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House of Representatives

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November 12, 2014

Brian Cornell
Chairman and CEO
Target Corporation
1000 Nicollet Mall
Minneapolis, MN 55403

Dear Mr. Cornell:

I am writing to request information about a significant data breach first reported by Target last December.

According to Target, hackers infiltrated the company's computer systems on November 12, 2013, and placed malware designed to capture payment card data from the magnetic strip of credit and debit cards prior to encryption within its system. Target has confirmed that this unauthorized access may impact customers who made debit or credit card purchases in its U.S. stores from November 27, 2013, to December 15, 2013.¹

The cyber-attack is estimated to have compromised approximately 40 million payment cards.² Internet security investigative reports found that shortly after Target's breach, millions of stolen credit and debit card accounts "flood[ed] underground black markets ... selling in batches of one million cards and going for anywhere from \$20 to more than \$100 per card."³ The data breach reportedly resulted in up to 70 million individuals having their personal information stolen, including names, mailing addresses, and telephone numbers.⁴

¹ Target, *Target Confirms Unauthorized Access to Payment Card Data in U.S. Stores* (Dec. 19, 2013) (online at <http://pressroom.target.com/news/target-confirms-unauthorized-access-to-payment-card-data-in-u-s-stores>).

² *Id.*

³ *Cards Stolen in Target Breach Flood Underground Markets*, *KrebsonSecurity.com* (Dec. 20, 2013) (online at <http://krebsonsecurity.com/2013/12/cards-stolen-in-target-breach-flood-underground-markets/>).

⁴ Target, *Target Provides Update on Data Breach and Financial Performance* (Jan. 10, 2014) (online at <http://pressroom.target.com/news/target-provides-update-on-data-breach-and-financial-performance>).

The increasing number of cyber-attacks and data breaches is unprecedented and poses a clear and present danger to our nation's economic security. Each successive cyber-attack and data breach not only results in hefty costs and liabilities for businesses, but exposes consumers to identify theft and other fraud, as well as a host of other cyber-crimes. Your ability to protect consumers and safeguard their personal information is central to earning and maintaining consumer confidence in our economic system.

The increased frequency and sophistication of cyber-attacks on both public and private entities highlights the need for greater collaboration to improve data security. Your company's knowledge, information, and experience with this recent data breach will be helpful as Congress examines federal cybersecurity laws and any necessary improvements to protect sensitive consumer and government financial information. To aid in this oversight, I request that Target provide the following information:

- (1) a description of the manner and method by which your company first discovered that its payment data systems were under cyber-attack in 2013;
- (2) the approximate number of consumers that may have been affected by the breach;
- (3) the findings from forensic investigation analyses or reports concerning the breach, including findings about vulnerabilities to malware, the use of data segmentation to protect personally identifiable information, and why the breach went undetected for the length of time it did;
- (4) the individuals or entities suspected or believed to have caused the data breach, and whether they have been reported to the appropriate law enforcement agencies;
- (5) a description of data protection improvement measures your company has undertaken since discovering that its payment data systems had been breached in 2013;
- (6) an estimate of the number and value of fraudulent transactions that were connected to payment cards exposed in the data breach, including the approximate number of federal, state, and local government customers whose information was exposed during the data breach at issue, as well as the number and value of fraudulent transactions that were connected to payment cards from federal, state, and local government customers exposed in the data breach;
- (7) a description of the data security policies and procedures that govern your company's relationships with vendors, third-party service providers, and subcontractors, including the manner by which your company ensures that entities performing work on your behalf have reasonable data security controls in place to thwart cyber-attacks; and

Mr. Brian Cornell

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- (8) any recommendations for improvements in cybersecurity laws or the coordination of efforts to identify and respond to emerging trends in cybersecurity risks to help prevent future data breaches.

Please provide the requested information by December 19, 2014. We also request a briefing from your Chief Information Security Officer or similar chief IT security professional by November 25, 2014. If you have any questions about this request, please contact Timothy D. Lynch at (202) 225-0312. Thank you for your cooperation in this matter.

Sincerely,


Elijah E. Cummings
Ranking Member

cc: The Honorable Darrell E. Issa, Chairman