



# NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION, INC.

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June 5, 2019

The Honorable Kyrsten Sinema  
United States Senator  
317 Hart Senate Office Building  
Washington, DC 20510

The Honorable Susan Collins  
United States Senator  
413 Dirksen Senate Office Building  
Washington, DC 20510

Re: S. 1719, the "Senior Security Act of 2019"

Dear Senator Sinema and Senator Collins:

On behalf of the North American Securities Administrators Association (NASAA),<sup>1</sup> I am writing to express strong support for S. 1719, the "Senior Security Act of 2019."

Senior financial exploitation is a growing problem across the country.<sup>2</sup> Many in our elderly population are vulnerable due to social isolation and distance from family, caregiver, and other support networks. Indeed, evidence suggests that as many as one out of every five citizens over the age of 65 has been victimized by a financial fraud.

State and federal policymakers have recently taken important steps to incentivize reporting by financial professionals.<sup>3</sup> However, further action is necessary to fully understand other aspects of senior financial exploitation, to determine whether existing legal and regulatory frameworks are well-suited to address them, and to better assess the scope and scale of the problem.

The Senior Security Act will significantly enhance our understanding of the unique challenges facing senior investors by establishing a Senior Investor Taskforce within the SEC and mandating a comprehensive GAO study on the costs and causes associated with the financial exploitation of seniors.<sup>4</sup> By requiring that the Senior Investor Taskforce consult with state securities and law enforcement authorities, the bill will facilitate sharing of knowledge and information between federal regulators and policymakers, and the state and local officials who are often the first responders to elder financial exploitation. In addition, the GAO is well situated to undertake a comprehensive study of this issue due to the agency's ability to access diverse sources of data that are presently dispersed across

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<sup>1</sup> The oldest international organization devoted to investor protection, the North American Securities Administrators, Inc. was organized in 1919. Its membership consists of the securities administrators in the 50 states, the District of Columbia, Canada, Mexico, Puerto Rico and the U.S. Virgin Islands. NASAA is the voice of securities agencies responsible for grass-roots investor protection and efficient capital formation.

<sup>2</sup> With the aging of the baby boomers, an average of 10,000 Americans has been turning 65 every day and will continue at that rate until the year 2030. By then, one in five persons in the U.S. is projected to be 65 or older and their numbers are projected to reach 74 million. Suspicious activity filings on elder financial exploitation quadrupled from 2013 to 2017. (<https://www.consumerfinance.gov/about-us/blog/financial-institutions-report-widespread-elder-financial-abuse/>)

various entities and levels of government.<sup>4</sup> Its findings will better inform and guide future policy initiative for years to come.

Thank you for your consideration of NASAA's views. Please do not hesitate to contact me, or Michael Canning, NASAA Director of Policy & Government Affairs, at (202) 737-0900, if we may be of any additional assistance.

Sincerely,



Michael S. Pieciak  
NASAA President,  
Commissioner, Vermont Department of Financial Regulation

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<sup>3</sup> For example, as of June 5, 2019, twenty three states have adopted policies similar or identical to the “The NASAA Model Act to Protect Vulnerable Adults from Exploitation.” In addition, in May 2018, the U.S. Congress enacted the Senior Safe Act of 2018 (S. 2155, Section 303) to encourage reporting of suspected exploitation by financial firms including broker dealers and investment advisers to state regulators, law enforcement, and other authorities.

<sup>4</sup> Your legislation is identical to H.R. 1876, which passed the House of Representatives by a vote of 392 to 20 on April 30, 2019. (House Roll Call Vote 170, 116<sup>th</sup> Congress).

<sup>5</sup> Financial exploitation is the most common form of elder abuse, and yet the least studied. The dearth of academic researchers studying elder abuse issues impedes knowledge development in the field. As a result, there are few data to inform and guide practitioners, policy-makers, and trainers. (<https://www.sec.gov/files/elder-financial-exploitation.pdf> P.31).