

## Union Calendar No. 235

117<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 5914

**[Report No. 117-315]**

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 HOUSE OF REPRESENTATIVES

NOVEMBER 9, 2021

Mr. GOTTHEIMER introduced the following bill; which was referred to the Committee on Financial Services

MAY 10, 2022

Additional sponsors: Ms. GARCIA of Texas, Mr. HUIZENGA, and Mr. FITZPATRICK

MAY 10, 2022

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

[For text of introduced bill, see copy of bill as introduced on November 9, 2021]

# **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 to*  
5 *Protect Seniors from Bad Actors Act”.*

6 **SEC. 2. GRANTS TO ELIGIBLE ENTITIES FOR ENHANCED**  
7                    **PROTECTION OF SENIOR INVESTORS AND**  
8                    **SENIOR POLICYHOLDERS.**

9        *(a) IN GENERAL.—Section 989A of the Investor Pro-*  
10 *tection and Securities Reform Act of 2010 (15 U.S.C. 5537)*  
11 *is amended to read as follows:*

12 **“SEC. 989A. GRANTS TO ELIGIBLE ENTITIES FOR EN-**  
13                    **HANCED PROTECTION OF SENIOR INVESTORS**  
14                    **AND SENIOR POLICYHOLDERS.**

15        *“(a) DEFINITIONS.—In this section:*

16                    *“(1) ELIGIBLE ENTITY.—The term ‘eligible enti-*  
17 *ty’ means—*

18                    *“(A) the securities commission (or any*  
19 *agency or office performing like functions) of*  
20 *any State; and*

21                    *“(B) the insurance department (or any*  
22 *agency or office performing like functions) of*  
23 *any State.*

1           “(2) *SENIOR*.—The term ‘senior’ means any in-  
2           dividual who has attained the age of 62 years or  
3           older.

4           “(3) *SENIOR FINANCIAL FRAUD*.—The term ‘sen-  
5           ior financial fraud’ means a fraudulent or otherwise  
6           illegal, unauthorized, or improper act or process of an  
7           individual, including a caregiver or a fiduciary,  
8           that—

9                   “(A) uses the resources of a senior for mone-  
10                   etary or personal benefit, profit, or gain;

11                   “(B) results in depriving a senior of right-  
12                   ful access to or use of benefits, resources, belong-  
13                   ings, or assets; or

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

17           “(4) *TASK FORCE*.—The term ‘task force’ means  
18           the task force established under subsection (b)(1).

19           “(b) *GRANT PROGRAM*.—

20                   “(1) *TASK FORCE*.—

21                           “(A) *IN GENERAL*.—The Commission shall  
22                           establish a task force to carry out the grant pro-  
23                           gram under paragraph (2).

24                           “(B) *MEMBERSHIP*.—The task force shall  
25                           consist of the following members:

1                   “(i) A Chair of the task force, who—  
2                   “(I) shall be appointed by the  
3                   Chairman of the Commission, in con-  
4                   sultation with the Commissioners of  
5                   the Commission; and

6                   “(II) may be a representative of  
7                   the Office of the Investor Advocate of  
8                   the Commission, the Division of En-  
9                   forcement of the Commission, or such  
10                  other representative as the Commission  
11                  determines appropriate.

12                  “(ii) If the Chair is not a representa-  
13                  tive of the Office of the Investor Advocate of  
14                  the Commission, a representative of such  
15                  Office.

16                  “(iii) If the Chair is not a representa-  
17                  tive of the Division of Enforcement of the  
18                  Commission, a representative of such Divi-  
19                  sion.

20                  “(iv) Such other representatives as the  
21                  Commission determines appropriate.

22                  “(C) *DETAIL OF EXECUTIVE AGENCY EM-*  
23                  *PLOYEES.*—Upon the request of the Commission,  
24                  the head of any Federal agency may detail, on  
25                  a reimbursable basis, any of the personnel of that

1           *Federal agency to the Commission to assist it in*  
2           *carrying out its functions under this section. The*  
3           *detail of any such personnel shall be without*  
4           *interruption or loss of civil service status or*  
5           *privilege.*

6           “(2) *GRANTS.*—*The task force shall carry out a*  
7           *program under which the task force shall make*  
8           *grants, on a competitive basis, to eligible entities,*  
9           *which—*

10                   “(A) *may use the grant funds—*

11                           “(i) *to hire staff to identify, inves-*  
12                           *tigate, and prosecute (through civil, admin-*  
13                           *istrative, or criminal enforcement actions)*  
14                           *cases involving senior financial fraud;*

15                           “(ii) *to fund technology, equipment,*  
16                           *and training for regulators, prosecutors,*  
17                           *and law enforcement officers, in order to*  
18                           *identify, investigate, and prosecute cases in-*  
19                           *volving senior financial fraud;*

20                           “(iii) *to provide educational materials*  
21                           *and training to seniors to increase aware-*  
22                           *ness and understanding of senior financial*  
23                           *fraud;*

24                           “(iv) *to develop comprehensive plans to*  
25                           *combat senior financial fraud; and*

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

4                   “(B) may not use the grant funds for any  
5                   indirect expense, such as rent, utilities, or any  
6                   other general administrative cost that is not di-  
7                   rectly related to the purpose of the grant pro-  
8                   gram.

