

119TH CONGRESS
2D SESSION

S. 4230

To require the Federal Government to identify and address stolen sensitive data and classified information, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 26, 2026

Ms. HASSAN (for herself and Mrs. BLACKBURN) introduced the following bill;
which was read twice and referred to the Select Committee on Intelligence

A BILL

To require the Federal Government to identify and address stolen sensitive data and classified information, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Protecting Stolen
5 Encrypted Data Act of 2026”.

6 **SEC. 2. ADDRESSING STOLEN SENSITIVE DATA.**

7 (a) DEFINITIONS.—In this section:

8 (1) CLASSIFIED INFORMATION.—The term
9 “classified information” has the meaning given such

1 term in section 805 of the National Security Act of
2 1947 (50 U.S.C. 3164).

3 (2) COVERED DATA.—The term “covered data”
4 means includes the following:

5 (A) Financial, medical, and biometric data
6 of United States persons.

7 (B) Intellectual property of United States
8 persons.

9 (C) Trade secrets of United States per-
10 sons.

11 (3) UNITED STATES PERSON.—The term
12 “United States person” has the meaning given such
13 term in section 101 of the Foreign Intelligence Sur-
14 veillance Act of 1978 (50 U.S.C. 1801).

15 (b) ADDRESSING STOLEN SENSITIVE DATA.—

16 (1) STRATEGIES TO IDENTIFY.—The President
17 shall, acting through the Secretary of Defense and
18 the Director of National Intelligence, develop strate-
19 gies to identify—

20 (A) covered data and classified information
21 unlawfully held by foreign entities;

22 (B) whether such data and information
23 were encrypted; and

24 (C) whether such data and information
25 have been decrypted by such foreign entities.

1 (2) STRATEGIES TO ADDRESS.—The President
2 shall, acting through the Secretary of Defense and
3 the Director of National Intelligence, develop strate-
4 gies regarding how to address stolen covered data
5 and classified information.

6 (3) DESTRUCTION, MANIPULATION, OR RECOV-
7 ERY.—

8 (A) DETERMINATION OF ECONOMIC AND
9 NATIONAL SECURITY INTEREST.—The Sec-
10 retary and the Director shall jointly determine
11 whether the destruction, manipulation, or recov-
12 ery of covered data and classified information
13 identified pursuant to the strategies developed
14 under paragraph (1) would be in the economic
15 and national security interest of the United
16 States.

17 (B) DESTRUCTION, MANIPULATION, OR RE-
18 COVERY.—In a case in which the Secretary and
19 the Director jointly determine under subpara-
20 graph (A) that destroying, manipulating, or re-
21 covering covered data or classified information
22 is in the economic and national security inter-
23 ested of the United States, the Secretary and
24 the Director may jointly—

1 (i) pursuant to strategies required by
2 paragraph (1), identify encrypted covered
3 data and classified information that is un-
4 lawfully held by a foreign entity that has
5 not been decrypted by the foreign entity;

6 (ii) pursuant to the strategies re-
7 quired by paragraph (2), attempt to de-
8 stroy, manipulate, or recover the data and
9 information identified pursuant to clause
10 (i); and

11 (iii) when practicable, inform the law-
12 ful owners of covered data or classified in-
13 formation—

14 (I) of the intent of the Secretary
15 or the Director, as the case may be,
16 to destroy, manipulate, or recover the
17 covered data or classified information;
18 and

19 (II) upon successful destruction,
20 manipulation, or recovery of the cov-
21 ered data or classified information.

22 (c) REPORT.—

23 (1) IN GENERAL.—Not later than 1 year after
24 the date of the enactment of this Act, the Secretary
25 and the Director shall jointly submit to Congress a

1 report on the strategies developed under paragraphs
2 (1) and (2) of subsection (c) and the actions taken
3 under paragraph (3) of such subsection.

4 (2) RECOMMENDATIONS.—The report sub-
5 mitted pursuant to paragraph (1) shall include such
6 recommendations as the Secretary and the Director
7 may have for legislative or administrative action to
8 carry out subsection (c).

9 (3) FORM.—The report submitted pursuant to
10 paragraph (1) shall be submitted in unclassified
11 form, but may include a classified annex.

○