

UNITED STATES DISTRICT COURT

DISTRICT OF OREGON

UNITED STATES OF AMERICA

No. CR 09- 40 - BC

v.

INDICTMENT

HAROLD JAMES NICHOLSON and
NATHANIEL JAMES NICHOLSON,

Defendants.

Conspiracy to Act As an Agent of a
Foreign Government Without Prior
Notification of the Attorney General
(18 U.S.C. §§ 371, 951)

Agent of a Foreign Government Without
Prior Notification of the Attorney General
(18 U.S.C. § 951)

Conspiracy to Commit Money
Laundering (18 U.S.C. § 1956(a) and (h))

Money Laundering (18 U.S.C. § 1956(a))

UNDER SEAL

THE GRAND JURY CHARGES:

COUNT 1

(Conspiracy to Act as an Agent of a Foreign Government)

I. Introductory Allegations

A. At all times relevant to this Indictment:

1. Defendant **HAROLD JAMES NICHOLSON** was serving a 283-month federal sentence in the custody of the Bureau of Prisons at the Federal Correctional Institution

(FCI) in Sheridan, Oregon, in the District of Oregon, having plead guilty on March 3, 1997, to Conspiracy to Commit Espionage, in violation of Title 18, United States Code, Section 794(a) and (c). Defendant **HAROLD JAMES NICHOLSON** has been housed at FCI Sheridan since August 1997.

2. As part of the underlying offense for defendant **HAROLD JAMES NICHOLSON**'s conviction for conspiracy to commit espionage, defendant **HAROLD JAMES NICHOLSON** provided the Russian Federation classified national defense information that had been obtained through his sixteen-year career employment with the Central Intelligence Agency (CIA). Defendant **HAROLD JAMES NICHOLSON** admitted that between June 1994 and November 16, 1996, he provided the Russian Federation documents, photographic negatives and information relating to the national defense of the United States, with the intent and reason to believe that the same would be used to the injury of the United States and to the advantage of the Russian Federation.

3. The Government of Russia is a foreign government currently known as the Russian Federation and operates a foreign intelligence service known as the Sluzhba Vneshney Razvedki Rossii (SVRR). The SVRR is the successor to the Committee for State Security of the Union of Soviet Socialist Republics, commonly known as the KGB. It is also commonly referred to as the "SVR."

4. Between June 1994 and November 1996, defendant **HAROLD JAMES NICHOLSON** met with agents of the SVRR on numerous occasions to provide them with classified national defense information. He met with agents of the Russian Federation in Kuala Lumpur, Malaysia; New Delhi, India; Indonesia; Switzerland; and Singapore. In each overseas

meeting, **HAROLD JAMES NICHOLSON** received cash payments from the Russians, which he in turn used to pay credit card bills and other expenses.

5. On November 16, 1996, **HAROLD JAMES NICHOLSON** was arrested in the Eastern District of Virginia while attempting to board a flight to Zurich, Switzerland, at Dulles International Airport. **HAROLD JAMES NICHOLSON** was carrying a significant amount of classified material that he intended to provide to an agent of the Russian Federation in Switzerland.

6. On June 5, 1997, defendant **HAROLD JAMES NICHOLSON** was sentenced in the Eastern District of Virginia to the custody of the Bureau of Prisons for 283 months. Defendant **HAROLD JAMES NICHOLSON** also forfeited real property and the proceeds of his espionage activity, including the funds in a bank account in Switzerland.

7. As part of his plea agreement with the government, defendant **HAROLD JAMES NICHOLSON** agreed that he would have no contact with any foreign government or agents thereof, and would not seek, personally or through another person, any benefit from such government or agent thereof, and that should such a benefit be received by defendant **HAROLD JAMES NICHOLSON** or any current or future member of his family, he agreed to notify the CIA of such a benefit.

8. At the time defendant **HAROLD JAMES NICHOLSON** was sentenced, he was divorced and had sole custody of his three children, including defendant **NATHANIEL JAMES NICHOLSON**, then age 12.

9. When defendant **HAROLD JAMES NICHOLSON** was sent to federal prison his children moved to Eugene, Oregon, to live with their grandparents. Defendant

NATHANIEL JAMES NICHOLSON is the youngest son of defendant HAROLD JAMES NICHOLSON and resides in Eugene, Oregon, in the District of Oregon.

