

Office of the Attorney General
Attn: Security Breach Notification
200 St. Paul Place
Baltimore, MD 21202

Idtheft@oag.state.md.us



RE: Notification of Data Security Breach Incident

Dear Sir/Madame:

This letter is being sent in accordance with Maryland law to inform your office that our company was recently notified by the Internal Revenue Service that the name and Social Security Number of one Maryland resident contained in the federal tax returns of an investment fund that we manage (Steelhead Pathfinder Fund, L.P. ("Pathfinder")) may have been accessed by an IRS contractor who improperly access Pathfinder's federal tax returns. Approximately 93 individual Pathfinder limited partners were impacted nationwide. We received the attached notification from the IRS on April 18, 2024, stating that the Department of Justice had criminally charged the contractor with illegally inspecting or disclosing Pathfinder's federal tax returns (presumably, among many others). Per the notification letter, the tax returns were accessed by the contractor between 2018 and 2020, and, per the Factual Basis for Plea in the criminal case, the access included returns and return information dating back over 15 years.

Please be advised that this incident did not occur on our company systems or as a result of any action or inaction by our company, but rather the information was exposed by the IRS. In an abundance of caution and to protect our Pathfinder's individual investors we are sending notification letters and offering one year of credit monitoring to the impacted individuals. We have enclosed a copy of the notice letter that we will be sending along with a copy of the IRS notification letter that we received.

Should you have any additional questions, you may contact me directly at 206-307-0922 or brent@steelhead.com.

Sincerely,

Brent E. Binge
General Counsel and Chief Compliance Officer
Steelhead Partners, LLC

Enclosure



Steelhead Partners, LLC

[Date]

[Name]

[Address]

Re: Notice of Data Breach by IRS Contractor

What Happened?

On behalf of Steelhead Pathfinder Fund, L.P. (“Pathfinder”), we are writing to inform you that we were recently notified by the Internal Revenue Service (“IRS”) of an incident concerning Pathfinder tax information. This incident involved an IRS contractor’s improper treatment of IRS data associated with thousands of individuals. We received the attached notification from the IRS on April 18, 2024, stating that the Department of Justice had criminally charged the contractor with illegally inspecting or disclosing Pathfinder’s federal tax returns (presumably, among many others). Per the notification letter, the tax returns were accessed by the contractor between 2018 and 2020, and, per the Factual Basis for Plea in the criminal case, the access included returns and return information dating back over 15 years.¹

Pathfinder’s federal tax returns are required to include a copy of all Form K-1s that are issued to limited partners. Form K-1 includes the limited partner’s name, address and taxpayer identification number (meaning for individuals, and certain disregarded trusts, Social Security number). While the notification letter, which is the only information we have received from the IRS, specifies that the contractor has been charged with unauthorized inspection or disclosure of Pathfinder’s tax returns, at this point we are unable to determine whether Pathfinder’s tax returns (and limited partners’ K-1s) were disclosed or merely inspected by the charged individual. Out of an abundance of caution, and in accordance with state legal requirements, we are notifying you so that you may take steps to protect yourself (while also noting that the criminal activity ceased almost four years ago).

At Steelhead Partners, we take information security very seriously. All the data provided to the IRS is (and was) legally required and properly provided as part of Pathfinder’s tax returns and, to our knowledge, the unauthorized inspection or disclosure involved only the IRS database (and did not involve any of Steelhead’s networks, systems, or databases). Therefore, this incident, while regrettable, was completely out of our control.

What Information was Involved?

According to the IRS letter this incident may have included the information we are required to include in our tax return: your name, address and Social Security number as shown on the Form K-1 you received from us.

What We are Doing.

We are notifying all individual (and disregarded trust) limited partners whose Form K-1 was included in our tax returns that were filed between Pathfinder’s inception and 2020 to provide steps you may take to protect yourself against any potential misuse of your personal information.

¹ The Department of Justice has provided an online source for information about the criminal case. It can be accessed at <https://www.justice.gov/criminal/criminal-vns/case/united-states-v-charles-littlejohn>. According to this site, on January 29, 2024, the defendant was sentenced to five years in prison by the U.S. District Court for the District of Columbia. 800 Fifth Avenue, Suite 3700, Seattle, WA 98104 T 206-307-0910 F 206-238-9804 W www.steelhead.com

To help protect your identity, we are offering a complimentary 12-month membership of Experian's® IdentityWorksSM. This product provides you with identity detection and resolution of identity theft. To activate your membership and start monitoring your personal information please follow the steps below:

- Ensure that you **enroll by**: August 30, 2024 (your code will not work after 5:59 pm CT on this date.)
- **Visit** the Experian IdentityWorks website to enroll: <http://www.experianidworks.com/credit> (using a different URL may make the codes unusable or create errors during enrollment)
- Provide your **activation code**: [code]

If you have questions about the product, need assistance with identity restoration or would like an alternative to enrolling in Experian IdentityWorks online, please contact Experian's customer care team at 877.890.9332 (available Monday through Friday from 8 am – 8 pm CST (excluding major U.S. holidays)) by August 30, 2024. Be prepared to provide engagement number B123073 as proof of eligibility for the identity restoration services by Experian.

