

117TH CONGRESS
2D SESSION

S. _____

To amend the Investor Protection and Securities Reform Act of 2010 to provide grants to States for enhanced protection of senior investors and senior policyholders, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. VAN HOLLEN (for himself, Mr. SCOTT of South Carolina, Mr. WARNOCK, and Ms. LUMMIS) introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To amend the Investor Protection and Securities Reform Act of 2010 to provide grants to States for enhanced protection of senior investors and senior policyholders, 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 “Empowering States
5 to Protect Seniors from Bad Actors Act”.

1 **SEC. 2. GRANTS TO ELIGIBLE ENTITIES FOR ENHANCED**
2 **PROTECTION OF SENIOR INVESTORS AND**
3 **SENIOR POLICYHOLDERS.**

4 (a) IN GENERAL.—Section 989A of the Investor Protection and Securities Reform Act of 2010 (15 U.S.C. 5537) is amended to read as follows:

7 **“SEC. 989A. GRANTS TO ELIGIBLE ENTITIES FOR EN-**
8 **HANCED PROTECTION OF SENIOR INVES-**
9 **TORS AND SENIOR POLICYHOLDERS.**

10 “(a) DEFINITIONS.—In this section:

11 “(1) ELIGIBLE ENTITY.—The term ‘eligible entity’ means—

13 “(A) the securities commission (or any agency or office performing like functions) of any State; and

16 “(B) the insurance department (or any agency or office performing like functions) of any State.

19 “(2) SENIOR.—The term ‘senior’ means any individual who has attained the age of 62 years or older.

22 “(3) SENIOR FINANCIAL FRAUD.—The term ‘senior financial fraud’ means a fraudulent or otherwise illegal, unauthorized, or improper act or process of an individual, including a caregiver or a fiduciary, that—

1 “(A) uses the resources of a senior for
2 monetary or personal benefit, profit, or gain;

3 “(B) results in depriving a senior of right-
4 ful access to or use of benefits, resources, be-
5 longings, or assets; or

6 “(C) is an action described in section 1348
7 of title 18, United States Code, that is taken
8 against a senior.

9 “(4) TASK FORCE.—The term ‘task force’
10 means the task force established under subsection
11 (b)(1).

12 “(b) GRANT PROGRAM.—

13 “(1) TASK FORCE.—

14 “(A) IN GENERAL.—The Commission shall
15 establish a task force to carry out the grant
16 program under paragraph (2).

17 “(B) MEMBERSHIP.—The task force shall
18 consist of the following members:

19 “(i) A Chair of the task force, who—
20 “(I) shall be appointed by the
21 Chairman of the Commission, in con-
22 sultation with the Commissioners of
23 the Commission; and

24 “(II) may be a representative of
25 the Office of the Investor Advocate of

the Commission, the Division of Enforcement of the Commission, or such other representative as the Commission determines appropriate.

5 “(ii) If the Chair is not a representa-
6 tive of the Office of the Investor Advocate
7 of the Commission, a representative of
8 such Office.

9 “(iii) If the Chair is not a representa-
10 tive of the Division of Enforcement of the
11 Commission, a representative of such Divi-
12 sion.

“(2) GRANTS.—The task force shall carry out a program under which the task force shall make

1 grants, on a competitive basis, to eligible entities,
2 which—

3 “(A) may use the grant funds—

4 “(i) to hire staff to identify, investigate, and prosecute (through civil, administrative, or criminal enforcement actions)
5 cases involving senior financial fraud;

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8 “(ii) to fund technology, equipment, and training for regulators, prosecutors, and law enforcement officers, in order to
9 identify, investigate, and prosecute cases involving senior financial fraud;

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13 “(iii) to provide educational materials and training to seniors to increase awareness and understanding of senior financial
14 fraud;

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17 “(iv) to develop comprehensive plans to combat senior financial fraud; and

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21 “(v) to enhance provisions of State law to provide protection from senior financial fraud; and

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24 “(B) may not use the grant funds for any indirect expense, such as rent, utilities, or any other general administrative cost that is not di-

1 rectly related to the purpose of the grant pro-
2 gram.