10. Since at least June of 2000, defendant HAROLD JAMES NICHOLSON has attempted to use other inmates at FCI Sheridan to assist him in his efforts to communicate with the Russian Federation on his behalf.

II. The Conspiracy

A. Beginning in or about June 2006, and continuing to on or about December 15, 2008, in the District of Oregon and elsewhere, defendants, HAROLD JAMES NICHOLSON and NATHANIEL JAMES NICHOLSON, did unlawfully combine, conspire, confederate and agree with each other and with others, known and unknown to the grand jury, to knowingly act in the United States as agents of a foreign government, namely the government of Russia (known as the Russian Federation) without prior notification to the Attorney General of the United States, as required by law, in violation of Title 18, United States Code, Section 951(a).

III. Manner and Means

A. The defendants conducted and effectuated the conspiracy through the following manner and means:

1. It was part of the conspiracy that defendant HAROLD JAMES NICHOLSON agreed with his son, defendant NATHANIEL JAMES NICHOLSON, to communicate and transact business with the Russian Federation.

2. It was a part of the conspiracy that defendant HAROLD JAMES NICHOLSON met with his son, defendant NATHANIEL JAMES NICHOLSON, at FCI

Sheridan, in the District of Oregon, and instructed him on how to collect moneys from the Russian Federation for his past espionage activities.

3. It was part of the conspiracy that defendant **HAROLD JAMES NICHOLSON** provided information to defendant **NATHANIEL JAMES NICHOLSON** so that defendant **NATHANIEL JAMES NICHOLSON** could provide that information to the Russian Federation.

4. It was part of the conspiracy that defendant **NATHANIEL JAMES NICHOLSON** met with representatives of the Russian Federation in San Francisco, California; Mexico City, Mexico; Lima, Peru; and Cyprus to collect money for the use of defendants **HAROLD JAMES NICHOLSON** and **NATHANIEL JAMES NICHOLSON**, that money representing proceeds of defendant **HAROLD JAMES NICHOLSON**'s past espionage activities.

5. It was part of the conspiracy that defendant **NATHANIEL JAMES NICHOLSON** collected money from the Russian Federation and dispersed the money to family members as directed by defendant **HAROLD JAMES NICHOLSON**.

6. It was part of the conspiracy that defendant **HAROLD JAMES NICHOLSON** utilized his CIA training in instructing defendant **NATHANIEL JAMES NICHOLSON** on how to collect the funds from the Russian Federation in a covert and secret manner.

7. It was part of the conspiracy that defendant, **NATHANIEL JAMES NICHOLSON**, received instruction from the Russian Federation with respect to a

communication plan, which defendant **NATHANIEL JAMES NICHOLSON** discussed with defendant **HAROLD JAMES NICHOLSON**.

8. It was part of the conspiracy that defendant **HAROLD JAMES NICHOLSON** met with defendant **NATHANIEL JAMES NICHOLSON** to discuss the details of upcoming meetings in foreign countries and provide instruction of how to avoid detection by law enforcement.

9. It was part of the conspiracy that defendants **HAROLD JAMES NICHOLSON** and **NATHANIEL JAMES NICHOLSON** conducted several “practice runs” to determine if written information could be taken out of FCI Sheridan in a secret manner by **NATHANIEL JAMES NICHOLSON** to be delivered to the Russian Federation.

IV. Overt Acts

A. In furtherance of the conspiracy and to effect the illegal objects thereof, the defendants committed the following overt acts, in the District of Oregon and elsewhere, including but not limited to:

1. On or about August 23, 2006, defendant **NATHANIEL JAMES NICHOLSON** applied for a United States passport for the purpose of traveling outside the United States to meet with the Russian Federation to collect money for defendants **HAROLD JAMES NICHOLSON** and **NATHANIEL JAMES NICHOLSON**, and to provide information from defendant **HAROLD JAMES NICHOLSON**.

2. On two separate occasions in or about October 2006, at FCI Sheridan in the District of Oregon, defendant **HAROLD JAMES NICHOLSON** secretly provided written

information to defendant **NATHANIEL JAMES NICHOLSON** and directed defendant **NATHANIEL JAMES NICHOLSON** to deliver the information to a Russian Consulate.

