

116TH CONGRESS
1ST SESSION

H. R. 1876

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

IN THE HOUSE OF REPRESENTATIVES

MARCH 26, 2019

Mr. GOTTHEIMER (for himself and Mr. HOLLINGSWORTH) 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 2019” or the “Senior Security Act
6 of 2019”.

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) MINIMIZING DUPLICATION OF EFFORTS.—

4 In organizing and staffing the Taskforce, the Chair-
5 man shall take such actions as may be necessary to
6 minimize the duplication of efforts within the divi-
7 sions and offices described under paragraph (3)(B)
8 and any other divisions, offices, or taskforces of the
9 Commission.

10 “(5) FUNCTIONS OF THE TASKFORCE.—The
11 Taskforce shall—

12 “(A) identify challenges that senior inves-
13 tors encounter, including problems associated
14 with financial exploitation and cognitive decline;

15 “(B) identify areas in which senior inves-
16 tors would benefit from changes in the regula-
17 tions of the Commission or the rules of self-reg-
18 ulatory organizations;

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

24 “(D) consult, as appropriate, with State
25 securities and law enforcement authorities,

1 State insurance regulators, and other Federal
2 agencies.

3 “(6) REPORT.—The Taskforce, in coordination,
4 as appropriate, with the Office of the Investor Advoca-
5 cate and self-regulatory organizations, and in con-
6 sultation, as appropriate, with State securities and
7 law enforcement authorities, State insurance regu-
8 lators, and Federal agencies, shall issue a report
9 every 2 years to the Committee on Banking, Hous-
10 ing, and Urban Affairs and the Special Committee
11 on Aging of the Senate and the Committee on Fi-
12 nancial Services of the House of Representatives, the
13 first of which shall not be issued until after the re-
14 port described in section 3 of the National Senior
15 Investor Initiative Act of 2019 has been issued and
16 considered by the Taskforce, containing—

17 “(A) appropriate statistical information
18 and full and substantive analysis;

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

22 “(C) a summary of regulatory initiatives
23 that have concentrated on senior investors and
24 industry practices related to senior investors;

1 “(D) key observations, best practices, and
2 areas needing improvement, involving senior in-
3 vestors identified during examinations, enforce-
4 ment actions, and investor education outreach;

5 “(E) a summary of the most serious issues
6 encountered by senior investors, including
7 issues involving financial products and services;

8 “(F) an analysis with regard to existing
9 policies and procedures of brokers, dealers, in-
10 vestment advisers, and other market partici-
11 pants related to senior investors and senior in-
12 vestor-related topics and whether these policies
13 and procedures need to be further developed or
14 refined;

15 “(G) recommendations for such changes to
16 the regulations, guidance, and orders of the
17 Commission and self-regulatory organizations
18 and such legislative actions as may be appro-
19 priate to resolve problems encountered by senior
20 investors; and

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

23 “(7) SUNSET.—The Taskforce shall terminate
24 after the end of the 10-year period beginning on the

1 date of the enactment of this subsection, but may be
2 reestablished by the Chairman.

3 “(8) SENIOR INVESTOR DEFINED.—For pur-
4 poses of this subsection, the term ‘senior investor’
5 means an investor over the age of 65.”.

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

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

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

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

16 (A) associated with losses by victims that
17 were incurred as a result of the financial exploi-
18 tation of senior citizens;

19 (B) incurred by State and Federal agen-
20 cies, law enforcement and investigatory agen-
21 cies, public benefit programs, public health pro-
22 grams, and other public programs as a result of
23 the financial exploitation of senior citizens;

1 (C) incurred by the private sector as a re-
2 sult of the financial exploitation of senior citi-
3 zens; and

4 (D) any other relevant costs that—

5 (i) result from the financial exploi-
6 tation of senior citizens; and

7 (ii) the Comptroller General deter-
8 mines are necessary and appropriate to in-
9 clude in order to provide Congress and the
10 public with a full and accurate under-
11 standing of the economic costs resulting
12 from the financial exploitation of senior
13 citizens in the United States;

14 (2) frequency of senior financial exploitation
15 and correlated or contributing factors—

16 (A) information about percentage of senior
17 citizens financially exploited each year; and

18 (B) information about factors contributing
19 to increased risk of exploitation, including such
20 factors as race, social isolation, income, net
21 worth, religion, region, occupation, education,
22 home-ownership, illness, and loss of spouse; and

23 (3) policy responses and reporting of senior fi-
24 nancial exploitation—

1 (A) the degree to which financial exploi-
2 tation of senior citizens unreported to authori-
3 ties;

4 (B) the reasons that financial exploitation
5 may be unreported to authorities;

6 (C) to the extent that suspected elder fi-
7 nancial exploitation is currently being re-
8 ported—

9 (i) information regarding which Fed-
10 eral, State, and local agencies are receiving
11 reports, including adult protective services,
12 law enforcement, industry, regulators, and
13 professional licensing boards;

14 (ii) information regarding what infor-
15 mation is being collected by such agencies;
16 and

17 (iii) information regarding the actions
18 that are taken by such agencies upon re-
19 ceipt of the report and any limits on the
20 agencies' ability to prevent exploitation,
21 such as jurisdictional limits, a lack of ex-
22 pertise, resource challenges, or limiting cri-
23 teria with regard to the types of victims
24 they are permitted to serve;

1 (D) an analysis of gaps that may exist in
2 empowering Federal, State, and local agencies
3 to prevent senior exploitation or respond effec-
4 tively to suspected senior financial exploitation;
5 and

6 (E) an analysis of the legal hurdles that
7 prevent Federal, State, and local agencies from
8 effectively partnering with each other and pri-
9 vate professionals to effectively respond to sen-
10 ior financial exploitation.

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

○