



NASAA

NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION, INC.

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June 25, 2020

The Honorable Tammy Baldwin
United States Senator
709 Hart Senate Office Building
Washington, DC 20510

The Honorable Bill Cassidy
United States Senator
520 Hart Senate Office Building
Washington, DC 20510

Re: Edith Shorougian Senior Victims of Fraud Compensation Act of 2020 (S.3487)

Dear Senator Baldwin and Senator Cassidy:

On behalf of the North American Securities Administrators Association (NASAA),¹ I am writing to express strong support for S.3487, the “Edith Shorougian Senior Victims of Fraud Compensation Act.” (Edith’s Bill).

Financial exploitation is the fastest growing category of elder abuse in many states.² Many in our elderly populations are vulnerable due to social isolation and distance from family members, caregivers, and other support networks. As you know, these frauds can be perpetrated by strangers and con artists, or even family members and friends in whom the elderly have placed their trust. According to a survey from the Investor Protection Trust, approximately one out of every five citizens over the age of 65 has been a victim of financial fraud.

As NASAA recently testified to Congress, your legislation could prove especially timely. The COVID-19 pandemic has placed many seniors at an elevated risk as they are spending time in isolation to protect themselves from the infection.³ Friends and family who may have visited regularly are unable to spend time with them. Many seniors have turned to the Internet as a social outlet and have become reliant on online services for shopping, banking, and the initiation of electronic payments that may have otherwise been paid in person. Such changes in lifestyle create opportunity for fraudsters.

¹ 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.

² 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-reportwidespread-elder-financial-abuse/>)

³ Written Testimony of Amanda Senn on behalf of NASAA. House Financial Services Committee. Subcommittee on National Security. June 18, 2020. (<https://financialservices.house.gov/uploadedfiles/hhrg-116-ba10-wstate-senna-20200616.pdf>)

While significant steps have been made by state and federal policymakers to incentivize reporting by financial professionals,⁴ this bipartisan bill will go further by providing financial relief for senior victims of fraud.

Edith's Bill would amend the Victims of Crime Act of 1984 (VOCA) to establish eligibility for seniors victimized by financial fraud to be reimbursed from the Crimes Victim Fund and fill an essential gap for victims of senior fraud. Specifically, the legislation establishes eligibility for compensation where no comparable financial assistance presently exists by including individuals over 60 years of age in state Victim Compensation Programs.

NASAA strongly supports Congressional efforts to address the financial exploitation of seniors, and believes that S.3487 will provide necessary relief and justice for the financial losses experienced by senior fraud victims. We are pleased to support the legislation, and we look forward to working with you and other members of the Senate to facilitate its consideration and passage.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'C. Gerald', with a stylized flourish at the end.

Christopher Gerald
NASAA President and New Jersey Securities Bureau Director

⁴ For example, as of January 15, 2020, twenty five 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.