

AMENDMENT TO RULES COMMITTEE PRINT

117-54

OFFERED BY MR. GOTTHEIMER OF NEW JERSEY

Add at the end of title LIV of division E the following:

1 **SEC. 54__.** **GRANTS TO ELIGIBLE ENTITIES FOR EN-**
2 **HANCED PROTECTION OF SENIOR INVES-**
3 **TORS AND SENIOR POLICYHOLDERS.**

4 (a) IN GENERAL.—Section 989A of the Investor Pro-
5 tection and Securities Reform Act of 2010 (15 U.S.C.
6 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 en-
12 tity’ means—

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

16 “(B) the insurance department (or any
17 agency or office performing like functions) of
18 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
5 ‘senior financial fraud’ means a fraudulent or other-
6 wise illegal, unauthorized, or improper act or process
7 of an individual, including a caregiver or a fiduciary,
8 that—

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

11 “(B) results in depriving a senior of right-
12 ful access to or use of benefits, resources, be-
13 longings, 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’
18 means the task force established under subsection
19 (b)(1).

20 “(b) GRANT PROGRAM.—

21 “(1) TASK FORCE.—

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

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

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

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

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

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

22 “(iv) Such other representatives as
23 the Commission determines appropriate.

24 “(C) DETAIL OF EXECUTIVE AGENCY EM-
25 PLOYEES.—Upon the request of the Commis-

1 sion, the head of any Federal agency may de-
2 tail, on a reimbursable basis, any of the per-
3 sonnel of that Federal agency to the Commis-
4 sion to assist it in carrying out its functions
5 under this section. The detail of any such per-
6 sonnel shall be without interruption or loss of
7 civil service status or privilege.

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

12 “(A) may use the grant funds—

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

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

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

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

3 “(v) to enhance provisions of State
4 law to provide protection from senior fi-
5 nancial fraud; and

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

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

13 “(A) may consult with staff of the Com-
14 mission; and

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

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

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

1 “(A) an identification of the scope of the
2 problem of senior financial fraud in the applica-
3 ble State;

4 “(B) a description of how the proposed ac-
5 tivities would—

6 “(i) protect seniors from senior finan-
7 cial fraud, including by proactively identi-
8 fying victims of senior financial fraud;

9 “(ii) assist in the investigation and
10 prosecution of those committing senior fi-
11 nancial fraud; and

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

14 “(C) a description of how the proposed ac-
15 tivities would be coordinated with other State
16 efforts; and

17 “(2) any other information that the task force
18 determines appropriate.

19 “(d) PERFORMANCE OBJECTIVES; REPORTING RE-
20 QUIREMENTS; AUDITS.—

21 “(1) IN GENERAL.—The task force—

22 “(A) may establish such performance ob-
23 jectives and reporting requirements for eligible
24 entities receiving a grant under this section as
25 the task force determines are necessary to carry

1 out and assess the effectiveness of the program
2 under this section; and

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

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

17 “(A) specifies each recipient of a grant
18 under this section;

19 “(B) includes a description of the pro-
20 grams that are supported by each such grant;
21 and

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

24 “(3) AUDITS.—The task force shall annually
25 conduct an audit of the program under this section

1 to ensure that eligible entities to which grants are
2 made under that program are, for the year covered
3 by the audit, using grant funds for the intended pur-
4 poses of those funds.

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

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

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

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

19 “(g) AUTHORIZATION OF APPROPRIATIONS.—There
20 are authorized to be appropriated to carry out this section
21 \$10,000,000 for each of fiscal years 2023 through 2028.”.

22 (b) CONFORMING AMENDMENT.—The table of con-
23 tents in section 1(b) of the Dodd-Frank Wall Street Re-
24 form and Consumer Protection Act is amended by striking

- 1 the item relating to section 989A and inserting the fol-
- 2 lowing:

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