3. In or about October 2006, defendant **NATHANIEL JAMES NICHOLSON** traveled from the District of Oregon to the Russian Consulate in San Francisco, California, and delivered information to a representative of the Russian Federation on behalf of his father, defendant **HAROLD JAMES NICHOLSON**.

4. On or about October 26 or 27, 2006, at the direction of the Russian Federation, approximately two weeks later than described above, defendant **NATHANIEL JAMES NICHOLSON** traveled from the District of Oregon to the Russian Consulate in San Francisco, California, and delivered information to a representative of the Russian Federation on behalf of his father, defendant **HAROLD JAMES NICHOLSON**. During this meeting, defendant **NATHANIEL JAMES NICHOLSON** received \$5,000 in United States currency and was instructed by the Russian Federation to go to Mexico City, Mexico, for the next meeting in December 2006. These funds constitute proceeds of **HAROLD JAMES NICHOLSON**'s past espionage activities.

5. In or about October and November 2006, in the District of Oregon, defendant **NATHANIEL JAMES NICHOLSON** visited his father, defendant **HAROLD JAMES NICHOLSON**, at FCI Sheridan to advise **HAROLD JAMES NICHOLSON** of the details of his two contacts with the Russian Federation in San Francisco, California.

6. In or about October 2006, in the District of Oregon, defendant **NATHANIEL JAMES NICHOLSON** dispersed the \$5,000 received from the Russian

Federation to his grandparents and siblings as instructed by defendant **HAROLD JAMES NICHOLSON**.

7. Between the dates of November 4, 2006, and December 9, 2006, at FCI Sheridan, in the District of Oregon, defendant **HAROLD JAMES NICHOLSON** provided written information to defendant **NATHANIEL JAMES NICHOLSON**, and as directed by the Russian Federation, defendant **NATHANIEL JAMES NICHOLSON** was to deliver the information to the Russian Federation in Mexico City, Mexico.

8. On or about December 11, 2006, in the District of Oregon, defendant **NATHANIEL JAMES NICHOLSON** purchased an airline ticket for \$803.84 in cash from a travel agency in Springfield, Oregon, in the District of Oregon for travel on December 12, 2006, from Portland, Oregon, to Mexico City, Mexico, returning to Portland, Oregon, on December 17, 2006.

9. On or about December 12, 2006, defendant **NATHANIEL JAMES NICHOLSON** left the United States from the District of Oregon and traveled to Mexico City, Mexico. During this trip defendant **NATHANIEL JAMES NICHOLSON** met with a representative of the Russian Federation and delivered information on behalf of his father, defendant **HAROLD JAMES NICHOLSON**. Defendant **NATHANIEL JAMES NICHOLSON** received approximately \$10,000 in United States currency from the Russian Federation.

10. On or about December 17, 2006, defendant **NATHANIEL JAMES NICHOLSON** traveled from Mexico City, Mexico, to Portland, Oregon, in the District of Oregon, with approximately \$10,000 in United States currency received from the Russian

Federation. These funds constitute proceeds of **HAROLD JAMES NICHOLSON**'s past espionage activities. Defendant **NATHANIEL JAMES NICHOLSON** was instructed by the Russian Federation to return in six months.

11. On or about December 23, 2006, defendant **NATHANIEL JAMES NICHOLSON** visited his father, defendant **HAROLD JAMES NICHOLSON**, at FCI Sheridan, in the District of Oregon, to advise defendant **HAROLD JAMES NICHOLSON** of the details of his contact with the Russian Federation in Mexico City. **HAROLD JAMES NICHOLSON** directed defendant **NATHANIEL JAMES NICHOLSON** to disperse the \$10,000 received from the Russian Federation to his grandparents and siblings.

12. On or about February 7, 2007, consistent with the instructions from the Russian Federation, defendant **NATHANIEL JAMES NICHOLSON** purchased an airline ticket for \$502.69 in cash from a travel agency in Springfield, Oregon, in the District of Oregon, for travel on July 9, 2007, from Portland, Oregon, to Mexico City, Mexico, returning to Portland, Oregon, on July 12, 2007.

