatives, the
20 first of which shall not be issued until after the re-
21 port described in section 3 of the National Senior
22 Investor Initiative Act of 2021 has been issued and
23 considered by the Taskforce, containing—

24 “(A) appropriate statistical information
25 and full and substantive analysis;

1 “(B) a summary of recent trends and inno-
2 vations that have impacted the investment land-
3 scape for senior investors;

4 “(C) a summary of regulatory initiatives
5 that have concentrated on senior investors and
6 industry practices related to senior investors;

7 “(D) key observations, best practices, and
8 areas needing improvement, involving senior in-
9 vestors identified during examinations, enforce-
10 ment actions, and investor education outreach;

11 “(E) a summary of the most serious issues
12 encountered by senior investors, including
13 issues involving financial products and services;

14 “(F) an analysis with regard to existing
15 policies and procedures of brokers, dealers, in-
16 vestment advisers, and other market partici-
17 pants related to senior investors and senior in-
18 vestor-related topics and whether these policies
19 and procedures need to be further developed or
20 refined;

21 “(G) recommendations for such changes to
22 the regulations, guidance, and orders of the
23 Commission and self-regulatory organizations
24 and such legislative actions as may be appro-

1 appropriate to resolve problems encountered by senior
2 investors; and

3 “(H) any other information, as determined
4 appropriate by the Director of the Taskforce.

5 “(8) REQUEST FOR REPORTS.—The Taskforce
6 shall make any report issued under paragraph (7)
7 available to a Member of Congress who requests
8 such a report.

9 “(9) SUNSET.—The Taskforce shall terminate
10 after the end of the 10-year period beginning on the
11 date of the enactment of this subsection.

12 “(10) SENIOR INVESTOR DEFINED.—For pur-
13 poses of this subsection, the term ‘senior investor’
14 means an investor over the age of 65.

15 “(11) USE OF EXISTING FUNDS.—The Commis-
16 sion shall use existing funds to carry out this sub-
17 section.”.

18 **SEC. 3. GAO STUDY.**

19 (a) IN GENERAL.—Not later than 2 years after the
20 date of enactment of this Act, the Comptroller General
21 of the United States shall submit to Congress and the
22 Senior Investor Taskforce the results of a study of finan-
23 cial exploitation of senior citizens.

24 (b) CONTENTS.—The study required under sub-
25 section (a) shall include information with respect to—

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

3 (A) associated with losses by victims that
4 were incurred as a result of the financial exploi-
5 tation of senior citizens;

6 (B) incurred by State and Federal agen-
7 cies, law enforcement and investigatory agen-
8 cies, public benefit programs, public health pro-
9 grams, and other public programs as a result of
10 the financial exploitation of senior citizens;

11 (C) incurred by the private sector as a re-
12 sult of the financial exploitation of senior citi-
13 zens; and

14 (D) any other relevant costs that—

15 (i) result from the financial exploi-
16 tation of senior citizens; and

17 (ii) the Comptroller General deter-
18 mines are necessary and appropriate to in-
19 clude in order to provide Congress and the
20 public with a full and accurate under-
21 standing of the economic costs resulting
22 from the financial exploitation of senior
23 citizens in the United States;

24 (2) frequency of senior financial exploitation
25 and correlated or contributing factors—

1 (A) information about percentage of senior
2 citizens financially exploited each year; and

3 (B) information about factors contributing
4 to increased risk of exploitation, including such
5 factors as race, social isolation, income, net
6 worth, religion, region, occupation, education,
7 home-ownership, illness, and loss of spouse; and

8 (3) policy responses and reporting of senior fi-
9 nancial exploitation—

10 (A) the degree to which financial exploi-
11 tation of senior citizens unreported to authori-
12 ties;

13 (B) the reasons that financial exploitation
14 may be unreported to authorities;

15 (C) to the extent that suspected elder fi-
16 nancial exploitation is currently being re-
17 ported—

18 (i) information regarding which Fed-
19 eral, State, and local agencies are receiving
20 reports, including adult protective services,
21 law enforcement, industry, regulators, and
22 professional licensing boards;

23 (ii) information regarding what infor-
24 mation is being collected by such agencies;
25 and

1 (iii) information regarding the actions
2 that are taken by such agencies upon re-
3 ceipt of the report and any limits on the
4 agencies' ability to prevent exploitation,
5 such as jurisdictional limits, a lack of ex-
6 pertise, resource challenges, or limiting cri-
7 teria with regard to the types of victims
8 they are permitted to serve;

9 (D) an analysis of gaps that may exist in
10 empowering Federal, State, and local agencies
11 to prevent senior exploitation or respond effec-
12 tively to suspected senior financial exploitation;
13 and

14 (E) an analysis of the legal hurdles that
15 prevent Federal, State, and local agencies from
16 effectively partnering with each other and pri-
17 vate professionals to effectively respond to sen-
18 ior financial exploitation.

19 (c) SENIOR CITIZEN DEFINED.—For purposes of this
20 section, the term “senior citizen” means an individual over
21 the age of 65.

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