3 “(3) AUTHORITY OF TASK FORCE.—In carrying
4 out paragraph (2), the task force—

5 “(A) may consult with staff of the Com-
6 mission; and

7 “(B) shall make public all actions of the
8 task force relating to carrying out that para-
9 graph.

10 “(c) APPLICATIONS.—An eligible entity desiring a
11 grant under this section shall submit an application to the
12 task force, in such form and in such a manner as the task
13 force may determine, that includes—

14 “(1) a proposal for activities to protect seniors
15 from senior financial fraud that are proposed to be
16 funded using a grant under this section, including—

17 “(A) an identification of the scope of the
18 problem of senior financial fraud in the applica-
19 ble State;

20 “(B) a description of how the proposed ac-
21 tivities would—

22 “(i) protect seniors from senior finan-
23 cial fraud, including by proactively identi-
24 fying victims of senior financial fraud;

1 “(ii) assist in the investigation and
2 prosecution of those committing senior fi-
3 nancial fraud; and

4 “(iii) discourage and reduce cases of
5 senior financial fraud; and

6 “(C) a description of how the proposed ac-
7 tivities would be coordinated with other State
8 efforts; and

9 “(2) any other information that the task force
10 determines appropriate.

11 “(d) PERFORMANCE OBJECTIVES; REPORTING RE-
12 QUIREMENTS; AUDITS.—

13 “(1) IN GENERAL.—The task force—

14 “(A) may establish such performance ob-
15 jectives and reporting requirements for eligible
16 entities receiving a grant under this section as
17 the task force determines are necessary to carry
18 out and assess the effectiveness of the program
19 under this section; and

20 “(B) shall require each eligible entity that
21 receives a grant under this section to submit to
22 the task force a detailed accounting of the use
23 of grant funds, which shall be submitted at
24 such time, in such form, and containing such
25 information as the task force may require.

1 “(2) REPORT.—Not later than 2 years, and
2 again not later than 5 years, after the date of the
3 enactment of the Empowering States to Protect Sen-
4 iors from Bad Actors Act, the task force shall sub-
5 mit to the Committee on Financial Services of the
6 House of Representatives and the Committee on
7 Banking, Housing, and Urban Affairs of the Senate
8 a report that—

9 “(A) specifies each recipient of a grant
10 under this section;

11 “(B) includes a description of the pro-
12 grams that are supported by each such grant;
13 and

14 “(C) includes an evaluation by the task
15 force of the effectiveness of such grants.

16 “(3) AUDITS.—The task force shall annually
17 conduct an audit of the program under this section
18 to ensure that eligible entities to which grants are
19 made under that program are, for the year covered
20 by the audit, using grant funds for the intended pur-
21 poses of those funds.

22 “(e) MAXIMUM AMOUNT.—The amount of a grant to
23 an eligible entity under this section may not exceed
24 \$500,000, which the task force shall adjust annually to
25 reflect the percentage change in the Consumer Price Index

1 for All Urban Consumers published by the Bureau of
2 Labor Statistics of the Department of Labor.

3 “(f) SUBGRANTS.—An eligible entity that receives a
4 grant under this section may, in consultation with the task
5 force, make a subgrant, as the eligible entity determines
6 is necessary or appropriate—

7 “(1) to carry out the activities described in sub-
8 section (b)(2)(A); and

9 “(2) which may not be used for any activity de-
10 scribed in subsection (b)(2)(B).

11 “(g) AUTHORIZATION OF APPROPRIATIONS.—There
12 are authorized to be appropriated to carry out this section
13 \$10,000,000 for each of fiscal years 2023 through 2028.”.

14 (b) CONFORMING AMENDMENT.—The table of con-
15 tents in section 1(b) of the Dodd-Frank Wall Street Re-
16 form and Consumer Protection Act is amended by striking
17 the item relating to section 989A and inserting the fol-
18 lowing:

“Sec. 989A. Grants to eligible entities for enhanced protection of senior investors and senior policyholders.”.