13. Between the dates of December 23, 2006, and July 6, 2007, at FCI Sheridan, in the District of Oregon, defendant **HAROLD JAMES NICHOLSON** provided written information to defendant **NATHANIEL JAMES NICHOLSON** and instructed defendant **NATHANIEL JAMES NICHOLSON** to deliver the information to the Russian Federation at the next meeting in Mexico City, Mexico.

14. On or about July 9, 2007, defendant **NATHANIEL JAMES NICHOLSON** left the District of Oregon and traveled to Mexico City, Mexico, and delivered information to the Russian Federation on behalf of his father, defendant **HAROLD JAMES**

NICHOLSON. During this trip defendant **NATHANIEL JAMES NICHOLSON** received approximately \$10,000 in United States currency.

15. During the July 2007 meeting with a representative of the Russian Federation in Mexico City, defendant **NATHANIEL JAMES NICHOLSON** was instructed to obtain certain information from defendant **HAROLD JAMES NICHOLSON** regarding the details that led to his 1996 arrest by the FBI for espionage. Defendant **NATHANIEL JAMES NICHOLSON** was instructed by the Russian Federation to let defendant **HAROLD JAMES NICHOLSON** know that "letters were received." Defendant **NATHANIEL JAMES NICHOLSON** was also instructed by the Russian Federation to go to Lima, Peru, in December 2007.

16. On or about July 12, 2007, defendant **NATHANIEL JAMES NICHOLSON** traveled from Mexico City, Mexico, to Portland, Oregon, in the District of Oregon, with approximately \$9,080 in United States currency received from the Russian Federation. These funds constitute proceeds of defendant **HAROLD JAMES NICHOLSON's** past espionage activities.

17. On or about July 14, 2007, defendant **NATHANIEL JAMES NICHOLSON** visited his father, defendant **HAROLD JAMES NICHOLSON**, at FCI Sheridan, in the District of Oregon, to advise **HAROLD JAMES NICHOLSON** of the details of his contact with the Russian Federation in Mexico City. **HAROLD JAMES NICHOLSON** directed defendant **NATHANIEL JAMES NICHOLSON** to disperse the funds received from the Russian Federation to his grandparents and siblings.

18. On or about October 11, 2007, defendant **NATHANIEL JAMES NICHOLSON** purchased an airline ticket for \$1,160.70 in cash from a travel agency in Springfield, Oregon, in the District of Oregon, for travel on December 10, 2007, from Portland, Oregon, to Lima, Peru, returning to Portland, Oregon, on December 13, 2007.

19. Some time between July 14, 2007, and December 1, 2007, at FCI Sheridan, in the District of Oregon, defendant **HAROLD JAMES NICHOLSON** provided information to defendant **NATHANIEL JAMES NICHOLSON** and directed defendant **NATHANIEL JAMES NICHOLSON** to deliver the information to the Russian Federation at the next meeting in Lima, Peru.

20. On or about December 10, 2007, defendant **NATHANIEL JAMES NICHOLSON** traveled from the District of Oregon to Lima, Peru, and delivered information to a representative of the Russian Federation on behalf of his father, defendant **HAROLD JAMES NICHOLSON**. During this trip defendant **NATHANIEL JAMES NICHOLSON** received approximately \$10,000 in United States currency.

21. During the December 2007, meeting in Lima, Peru, a representative of the Russian Federation gave details to defendant **NATHANIEL JAMES NICHOLSON** of how he would receive his future instructions for the next meeting with the Russian Federation to be held in Cyprus on December 10, 2008.

22. On or about December 13, 2007, defendant **NATHANIEL JAMES NICHOLSON** traveled from Lima, Peru, to Portland, Oregon, in the District of Oregon, with approximately \$7,013 in United States currency received from the Russian Federation. These

funds constitute proceeds of defendant **HAROLD JAMES NICHOLSON**'s past espionage activities.

