

[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.

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IN THE HOUSE OF REPRESENTATIVES

M. \_\_\_\_\_ introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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**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.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

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

1 **SEC. 2. GRANTS TO ELIGIBLE ENTITIES FOR ENHANCED**  
2 **PROTECTION OF SENIOR INVESTORS AND**  
3 **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 commission (or any  
17 agency or office performing like functions) of  
18 any State.

19 “(2) INVESTOR ADVOCATE.—The term ‘Investor  
20 Advocate’ means the Investor Advocate of the Com-  
21 mission.

22 “(3) OFFICE.—The term ‘Office’ means the Of-  
23 fice of the Investor Advocate of the Commission.

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

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

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

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

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

14           “(b) GRANT PROGRAM.—

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

19                   “(A) may use the grant funds—

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

24                           “(ii) to fund technology, equipment,  
25                           and training for regulators, prosecutors,

1 and law enforcement officers, in order to  
2 identify, investigate, and prosecute cases  
3 involving senior financial fraud;

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

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

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

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

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

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

22 “(B) shall make public all actions of the  
23 Investor Advocate relating to carrying out that  
24 paragraph.

1       “(c) APPLICATIONS.—An eligible entity desiring a  
2 grant under this section shall submit an application to the  
3 Office, in such form and in such a manner as the Investor  
4 Advocate may determine, that includes—

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

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

11                      “(B) a description of how the proposed ac-  
12 tivities would—

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

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

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

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

24               “(2) any other information that the Investor  
25 Advocate determines appropriate.

1           “(d) PERFORMANCE OBJECTIVES; REPORTING RE-  
2 QUIREMENTS; AUDITS.—

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

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

10                   “(B) shall require each eligible entity that  
11 receives a grant under this section to submit to  
12 the Investor Advocate a detailed accounting of  
13 the use of grant funds, which shall be sub-  
14 mitted at such time, in such form, and con-  
15 taining such information as the Investor Advo-  
16 cate may require.

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

23           “(e) MAXIMUM AMOUNT.—The amount of a grant to  
24 an eligible entity under this section may not exceed  
25 \$500,000, which the Investor Advocate shall adjust annu-

1 ally to reflect the percentage change in the Consumer  
2 Price Index for All Urban Consumers published by the  
3 Bureau of Labor Statistics of the Department of Labor.

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

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

10 “(2) which may not be used for any activity de-  
11 scribed in subsection (b)(1)(B).

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

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

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