What You Can Do.

You should remain vigilant for incidents of fraud and identity theft including by regularly reviewing your account statements and monitoring free credit reports. If you discover any suspicious or unusual activity on your accounts or suspect identity theft or fraud, be sure to report it immediately to your financial institutions. In addition, you may contact the Federal Trade Commission ("FTC") or law enforcement to report incidents of identity theft or to learn about steps you can take to protect yourself from identity theft. To learn more, you can go to the FTC's website at www.consumer.gov/idtheft, call the FTC at (877) IDTHEFT (438-4338), or write to Federal Trade Commission, Consumer Response Center, 600 Pennsylvania Avenue, NW, Washington, DC 20580. If you believe you are a victim of identity theft, you may also notify the IRS by completing Form 14039 (Identity Theft Affidavit), available here: <https://www.irs.gov/dmaf/form/14039>.

You may also periodically obtain free credit reports from each nationwide credit reporting agency. Under federal law, you are entitled to one free copy of your credit report every 12 months from each of the three nationwide credit reporting agencies. You may order one, two, or all three reports at the same time, or you may stagger your requests during a 12-month period to keep an eye on the accuracy and completeness of the information in your reports. You may obtain a free copy of your credit report by going to www.AnnualCreditReport.com or by calling (877) 322-8228. You may contact the nationwide credit reporting agencies at:

Equifax
(888) 378-4329
P.O. Box 740241
Atlanta, GA 30374
www.equifax.com

Experian
(888) 397-3742
P.O. Box 9554
Allen, TX 75013
www.experian.com

TransUnion
(800) 680-7289
Fraud Victim Assistance Division
P.O. Box 2000
Chester, PA 19016-2000
www.transunion.com

If you discover information on your credit report arising from a fraudulent transaction, then you should request that the credit reporting agency delete that information from your credit report file.

For More Information.

In addition, you may obtain further information from the FTC and the credit reporting agencies about fraud alerts and security freezes. You may add a fraud alert to your credit report file to help protect your credit information. A fraud alert can make it more difficult for someone to get credit in your name because it tells creditors to follow certain procedures to protect you, but it also may delay your ability to

obtain credit. You may place a fraud alert in your file by calling just one of the three nationwide credit reporting agencies listed above. As soon as that agency processes your fraud alert, it will notify the other two agencies, which then must also place fraud alerts in your file. In addition, you may contact the nationwide credit reporting agencies regarding if and how you may place a security freeze on your credit report to prohibit a credit reporting agency from releasing information from your credit report without your prior written authorization.

Please know that we sincerely regret any inconvenience or concern this incident may cause you. Please do not hesitate to contact us at 1-800-660-3556 if you have any questions or concerns.

Sincerely,

Brent E. Binge
General Counsel and Chief Compliance Officer

Enclosure

IF YOU ARE A CALIFORNIA RESIDENT: Even if you do not find any signs of fraud on your credit reports, the California Office of Privacy Protection recommends that you check your credit reports every three months for the next year. The law allows you to order a free credit report from each agency every 12 months. You may order one, two, or all three reports at the same time, or you may stagger your requests during a 12-month period to monitor the accuracy and completeness of the information in your reports. Just call one of the numbers above to order your report and keep the "fraud alert" in place. For more information on identity theft, you may visit the California Office of Privacy Protection website, www.oag.ca.gov/privacy.

IF YOU ARE A MARYLAND RESIDENT: You may obtain information from these sources about steps to avoid identity theft from the Office of the Maryland Attorney General, 200 St. Paul Place, Baltimore, MD 21202, <https://www.marylandattorneygeneral.gov>, 1-888-743-0023 toll-free; from the Federal Trade Commission, Consumer Response Center, 600 Pennsylvania Avenue, NW, Washington, DC 20580, www.consumer.gov/idtheft, (877) IDTHEFT (438-4338); or from the three consumer reporting agencies whose information is listed above.

IF YOU ARE A NEW YORK RESIDENT: For more information on identity theft, we suggest that you visit the New York State Consumer Protection Board website at www.dos.ny.gov/consumerprotection.