23. On or about December 13, 2007, defendant **NATHANIEL JAMES NICHOLSON** entered the United States from Peru in possession of a small notebook containing clandestine communication instructions on how to communicate in code via an Internet email account about the next meeting at the T.G.I. Friday's located at 12 Diagorou Avenue, Nicosiya, Cyprus, at 7:00 p.m. on December 10, 2008. The notebook also contained coded messages to be used by defendant **NATHANIEL JAMES NICHOLSON** when he met with the Russian Federation to confirm his identity, and questions for defendant **HAROLD JAMES NICHOLSON** regarding the details that led to his 1996 arrest by the FBI for espionage.

24. On or about December 15, 2007, **NATHANIEL JAMES NICHOLSON** visited his father, defendant **HAROLD JAMES NICHOLSON**, at FCI Sheridan, in the District of Oregon, to advise **HAROLD JAMES NICHOLSON** of the details of his contact with the Russian Federation in Lima, Peru. **HAROLD JAMES NICHOLSON** instructed defendant **NATHANIEL JAMES NICHOLSON** to disperse the funds received from the Russian Federation to his grandparents and siblings.

25. On May 21, 2008, in the District of Oregon, as instructed by a representative of the Russian Federation, defendant **NATHANIEL JAMES NICHOLSON** sent the following coded email message confirming their next meeting in Cyprus:

SUBJECT LINE: Hola Nancy!
Hello Sweety! How are you? I'm good. Sorry for taking so long to write to you... you know how work is and all. Anyways, things are good. It looks like I will still be able to go on that vacation! I will keep you updated on that though. I am very

much looking forward to it, and to seeing you again! Well hon, I just thought I'd say "hi" since I had the time!

26. On or about August 31, 2008, at FCI Sheridan, in the District of Oregon, defendant **HAROLD JAMES NICHOLSON** caused to be mailed to defendant **NATHANIEL JAMES NICHOLSON** a six-page letter detailing biographical information about defendant **HAROLD JAMES NICHOLSON** and his family and close friends, with the intent that the letter be delivered by defendant **NATHANIEL JAMES NICHOLSON** to the Russian Federation at the next meeting in Cyprus on December 10, 2008.

27. On October 10, 2008, in the District of Oregon, as instructed by a representative of the Russian Federation, defendant **NATHANIEL JAMES NICHOLSON** sent the following coded message via a covert email account confirming the next meeting in Cyprus:

Hola Nancy! It is great to receive your message! I love you too. I hope to see you soon! The best regards from my brother Eugene!
-Love
Dick

28. On or about the following dates in Eugene, Oregon, in the District of Oregon, as instructed by a representative of the Russian Federation, defendant **NATHANIEL JAMES NICHOLSON**, logged in to an email account provided to him by the Russian Federation to check for further instructions and directions for the next meeting in Cyprus: October 10, 2008; October 15, 2008; October 17, 2008; October 23, 2008; October 29, 2008; November 3, 2008; November 7, 2008; November 14, 2008; and November 20, 2008.

29. On or about November 17, 2008, defendant **NATHANIEL JAMES NICHOLSON** purchased an airline ticket for \$1,584.41 in cash from a travel agency in Eugene,

Oregon, in the District of Oregon, for travel on December 8, 2008, from Portland, Oregon, to Cyprus, returning to Portland, Oregon, on December 14, 2008.

30. On or about December 6, 2008, defendant **NATHANIEL JAMES NICHOLSON** visited his father, defendant **HAROLD JAMES NICHOLSON**, at FCI Sheridan, in the District of Oregon, to discuss **NATHANIEL JAMES NICHOLSON**'s upcoming travel to Cyprus to meet with the Russian Federation to collect money owed for **HAROLD JAMES NICHOLSON**'s past espionage activities.

31. On or about December 8, 2008, defendant **NATHANIEL JAMES NICHOLSON** traveled from the District of Oregon to Cyprus to meet with the Russian Federation.

32. On or about December 10, 2008, defendant **NATHANIEL JAMES NICHOLSON** followed the instructions given to him by the Russian Federation in December 2007, in Lima, Peru, and stood in front of the T.G.I. Friday's located at 12 Diagorou Avenue, Nicosiya, Cyprus, at 7:00 p.m. on December 10, 2008. When approached by a representative of the Russian Federation defendant **NATHANIEL JAMES NICHOLSON** used the "password phrase" provided to him by the Russian Federation in Lima, Peru, to prove his identity.

