

**ASSEMBLY CONCURRENT
RESOLUTION No. 82**

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman ROY FREIMAN

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Assemblywoman YVONNE LOPEZ

District 19 (Middlesex)

Co-Sponsored by:

Assemblywomen Vainieri Huttie, Swain and Assemblyman Tully

SYNOPSIS

Urges United States Senate to adopt “Senior Security Act of 2019.”

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **A CONCURRENT RESOLUTION** urging the United States Senate to
2 adopt the “Senior Security Act of 2019.”
3
4 **WHEREAS**, Elder financial exploitation (EFE) occurs when an
5 individual misuses or appropriates the assets of a vulnerable senior
6 citizen for the individual’s own benefit, often without the
7 knowledge or consent of the senior citizen, thereby depriving the
8 vulnerable senior of financial resources; and
9 **WHEREAS**, Seventeen percent of U.S. senior citizens surveyed report
10 that they have been “taken advantage of financially,” meaning they
11 were sold an unsuitable investment, charged excessive fees for
12 financial services, or were the victim of fraud; and
13 **WHEREAS**, Financial institutions reported \$1.7 billion in suspicious
14 financial activities targeting senior citizens in 2017, according to
15 the federal Consumer Financial Protection Bureau; and
16 **WHEREAS**, Senior citizens vastly underreport incidents of EFE, either
17 out of embarrassment or a desire to protect a family member who
18 engaged in the exploitation; and
19 **WHEREAS**, The number of older adults who are potentially vulnerable
20 to EFE will grow as the U.S. population ages; and
21 **WHEREAS**, Medical and social service providers find that EFE
22 undermines both the health and financial stability of seniors; and
23 **WHEREAS**, One type of EFE is senior investor exploitation, which
24 may include: investments made on behalf of a vulnerable senior
25 citizen, but without the knowledge or consent of the senior;
26 investments in high-fee funds; or excessive trading activity
27 intended to generate large commissions for financial advisors; and
28 **WHEREAS**, Nearly 25 percent of all investment fraud complainants in
29 New Jersey are aged 60 or older, and approximately 33 percent of
30 victims in New Jersey Bureau of Securities enforcement actions are
31 aged 60 or older; and
32 **WHEREAS**, The federal “Senior Security Act of 2019” creates a Senior
33 Investor Taskforce within the Securities and Exchange Commission
34 (SEC) to study and report to Congress on: conditions that foster
35 senior investor exploitation, policies that will reduce the incidence
36 of this type of exploitation, and best practices that will strengthen
37 oversight of the investment industry; and
38 **WHEREAS**, The “Senior Security Act of 2019” requires the
39 Government Accountability Office to study the economic costs of
40 EFE, and report its findings to Congress and the Senior Investor
41 Taskforce; and,
42 **WHEREAS**, The U.S. House of Representatives passed the “Senior
43 Security Act of 2019” on April 30, 2019 and the bill is now pending
44 in the United States Senate; and
45 **WHEREAS**, It is altogether fitting and proper, and in the public interest,
46 for this House to respectfully request that the U.S. Senate enact
47 legislation that will protect vulnerable senior citizens from investor
48 exploitation; now, therefore,

ACR82 FREIMAN, LOPEZ

3

BE IT RESOLVED by the General Assembly of the State of New Jersey (the Senate concurring):

1. The Legislature of the State of New Jersey respectfully urges the United States Senate to adopt the “Senior Security Act of 2019.”

2. Duly authenticated copies of this resolution, as filed with the Secretary of State, shall be transmitted by the Clerk of the General Assembly or the Secretary of the Senate to the Majority and Minority Leaders of the U.S. Senate, and each member of Congress elected from New Jersey.

3. This concurrent resolution shall take effect immediately.

STATEMENT

This resolution urges the United States Senate to adopt the “Senior Security Act of 2019,” which was passed by the House of Representatives on April 30, 2019. This federal legislation creates a Senior Investor Taskforce within the Securities and Exchange Commission, which will study challenges that vulnerable senior citizens face in investing and managing their assets. The Taskforce will also identify any legislative, policy, regulatory or enforcement actions that might prevent senior investors from falling victim to financial exploitation. These findings will be reported to Congress on a biennial basis. In addition, this legislation directs the Government Accountability Office to study the economic costs associated with senior investor exploitation, and report the study findings to Congress and the Senior Investor Taskforce.

Elder financial exploitation (EFE) is a pervasive problem that exacts a personal and financial toll on a sizeable number of our nation’s senior citizens each year. However, the number of seniors who fall victim to EFE each year is unknown, because seniors often decline to report this crime to law enforcement out of embarrassment or from a desire to protect a family member who engaged in the exploitation. Investor advocates do know that the economic impact of EFE is significant; in 2017, financial institutions reported \$1.7 billion in suspicious financial activities that targeted senior citizens. The “Senior Security Act of 2019” will provide financial regulators with much-needed data on the prevalence of EFE. Additionally, the federal legislation will help financial regulators, policymakers, and law enforcement officials identify and implement practices, regulations, and policies to protect all senior investors from financial exploitation.