[DISCUSSION DRAFT]

117TH CONGRESS 1ST SESSION

H. R. ______

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

M. ______ introduced the following bill; which was 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.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

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

September 29, 2021 (11:59 a.m.)
SEC. 2. GRANTS TO ELIGIBLE ENTITIES FOR ENHANCED PROTECTION OF SENIOR INVESTORS AND SENIOR POLICYHOLDERS.

(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:

“SEC. 989A. GRANTS TO ELIGIBLE ENTITIES FOR ENHANCED PROTECTION OF SENIOR INVESTORS AND SENIOR POLICYHOLDERS.

“(a) DEFINITIONS.—In this section:

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

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

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

“(2) INVESTOR ADVOCATE.—The term ‘Investor Advocate’ means the Investor Advocate of the Commission.


“(4) SENIOR.—The term ‘senior’ means any individual who has attained the age of 62 years or older.
“(5) 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—

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

“(B) results in depriving a senior of rightful access to or use of benefits, resources, belongings, or assets; or

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

“(b) GRANT PROGRAM.—

“(1) IN GENERAL.—The Investor Advocate shall establish a program under which the Office shall make grants, on a competitive basis, to eligible entities, which—

“(A) may use the grant funds—

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

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

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

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

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

“(B) may not use the grant funds for any indirect expense, such as rent, utilities, or any other general administrative cost that is not directly related to the purpose of the grant program.

“(2) AUTHORITY OF INVESTOR ADVOCATE.—In carrying out paragraph (1), the Investor Advocate—

“(A) may consult with staff of the Commission outside of the Office; and

“(B) shall make public all actions of the Investor Advocate relating to carrying out that paragraph.
“(c) APPLICATIONS.—An eligible entity desiring a grant under this section shall submit an application to the Office, in such form and in such a manner as the Investor Advocate may determine, that includes—

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

“(A) an identification of the scope of the problem of senior financial fraud in the applicable State;

“(B) a description of how the proposed activities would—

“(i) protect seniors from senior financial fraud, including by proactively identifying victims of senior financial fraud;

“(ii) assist in the investigation and prosecution of those committing senior financial fraud; and

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

“(C) a description of how the proposed activities would be coordinated with other State efforts; and

“(2) any other information that the Investor Advocate determines appropriate.
“(d) PERFORMANCE OBJECTIVES; REPORTING REQUIREMENTS; AUDITS.—

“(1) IN GENERAL.—The Investor Advocate—

“(A) may establish such performance objectives and reporting requirements for eligible entities receiving a grant under this section as the Investor Advocate determines are necessary to carry out and assess the effectiveness of the program under this section; and

“(B) shall require each eligible entity that receives a grant under this section to submit to the Investor Advocate a detailed accounting of the use of grant funds, which shall be submitted at such time, in such form, and containing such information as the Investor Advocate may require.

“(2) AUDITS.—The Investor Advocate shall annually conduct an audit of the program under this section to ensure that eligible entities to which grants are made under that program are, for the year covered by the audit, using grant funds for the intended purposes of those funds.

“(e) MAXIMUM AMOUNT.—The amount of a grant to an eligible entity under this section may not exceed $500,000, which the Investor Advocate shall adjust annu-
ally to reflect the percentage change in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.

“(f) SUBGRANTS.—An eligible entity that receives a grant under this section may, in consultation with the Investor Advocate, make a subgrant, as the eligible entity determines is necessary or appropriate—

“(1) to carry out the activities described in subsection (b)(1)(A); and

“(2) which may not be used for any activity described in subsection (b)(1)(B).

“(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Investor Advocate to carry out this section $15,000,000 for each of fiscal years 2023 through 2033.”.

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

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