33. On or about December 10, 2008, defendant **NATHANIEL JAMES NICHOLSON** was picked up at the T.G.I. Friday's in Cyprus by a representative of the Russian Federation and transported to another location in Cyprus. At that meeting defendant **NATHANIEL JAMES NICHOLSON** delivered the six-page letter dated August 31, 2008, written by defendant **HAROLD JAMES NICHOLSON**, that detailed biographical information of **HAROLD JAMES NICHOLSON** and his family and close friends. At this meeting,

NATHANIEL JAMES NICHOLSON received approximately \$12,000 in United States currency. During the December 2008 meeting in Cyprus, defendant **NATHANIEL JAMES NICHOLSON** was given details of how he would receive his instructions for the next meeting with the Russian Federation in Bratislava, Slovakia, on December 16, 2009.

34. On or about December 14, 2008, defendant **NATHANIEL JAMES NICHOLSON** traveled from Cyprus to Portland, Oregon, in the District of Oregon, with approximately \$9,500 in United States currency received from the Russian Federation. Said funds constitute proceeds of defendant **HAROLD JAMES NICHOLSON**'s past espionage activities.

All in violation of Title 18, United States Code, Sections 371 and 951(a).

COUNT 2

(Acting as an Agent of a Foreign Government Without Prior Notification to the Attorney General)

1. The Introductory Allegations, Manner and Means and Overt Acts in Count One of this Indictment are realleged and incorporated as if fully set forth herein.

2. Beginning in or about June 2006, and continuing to on or about December 15, 2008, in the District of Oregon and elsewhere subject to the jurisdiction of the United States, defendants, **HAROLD JAMES NICHOLSON** and **NATHANIEL JAMES NICHOLSON**, did knowingly act in the United States as agents of a foreign government, namely the government of Russia (known as the Russian Federation), without prior notification to the Attorney General of the United States, as required by law.

All in violation of Title 18, United States Code, Sections 951(a) and 2.

COUNT 3
(Money Laundering Conspiracy)

1. The Introductory Allegations, Manner and Means and Overt Acts in Count One of this Indictment are realleged and incorporated as if fully set forth herein.

2. Beginning in or about June 2006 and continuing to on or about December 15, 2008, in the District of Oregon and elsewhere, defendants, **HAROLD JAMES NICHOLSON** and **NATHANIEL JAMES NICHOLSON**, did unlawfully combine, conspire, confederate and agree with each other and with others, known and unknown to the grand jury, to knowingly and willfully transport funds, that is United States currency, from places outside the United States, that is Mexico, Peru, and Cyprus, to a place in the United States, that is Portland, Oregon, knowing that the funds involved in the transportation represented the proceeds of some form of unlawful activity and knowing that such transportation was designed in whole or in part to conceal and disguise the nature, source, ownership and control of the proceeds of the specified unlawful activity, to wit: espionage.

I. Manner and Means

A. The defendants conducted and effectuated the conspiracy through the following manner and means:

1. It was a part of the conspiracy that defendant **HAROLD JAMES NICHOLSON** met with his son defendant **NATHANIEL JAMES NICHOLSON** at FCI Sheridan, in the District of Oregon, and instructed him on how to collect moneys from the Russian Federation for his past espionage activities.

2. It was part of the conspiracy that defendant **NATHANIEL JAMES NICHOLSON** met with representatives of the Russian Federation in San Francisco, California; Mexico City, Mexico; Lima, Peru; and Cyprus to collect moneys for defendant **HAROLD JAMES NICHOLSON** for his past espionage activities.

3. It was part of the conspiracy that defendant **NATHANIEL JAMES NICHOLSON** would at various times collect money from the Russian Federation and disperse the money to family members as directed by defendant **HAROLD JAMES NICHOLSON**.

4. It was part of the conspiracy that defendant **NATHANIEL JAMES NICHOLSON** would not travel into the United States with more than \$10,000 to avoid international currency reporting requirements.

5. It was a part of the conspiracy that defendant **HAROLD JAMES NICHOLSON** instructed defendant **NATHANIEL JAMES NICHOLSON** never to deposit more than \$500 of the funds at one time into any bank account to avoid suspicion of unexplained cash.

