

117TH CONGRESS
2D SESSION

H. R. 5914

IN THE SENATE OF THE UNITED STATES

MAY 12, 2022

Received; read twice and referred to the Committee on Banking, Housing, and
Urban Affairs

AN ACT

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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Empowering States
3 to Protect Seniors from Bad Actors Act”.

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

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

10 **“SEC. 989A. GRANTS TO ELIGIBLE ENTITIES FOR EN-**
11 **HANCED PROTECTION OF SENIOR INVES-**
12 **TORS AND SENIOR POLICYHOLDERS.**

13 “(a) DEFINITIONS.—In this section:

14 “(1) ELIGIBLE ENTITY.—The term ‘eligible en-
15 tity’ means—

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

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

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

25 “(3) SENIOR FINANCIAL FRAUD.—The term
26 ‘senior financial fraud’ means a fraudulent or other-

1 wise illegal, unauthorized, or improper act or process
2 of an individual, including a caregiver or a fiduciary,
3 that—

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

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

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

12 “(4) TASK FORCE.—The term ‘task force’
13 means the task force established under subsection
14 (b)(1).

15 “(b) GRANT PROGRAM.—

16 “(1) TASK FORCE.—

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

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

22 “(i) A Chair of the task force, who—

23 “(I) shall be appointed by the
24 Chairman of the Commission, in con-

1 sultation with the Commissioners of
2 the Commission; and

3 “(II) may be a representative of
4 the Office of the Investor Advocate of
5 the Commission, the Division of En-
6 forcement of the Commission, or such
7 other representative as the Commis-
8 sion determines appropriate.

9 “(ii) If the Chair is not a representa-
10 tive of the Office of the Investor Advocate
11 of the Commission, a representative of
12 such Office.

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

17 “(iv) Such other representatives as
18 the Commission determines appropriate.

19 “(C) DETAIL OF EXECUTIVE AGENCY EM-
20 PLOYEES.—Upon the request of the Commis-
21 sion, the head of any Federal agency may de-
22 tail, on a reimbursable basis, any of the per-
23 sonnel of that Federal agency to the Commis-
24 sion to assist it in carrying out its functions
25 under this section. The detail of any such per-

1 sonnel shall be without interruption or loss of
2 civil service status or privilege.

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

7 “(A) may use the grant funds—

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

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

17 “(iii) to provide educational materials
18 and training to seniors to increase aware-
19 ness and understanding of senior financial
20 fraud;

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

23 “(v) to enhance provisions of State
24 law to provide protection from senior fi-
25 nancial fraud; and

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

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

8 “(A) may consult with staff of the Com-
9 mission; and

10 “(B) shall make public all actions of the
11 task force relating to carrying out that para-
12 graph.

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

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

20 “(A) an identification of the scope of the
21 problem of senior financial fraud in the applica-
22 ble State;

23 “(B) a description of how the proposed ac-
24 tivities would—

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

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

7 “(iii) discourage and reduce cases of
8 senior financial fraud; and

9 “(C) a description of how the proposed ac-
10 tivities would be coordinated with other State
11 efforts; and

12 “(2) any other information that the task force
13 determines appropriate.

14 “(d) PERFORMANCE OBJECTIVES; REPORTING RE-
15 QUIREMENTS; AUDITS.—

16 “(1) IN GENERAL.—The task force—

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

23 “(B) shall require each eligible entity that
24 receives a grant under this section to submit to
25 the task force a detailed accounting of the use

1 of grant funds, which shall be submitted at
2 such time, in such form, and containing such
3 information as the task force may require.

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

12 “(A) specifies each recipient of a grant
13 under this section;

14 “(B) includes a description of the pro-
15 grams that are supported by each such grant;
16 and

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

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

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

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

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

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

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

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

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

Passed the House of Representatives May 11, 2022.

Attest: CHERYL L. JOHNSON,
Clerk.