



NASAA

NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION, INC.

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March 19, 2021

The Honorable Kyrsten Sinema
317 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Susan Collins
413 Dirksen Senate Office Building
Washington, D.C. 20510

Re: S. 856, the “Senior Security Act of 2021”

Dear Senator Sinema and Senator Collins:

On behalf of the North American Securities Administrators Association (“NASAA”),¹ I am writing to express strong support for S. 856, the “Senior Security Act of 2021.”

Senior financial exploitation remains a pernicious and growing problem across the country.² Due to the pandemic and other factors, many in our elderly population are vulnerable due to unprecedented social isolation and distance from their family, caregivers, and other support networks. Indeed, during the pandemic, many seniors have been spending time in isolation to protect themselves from infection. Friends and family who may have visited regularly are unable to spend time with them. With many seniors in isolation, friends and family are unable to physically check in and are not able to notice the sometimes small but important changes in behavior that could indicate a person is susceptible to fraud or worse, is being victimized.³

State and federal policymakers have taken important steps to incentivize reporting by financial professionals in recent years.⁴ However, further action is necessary to understand critical aspects of senior financial exploitation more fully, 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.

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. By 2030, all baby boomers will be a least 65 and one in five persons in the U.S. will be retirement age. (See <https://www.census.gov/newsroom/press-releases/2018/cb18-41-population-projections.html>.) In addition, Suspicious Activity Reports (SARs) on elder financial exploitation quadrupled from 2013 to 2017, with the CFPB reporting an estimate of \$1.7 billion in actual losses and attempts in 2017. (See https://files.consumerfinance.gov/f/documents/cfpb_suspicious-activity-reports-elder-financial-exploitation_report.pdf.)

³ See: Written Testimony of Alabama Securities Commission Chief Deputy Director and NASAA Cybersecurity Committee Chair Amanda Senn. House Financial Services Subcommittee on National Security. “Cybercriminals and Fraudsters: How Bad Actors Are Exploiting the Financial System During the COVID-19 Pandemic.” (June 16, 2020.) <https://www.congress.gov/116/meeting/house/110795/witnesses/HHRG-116-BA10-Wstate-SennA-20200616.pdf>

⁴ For instance, as of 2021, at least twenty-eight states have adopted policies similar or identical to the “NASAA Model Act to Protect Vulnerable Adults from Exploitation.” In addition, in May 2018, the U.S. Congress enacted the Senior Safe Act (S. 2155, Section 303) to encourage financial institutions – which include broker dealers and investment advisers – to report cases of suspected financial exploitation to state regulators, law enforcement, and other authorities.

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.⁵ By requiring that the Senior Investor Taskforce consult with state securities and law enforcement authorities, the Taskforce will facilitate information sharing between federal regulators and policymakers, and the state and local officials who are often the first responders to senior 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 various entities and levels of government.⁶ Its findings will better inform and guide future policy initiative for years to come. We are pleased to support the bill, and we urge its passage.

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,



Lisa Hopkins
NASAA President
General Counsel and Senior Deputy Commissioner of Securities, West Virginia

CC: The Honorable Sherrod Brown, Chairman
The Honorable Patrick J. Toomey, Ranking Member

⁵ This study will build on recent GAO work addressing data collection regarding financial exploitation by the U.S. Department of Health and Human Services. (See U.S. Government Accountability Office. "ELDER JUSTICE: HHS Could Do More to Encourage State Reporting on the Costs of Financial Exploitation." GAO-21-90: Published: Dec 18, 2020. Publicly Released: Jan 19, 2021. <https://www.gao.gov/products/GAO-21-90>)

⁶ 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 is a lack of comprehensive data to inform and guide practitioners, policy makers, and trainers. (See <https://www.sec.gov/files/elder-financialexploitation.pdf>.)