



NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION, INC.

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July 10, 2023

The Honorable Kevin McCarthy (R-CA)
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Hakeem Jeffries (D-NY)
Democratic Leader
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Tom Cole (R-OK)
Chair
U.S. House of Representatives
Committee on Rules
Washington, D.C. 20515

The Honorable Jim McGovern (D-MA)
Ranking Member
U.S. House of Representatives
Committee on Rules
Washington, D.C. 20515

Re: Amendment 585 to H.R. 2670, the National Defense Authorization Act for Fiscal Year 2024

Dear Speaker McCarthy, Democratic Leader Jeffries, Chair Cole, and Ranking Member McGovern:

On behalf of the North American Securities Administrators Association (“NASAA”),¹ I am writing to express our full support for Amendment 585, the Empowering States to Protect Seniors from Bad Actors Act (“Amendment 585”), to H.R. 2670, the National Defense Authorization Act for Fiscal Year 2024 (“H.R. 2670”).² NASAA has called on Congress many times to place the interests of investors front-and-center and take steps to prevent the exploitation of older investors, particularly veterans.³ Passage of Amendment 585 would do both.

Submitted by Representatives Josh Gottheimer (D-NJ) and Brian Fitzpatrick (R-PA), this bipartisan proposal is a win for everyone. Amendment 585 would establish a grant program to enhance existing efforts by state securities and insurance regulators to protect senior investors and policyholders from financial fraud, many of whom are veterans. Importantly, with respect to

¹ Organized in 1919, NASAA is the oldest international organization devoted to investor protection. NASAA’s membership consists of the securities administrators in the 50 states, the District of Columbia, Canada, Mexico, Puerto Rico, the U.S. Virgin Islands, and Guam. NASAA is the voice of securities agencies responsible for grassroots investor protection and responsible capital formation.

² Veterans are consistently targeted for financial frauds and scams. See [Amendment to the Rules Committee Print 118-10 Offered by Mr. Gottheimer of New Jersey](#), 118th Congress, 1st Session.

³ See, e.g., [NASAA Releases Federal Policy Agenda for the 118th Congress](#) (Jan. 12, 2023). Last Congress, the House passed [H.R. 5914](#), the Empowering States to Protect Seniors from Bad Actors Act, as amended, on a strong bipartisan vote of 371 to 48. Read [NASAA’s letter of support](#).

President: Andrew Hartnett (Iowa)
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the grant program, Amendment 585 would: (A) make the U.S. Securities and Exchange Commission (“SEC”) the program administrator; (B) give the SEC the authority and tools necessary to operate a data-driven grant program; (C) empower the SEC to make grants to state securities and insurance regulators from across the United States; (D) authorize an appropriation of \$10,000,000 to the SEC for each of the fiscal years 2024 through 2029 to make such grants; (E) require the SEC to cap each grant at \$500,000 (adjusted annually for inflation); and (F) effectively create more opportunities for federal and state securities regulators to communicate and coordinate in their efforts to protect senior investors.

As you know, state securities regulators have been leaders for decades in the effort to protect older and sometimes vulnerable adults, including veterans, from financial exploitation. We have developed strategic partnerships with the SEC and other regulators, state and federal law enforcement agencies, and organizations dedicated to serving older adults and veterans. In addition, we have prioritized senior-and-veteran-focused education, outreach, examination, and enforcement.⁴ By way of example, we joined forces to identify and stop abusive sales practices at so-called “free lunch” or “free dinner” seminars and dedicated significant resources in supporting the passage and implementation of NASAA’s Model Act to Protect Vulnerable Adults from Financial Exploitation, which most states have adopted in whole or in part.⁵

NASAA urges Congress to move swiftly to enact this bipartisan legislation. Unanimous support would be yet another message to elderly investors across the United States, many of whom are veterans, that we are all in their corner.

Thank you for your time and consideration. Should you have any questions, please do not hesitate to contact me or Kristen Hutchens, NASAA’s Director of Policy and Government Affairs, and Policy Counsel, at khutchens@nasaa.org.

Sincerely,



Andrew Hartnett
NASAA President and
Deputy Commissioner,
Iowa Insurance Division

⁴ Among other efforts to collaborate, the SEC and NASAA have released numerous education resources, as well as training materials and other resources for financial firms. *See, e.g.*, [NASAA Marks World Elder Abuse Awareness Day 2023](#) (June 15, 2023); [FINRA, NASAA and SEC OIEA Urge Investors to Establish a Trusted Contact to Increase Investor Protection](#) (Sept. 28, 2021); [NASAA, SEC and FINRA Offer Free Resource to Securities Firms to Assist in Detection, Prevention, and Reporting of Financial Exploitation of Seniors](#) (June 15, 2021); [NASAA, SEC & FINRA Issue Senior Safe Act Fact Sheet to Help Promote Greater Reporting of Suspected Senior Financial Exploitation](#) (May 23, 2019); [NASAA Marks Military Saves Week by Taking Aim at Fraud Targeting Military Members](#) (Feb. 21, 2012); NASAA, [Investor Education Resources for Military Servicemembers](#); NASAA [Additional Resources for Military Servicemembers](#).

⁵ *See* [AARP and NASAA Launch “Free Lunch Seminar Monitor” Program](#) (Oct. 14, 2008) and [NASAA Model Act to Protect Vulnerable Adults from Financial Exploitation, State Enactment List](#).