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

11                  “(A) may consult with staff of the Commis-  
12                  sion; and

13                  “(B) shall make public all actions of the  
14                  task force relating to carrying out that para-  
15                  graph.

16                  “(c) *APPLICATIONS.*—An eligible entity desiring a  
17                  grant under this section shall submit an application to the  
18                  task force, in such form and in such a manner as the task  
19                  force may determine, that includes—

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

23                  “(A) an identification of the scope of the  
24                  problem of senior financial fraud in the applica-  
25                  ble State;

1           “(B) a description of how the proposed ac-  
2           tivities would—

3                   “(i) protect seniors from senior finan-  
4                   cial fraud, including by proactively identi-  
5                   fying victims of senior financial fraud;

6                   “(ii) assist in the investigation and  
7                   prosecution of those committing senior fi-  
8                   nancial fraud; and

9                   “(iii) discourage and reduce cases of  
10                  senior financial fraud; and

11               “(C) a description of how the proposed ac-  
12               tivities would be coordinated with other State ef-  
13               forts; and

14               “(2) any other information that the task force  
15               determines appropriate.

16               “(d) *PERFORMANCE OBJECTIVES; REPORTING RE-*  
17               *QUIREMENTS; AUDITS.—*

18                   “(1) *IN GENERAL.—The task force—*

19                           “(A) may establish such performance objec-  
20                           tives and reporting requirements for eligible enti-  
21                           ties receiving a grant under this section as the  
22                           task force determines are necessary to carry out  
23                           and assess the effectiveness of the program under  
24                           this section; and

1           “(B) shall require each eligible entity that  
2           receives a grant under this section to submit to  
3           the task force a detailed accounting of the use of  
4           grant funds, which shall be submitted at such  
5           time, in such form, and containing such infor-  
6           mation as the task force may require.

7           “(2) *REPORT.*—Not later than 2 years, and  
8           again not later than 5 years, after the date of the en-  
9           actment of the Empowering States to Protect Seniors  
10          from Bad Actors Act, the task force shall submit to  
11          the Committee on Financial Services of the House of  
12          Representatives and the Committee on Banking,  
13          Housing, and Urban Affairs of the Senate a report  
14          that—

15                 “(A) specifies each recipient of a grant  
16                 under this section;

17                 “(B) includes a description of the programs  
18                 that are supported by each such grant; and

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

21           “(3) *AUDITS.*—The task force shall annually  
22          conduct an audit of the program under this section  
23          to ensure that eligible entities to which grants are  
24          made under that program are, for the year covered by

1       *the audit, using grant funds for the intended purposes*  
2       *of those funds.*

3       “(e) *MAXIMUM AMOUNT.*—*The amount of a grant to*  
4 *an eligible entity under this section may not exceed*  
5 *\$500,000, which the task force shall adjust annually to re-*  
6 *flect the percentage change in the Consumer Price Index for*  
7 *All Urban Consumers published by the Bureau of Labor*  
8 *Statistics of the Department of Labor.*

9       “(f) *SUBGRANTS.*—*An eligible entity that receives a*  
10 *grant under this section may, in consultation with the task*  
11 *force, make a subgrant, as the eligible entity determines is*  
12 *necessary or appropriate—*

13               “(1) *to carry out the activities described in sub-*  
14 *section (b)(2)(A); and*

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

17       “(g) *AUTHORIZATION OF APPROPRIATIONS.*—*There*  
18 *are authorized to be appropriated to carry out this section*  
19 *\$10,000,000 for each of fiscal years 2023 through 2028.”.*

20       “(b) *CONFORMING AMENDMENT.*—*The table of contents*  
21 *in section 1(b) of the Dodd-Frank Wall Street Reform and*  
22 *Consumer Protection Act is amended by striking the item*  
23 *relating to section 989A and inserting the following:*

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



Union Calendar No. 235

117<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R. 5914**

[Report No. 117-315]

---

---

## **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.

---

---

MAY 10, 2022

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed