

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 5914
OFFERED BY MR. GOTTHEIMER OF NEW
JERSEY**

Strike all after the enacting clause and insert the following:

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—

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

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

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

10 “(3) SENIOR FINANCIAL FRAUD.—The term
11 ‘senior financial fraud’ means a fraudulent or other-
12 wise illegal, unauthorized, or improper act or process
13 of an individual, including a caregiver or a fiduciary,
14 that—

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

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

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

23 “(4) TASK FORCE.—The term ‘task force’
24 means the task force established under subsection
25 (b)(1).

1 “(b) GRANT PROGRAM.—

2 “(1) TASK FORCE.—

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

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

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

9 “(I) shall be appointed by the
10 Chairman of the Commission, in con-
11 sultation with the Commissioners of
12 the Commission; and

13 “(II) may be a representative of
14 the Office of the Investor Advocate of
15 the Commission, the Division of En-
16 forcement of the Commission, or such
17 other representative as the Commis-
18 sion determines appropriate.

19 “(ii) If the Chair is not a representa-
20 tive of the Office of the Investor Advocate
21 of the Commission, a representative of
22 such Office.

23 “(iii) If the Chair is not a representa-
24 tive of the Division of Enforcement of the

1 Commission, a representative of such Divi-
2 sion.

3 “(iv) Such other representatives as
4 the Commission determines appropriate.

5 “(C) DETAIL OF EXECUTIVE AGENCY EM-
6 PLOYEES.—Upon the request of the Commis-
7 sion, the head of any Federal agency may de-
8 tail, on a reimbursable basis, any of the per-
9 sonnel of that Federal agency to the Commis-
10 sion to assist it in carrying out its functions
11 under this section. The detail of any such per-
12 sonnel shall be without interruption or loss of
13 civil service status or privilege.

14 “(2) GRANTS.—The task force shall carry out
15 a program under which the task force shall make
16 grants, on a competitive basis, to eligible entities,
17 which—

18 “(A) may use the grant funds—

19 “(i) to hire staff to identify, inves-
20 tigate, and prosecute (through civil, admin-
21 istrative, or criminal enforcement actions)
22 cases involving senior financial fraud;

23 “(ii) to fund technology, equipment,
24 and training for regulators, prosecutors,
25 and law enforcement officers, in order to

1 identify, investigate, and prosecute cases
2 involving senior financial fraud;

3 “(iii) to provide educational materials
4 and training to seniors to increase aware-
5 ness and understanding of senior financial
6 fraud;

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

9 “(v) to enhance provisions of State
10 law to provide protection from senior fi-
11 nancial fraud; and

12 “(B) may not use the grant funds for any
13 indirect expense, such as rent, utilities, or any
14 other general administrative cost that is not di-
15 rectly related to the purpose of the grant pro-
16 gram.

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

19 “(A) may consult with staff of the Com-
20 mission; and

21 “(B) shall make public all actions of the
22 task force relating to carrying out that para-
23 graph.

24 “(c) APPLICATIONS.—An eligible entity desiring a
25 grant under this section shall submit an application to the

1 task force, in such form and in such a manner as the task
2 force may determine, that includes—

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

6 “(A) an identification of the scope of the
7 problem of senior financial fraud in the applica-
8 ble State;

9 “(B) a description of how the proposed ac-
10 tivities would—

11 “(i) protect seniors from senior finan-
12 cial fraud, including by proactively identi-
13 fying victims of senior financial fraud;

14 “(ii) assist in the investigation and
15 prosecution of those committing senior fi-
16 nancial fraud; and

17 “(iii) discourage and reduce cases of
18 senior financial fraud; and

19 “(C) a description of how the proposed ac-
20 tivities would be coordinated with other State
21 efforts; and

22 “(2) any other information that the task force
23 determines appropriate.

24 “(d) PERFORMANCE OBJECTIVES; REPORTING RE-
25 QUIREMENTS; AUDITS.—

1 “(1) IN GENERAL.—The task force—

2 “(A) may establish such performance ob-
3 jectives and reporting requirements for eligible
4 entities receiving a grant under this section as
5 the task force determines are necessary to carry
6 out and assess the effectiveness of the program
7 under this section; and

8 “(B) shall require each eligible entity that
9 receives a grant under this section to submit to
10 the task force a detailed accounting of the use
11 of grant funds, which shall be submitted at
12 such time, in such form, and containing such
13 information as the task force may require.

14 “(2) REPORT.—Not later than 5 years after the
15 date of the enactment of the Empowering States to
16 Protect Seniors from Bad Actors Act, the task force
17 shall submit to the Committee on Financial Services
18 of the House of Representatives and the Committee
19 on Banking, Housing, and Urban Affairs of the Sen-
20 ate a report that—

21 “(A) specifies each recipient of a grant
22 under this section;

23 “(B) includes a description of the pro-
24 grams that are supported by each such grant;
25 and

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

3 “(3) AUDITS.—The task force shall annually
4 conduct an audit of the program under this section
5 to ensure that eligible entities to which grants are
6 made under that program are, for the year covered
7 by the audit, using grant funds for the intended pur-
8 poses of those funds.

9 “(e) MAXIMUM AMOUNT.—The amount of a grant to
10 an eligible entity under this section may not exceed
11 \$500,000, which the task force shall adjust annually to
12 reflect the percentage change in the Consumer Price Index
13 for All Urban Consumers published by the Bureau of
14 Labor Statistics of the Department of Labor.

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

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

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

23 “(g) AUTHORIZATION OF APPROPRIATIONS.—There
24 are authorized to be appropriated to carry out this section
25 \$10,000,000 for each of fiscal years 2023 through 2028.”.

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

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