IF YOU ARE A NORTH CAROLINA RESIDENT: You may obtain information about preventing identity theft from the FTC or the North Carolina Attorney General's Office. These offices can be reached at:

Federal Trade Commission
Consumer Response Center
600 Pennsylvania Avenue, NW
Washington, DC 20580
(877) IDTHEFT (438-4338)
www.consumer.gov/idtheft

North Carolina Department of Justice
Attorney General Roy Cooper
9001 Mail Service Center
Raleigh, NC 27699-9001
(877) 566-7226
<http://www.ncdoj.com>



Department of the Treasury
Internal Revenue Service
Washington, DC 20224

Date: 04/12/2024

12706CAA
STEELHEAD PATHFINDER FUND LP
% STEELHEAD PARTNERS LLC
800 5TH AVE STE 3700
SEATTLE WA 98104

Dear STEELHEAD PATHFINDER FUND LP :

We are providing you this letter to notify you that an Internal Revenue Service (IRS) contractor has been charged with the unauthorized inspection or disclosure of your tax return or return information, between 2018 and 2020.¹

We have enclosed copies of Internal Revenue Code (IRC) Section 7431 and the criminal charge with this letter. IRC 7431(a) provides for civil claims for unauthorized disclosure of return information.

The Department of Justice is prosecuting this matter and has provided information about the Crime Victims' Rights Act and the status of this criminal case at [Justice.gov/criminal-vns/case/united-states-v-charles-littlejohn](https://www.justice.gov/criminal-vns/case/united-states-v-charles-littlejohn). If you have any questions about your rights under the Crime Victims' Rights Act, please email the Department of Justice at CRM-PIN.Victims@usdoj.gov.

If you have questions about the law or any private right of action you may have, you should consult an attorney.

If you have questions for IRS about this matter, you can email us at Notification.7431@irs.gov, and we'll respond to you. Please do not email sensitive information (e.g., Employee Identification numbers, business addresses, bank routing and account numbers or other sensitive Business or Personally Identifiable Information).

Enclosures:

IRC Section 7431

Copy of criminal information, U.S. v. Littlejohn

1. See 26 USC Sec. 7431, as amended by the Taxpayer Browsing Protection Act of 1997.

26 U.S. Code § 7431 – Civil damages for unauthorized inspection or disclosure of returns and return information

(a) IN GENERAL

(1) INSPECTION OR DISCLOSURE BY EMPLOYEE OF UNITED STATES

If any officer or employee of the United States knowingly, or by reason of negligence, inspects or discloses any return or return information with respect to a taxpayer in violation of any provision of section 6103, such taxpayer may bring a civil action for damages against the United States in a district court of the United States.

(2) INSPECTION OR DISCLOSURE BY A PERSON WHO IS NOT AN EMPLOYEE OF UNITED STATES

If any person who is not an officer or employee of the United States knowingly, or by reason of negligence, inspects or discloses any return or return information with respect to a taxpayer in violation of any provision of section 6103 or in violation of section 6104(c), such taxpayer may bring a civil action for damages against such person in a district court of the United States.

(b) EXCEPTIONS

No liability shall arise under this section with respect to any inspection or disclosure—

(1)

which results from a good faith, but erroneous, interpretation of section 6103, or

(2)

which is requested by the taxpayer.

(c) DAMAGES

In any action brought under subsection (a), upon a finding of liability on the part of the defendant, the defendant shall be liable to the plaintiff in an amount equal to the sum of—

(1) the greater of—

(A)

\$1,000 for each act of unauthorized inspection or disclosure of a return or return information with respect to which such defendant is found liable, or

(B) the sum of—

(i)

the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure, plus

(ii)

in the case of a willful inspection or disclosure or an inspection or disclosure which is the result of gross negligence, punitive damages, plus

(2)

the costs of the action, plus

(3)

in the case of a plaintiff which is described in section 7430(c)(4)(A)(ii), reasonable attorney fees, except that if the defendant is the United States, reasonable attorney fees may be awarded only if the plaintiff is the prevailing party (as determined under section 7430(c)(4)).

(d) PERIOD FOR BRINGING ACTION

Notwithstanding any other provision of law, an action to enforce any liability created under this section may be brought, without regard to the amount in controversy, at any time within 2 years after the date of discovery by the plaintiff of the unauthorized inspection or disclosure.

