



January 8, 2025

The Honorable Janet Yellen
Secretary
U. S. Department of the Treasury
1500 Pennsylvania Ave. NW
Washington, D.C. 20220

Ms. Andrea Gacki
Director
Financial Crimes Enforcement Network
2070 Chain Bridge Road
Vienna, VA 22182

Dear Secretary Yellen and Director Gacki:

As the nation's oldest small business advocacy organization, representing our membership of more than 65,000 and the 70+ million owners and employees that make up the U.S. small business sector, we are writing to express our significant concerns related to the recent cybersecurity breach of U.S. Treasury data conducted by Chinese-sponsored hackers, which was publicly disclosed on Dec. 8, 2024.

While any breach of federal government systems is worthy of considerable scrutiny, this particular incident is of immediate relevance to American small businesses, who have been forced to reckon this past year with burdensome FinCEN reporting requirements established by the Corporate Transparency Act (CTA). The CTA was purportedly designed to address only corporations engaged in illicit activities; however, its language has impacted nearly all small businesses in the United States, requiring them to disclose sensitive "beneficial ownership information" (BOI) to FinCEN. Though the enforcement deadline for this information has been shifted back-and-forth repeatedly—leaving small businesses profoundly confused over their legal obligations—many businesses have nonetheless already submitted their BOI. Given the immensely sensitive nature of this information, it is vital that those business owners be made immediately aware if any of the data compromised during the incident included information related to their submissions, a violation that could potentially jeopardize their competitiveness and continued operations.

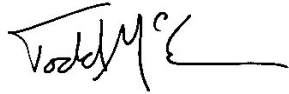
It is worth emphasizing that these small businesses forfeited their own security protections in order to abide by the federal government's mandates, with the hope and expectation that the government possesses the necessary technology and expertise to protect their information from falling into the hands of bad actors and foreign adversaries. Due to the significant degree of trust that these small businesses have placed in their government to protect and oversee their information, it is imperative that Treasury expeditiously confirm or deny whether their sensitive information has been stolen. Therefore, NSBA is requesting that Treasury immediately disclose whether any of the information accessed by hackers pertained to the BOI requirements mandated by the CTA, and if so, to make it clear whether that information has since been secured in the aftermath of the breach.

While we are aware that Treasury has already promised lawmakers it will disclose additional information concerning the incident in a supplemental report, we urge you to comprehensively address the issue of potential BOI theft during the continued review process. In addition, we request to be made aware of what steps, if any, Treasury is implementing to remediate the

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situation and ensure that U.S. businesses are not penalized for their attempts to comply with the law.

Sincerely,

A handwritten signature in black ink, appearing to read "Todd McCracken". The signature is stylized with a large, looped "T" and "M".

Todd McCracken
President & CEO
National Small Business Association