

AMENDMENT TO RULES COMMITTEE PRINT

118-36

OFFERED BY MR. GOTTHEIMER OF NEW JERSEY

At the end of subtitle C of title 17, insert the following new section:

1 **SEC. 17___.** **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 (12 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 “(b) GRANT PROGRAM.—

18 “(1) IN GENERAL.—The Commission shall
19 carry out a program under which the Commission
20 shall make grants, on a competitive basis, to eligible
21 entities, which—

22 “(A) may use the grant funds—

23 “(i) to hire staff to identify, inves-
24 tigate, and prosecute (through civil, admin-

1 istrative, or criminal enforcement actions)
2 cases involving senior financial fraud;

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

8 “(iii) to provide educational materials
9 and training to seniors to increase aware-
10 ness and understanding of senior financial
11 fraud;

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

14 “(v) to enhance provisions of State
15 law to provide protection from senior fi-
16 nancial fraud; and

17 “(B) may not use the grant funds for any
18 indirect expense, such as rent, utilities, or any
19 other general administrative cost that is not di-
20 rectly related to the purpose of the grant pro-
21 gram.

22 “(2) AUTHORITY OF COMMISSION.—

23 “(A) PUBLIC INFORMATION.—In carrying
24 out paragraph (1), the Commission shall make

1 public relevant actions of the Commission relat-
2 ing to carrying out that paragraph.

3 “(B) SENSE OF CONGRESS.—It is the
4 sense of Congress that, in carrying out para-
5 graph (1), the Commission should use the au-
6 thority of the Commission under section 4A of
7 the Securities Exchange Act of 1934 (15
8 U.S.C. 78d–1) to delegate the functions of the
9 Commission under paragraph (1) to an em-
10 ployee or employee board that has experience
11 working with or for State regulators on issues
12 relating to the protection of senior investors, in-
13 cluding such investors who are vulnerable.

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

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

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

24 “(B) a description of how the proposed ac-
25 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 Commis-
13 sion determines appropriate.

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

16 “(1) IN GENERAL.—The Commission—

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 Commission determines are necessary to
21 carry out and assess the effectiveness of the
22 program under this section; and

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

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

4 “(2) REPORT.—Not later than 2 years, and
5 again not later than 5 years, after the date of enact-
6 ment of the Servicemember Quality of Life Improve-
7 ment and National Defense Authorization Act of
8 Fiscal Year 2025, the Commission shall submit to
9 the Committee on Banking, Housing, and Urban Af-
10 fairs of the Senate and the Committee on Financial
11 Services of the House of Representatives a report
12 that—

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

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

18 “(C) includes an evaluation by the Com-
19 mission of the effectiveness of such grants.

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

1 “(e) AMOUNT OF GRANTS.—The amount of a grant
2 to an eligible entity under this section may not exceed
3 \$500,000 each year, unless the eligible entity serves as
4 both the securities commission (or any agency or office
5 performing like functions), and the insurance department
6 (or any agency or office performing like functions), of a
7 State, in which case the maximum amount of the grant
8 may not exceed \$1,000,000 each year.

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

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

15 “(2) which may not be used for any activity de-
16 scribed in subsection (b)(1)(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 2025 through 2030.”.

20 (b) CONFORMING AMENDMENT.—The table of con-
21 tents in section 1(b) of the Dodd-Frank Wall Street Re-
22 form and Consumer Protection Act (Public Law 111–203)
23 is amended by striking the item relating to section 989A
24 and inserting the following:

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