(e) NOTIFICATION OF UNLAWFUL INSPECTION AND DISCLOSURE

If any person is criminally charged by indictment or information with inspection or disclosure of a taxpayer's return or return information in violation of—

(1)

paragraph (1) or (2) of section 7213(a),

(2)

section 7213A(a), or

(3)

subparagraph (B) of section 1030(a)(2) of title 18, United States Code, the Secretary shall notify such taxpayer as soon as practicable of such inspection or disclosure. The Secretary shall also notify such taxpayer if the Internal Revenue Service or a Federal or State agency (upon notice to the Secretary by such Federal or State agency) proposes an administrative determination as to disciplinary or adverse action against an employee arising from the employee's unauthorized inspection or disclosure of the taxpayer's return or return information. The notice described in this subsection shall include the date of the unauthorized inspection or disclosure and the rights of the taxpayer under such administrative determination.

(f) DEFINITIONS

For purposes of this section, the terms "inspect", "inspection", "return", and "return information" have the respective meanings given such terms by section 6103(b).

(g) EXTENSION TO INFORMATION OBTAINED UNDER SECTION 3406

For purposes of this section—

(1)

any information obtained under section 3406 (including information with respect to any payee certification failure under subsection (d) thereof) shall be treated as return information, and

(2)

any inspection or use of such information other than for purposes of meeting any requirement under section 3406 or (subject to the safeguards set forth in section 6103) for purposes permitted under section 6103 shall be treated as a violation of section 6103. For purposes of subsection (b), the reference to section 6103 shall be treated as including a reference to section 3406.

(h) SPECIAL RULE FOR INFORMATION OBTAINED UNDER SECTION 6103(k)(9)

For purposes of this section, any reference to section 6103 shall be treated as including a reference to section 6311(e).

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

UNITED STATES OF AMERICA,	)	Case: 1:23-cr-00343
	)	
vs.	)	Assigned To : Reyes, Ana C.
	)	Assign. Date : 9/29/2023
CHARLES EDWARD LITTLEJOHN,	)	Description: INFORMATION (A)
	)	
Defendant.	)	
	)	

INFORMATION

The United States charges:

GENERAL ALLEGATIONS

1. From in or about 2017 until in or about 2021, Defendant **CHARLES EDWARD LITTLEJOHN** served as a contractor to Company A, a consulting firm that serviced public and private clients.

2. During the relevant period, Defendant primarily worked on contracts Company A had obtained with the U.S. Department of the Treasury's Internal Revenue Service ("IRS"). Pursuant to 26 U.S.C. § 6103(n), returns and return information were disclosed to Defendant for purposes of tax administration.

3. From in or about 2018 until in or about 2020, while Defendant was working on an IRS contract, he stole tax returns and return information associated with Public Official A and thousands of the nation's wealthiest people, including returns and return information dating back more than 15 years. He thereafter disclosed the tax information associated with Public Official A to News Organization 1 and the other tax information to News Organization 2. Both news organizations published numerous articles describing the tax information they obtained from the Defendant.

COUNT ONE

(Disclosure of Tax Return and Return Information—26 U.S.C. § 7213(a)(1))

4. The General Allegations of this Information are re-alleged and fully incorporated here by reference.

5. From in or about August 2019 until in or about November 2020, in the Northern District of West Virginia and elsewhere, Defendant,

CHARLES EDWARD LITTLEJOHN,

a person described in 26 U.S.C. § 6103(n), did willfully disclose to any person, without authorization, any return or return information, as defined in 26 U.S.C. § 6103(b), to wit, the tax returns and return information of Public Official A and thousands of other persons.

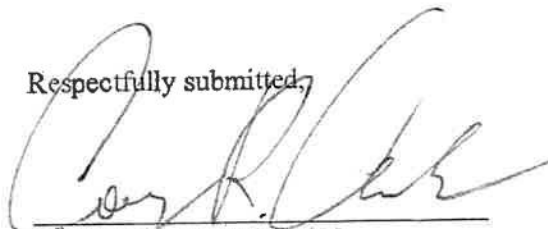
(In violation of Title 26, United States Code, Section 7213(a)(1))

TAX FORFEITURE ALLEGATION
(28 U.S.C. § 2461(c); 26 U.S.C. § 7302)

6. Paragraphs 1 through 5 of this Information are re-alleged and fully incorporated here by reference.

7. Pursuant to Title 28, United States Code, Section 2461(c) and Title 26, United States Code, Section 7302, the United States gives notice to Defendant **CHARLES EDWARD LITTLEJOHN**, that in the event of his conviction for the offense charged in this Information, all property he has used in violating the provisions of the internal revenue laws is subject to forfeiture.

Respectfully submitted,



COREY R. AMUNDSON
Chief, Public Integrity Section
Criminal Division
U.S. Department of Justice

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Washington, DC 20530
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