6. It was a part of the conspiracy that on or about December 17, 2006, defendant **NATHANIEL JAMES NICHOLSON** traveled from Mexico City, Mexico, to Portland, Oregon, in the District of Oregon, with approximately \$10,000 in United States currency received from the Russian Federation.

7. It was a part of the conspiracy that on or about July 12, 2007, defendant **NATHANIEL JAMES NICHOLSON** traveled from Mexico City, Mexico, to Portland, Oregon, in the District of Oregon, with approximately \$9,080 in United States currency received from the Russian Federation.

8. It was a part of the conspiracy that on or about December 13, 2007, defendant **NATHANIEL JAMES NICHOLSON** traveled from Lima, Peru, to Portland, Oregon, in the District of Oregon, with approximately \$7,013 in United States currency received from the Russian Federation.

9. It was a part of the conspiracy that on or about December 14, 2008, defendant **NATHANIEL JAMES NICHOLSON** traveled from Cyprus to Portland, Oregon, in the District of Oregon, with approximately \$9,500 in United States currency received from the Russian Federation.

All in violation of Title 18, United States Code, Sections 1956(h) and 1956(a)(2)(B)(i).

COUNT 4
(Money Laundering)

On or about December 17, 2006, in the District of Oregon and elsewhere, defendants, **HAROLD JAMES NICHOLSON** and **NATHANIEL JAMES NICHOLSON**, did knowingly and willfully transport funds, that is United States currency, from a place outside the United States, that is Mexico, to a place in the United States, that is Portland, Oregon, knowing that the funds involved in the transportation represented the proceeds of some form of unlawful activity and knowing that such transportation was designed in whole or in part to conceal and disguise the nature, source, ownership and control of the proceeds of the specified unlawful activity, to wit: past espionage activities of defendant **HAROLD JAMES NICHOLSON**.

All in violation of Title 18, United States Code, Sections 1956(a)(2)(B)(i) and 2.

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COUNT 5
(Money Laundering)

On or about July 12, 2007, in the District of Oregon and elsewhere, defendants, **HAROLD JAMES NICHOLSON** and **NATHANIEL JAMES NICHOLSON**, did knowingly and willfully transport funds, that is United States currency, from a place outside the United States, that is Mexico, to a place in the United States, that is Portland, Oregon, knowing that the funds involved in the transportation represented the proceeds of some form of unlawful activity and knowing that such transportation was designed in whole or in part to conceal and disguise the nature, source, ownership and control of the proceeds of the specified unlawful activity, to wit: past espionage activities of defendant **HAROLD JAMES NICHOLSON**.

All in violation of Title 18, United States Code, Sections 1956(a)(2)(B)(i) and 2.

COUNT 6
(Money Laundering)

On or about December 13, 2007, in the District of Oregon and elsewhere, defendants, **HAROLD JAMES NICHOLSON** and **NATHANIEL JAMES NICHOLSON**, did knowingly and willfully transport funds, that is United States currency, from a place outside the United States, that is Lima, Peru, to a place in the United States, that is Portland, Oregon, knowing that the funds involved in the transportation represented the proceeds of some form of unlawful activity and knowing that such transportation was designed in whole or in part to conceal and disguise the nature, source, ownership and control of the proceeds of the specified unlawful activity, to wit: past espionage activities of defendant **HAROLD JAMES NICHOLSON**.

All in violation of Title 18, United States Code, Sections 1956(a)(2)(B)(i) and 2.

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COUNT 7
(Money Laundering)

On or about December 14, 2008, in the District of Oregon and elsewhere, defendants, **HAROLD JAMES NICHOLSON** and **NATHANIEL JAMES NICHOLSON**, did knowingly and willfully transport funds, that is United States currency, from a place outside the United States, that is Cyprus, to a place in the United States, that is Portland, Oregon, knowing that the funds involved in the transportation represented the proceeds of some form of unlawful activity and knowing that such transportation was designed in whole or in part to conceal and disguise the nature, source, ownership and control of the proceeds of the specified unlawful activity, to wit: past espionage activities of defendant **HAROLD JAMES NICHOLSON**.

All in violation of Title 18, United States Code, Sections 1956(a)(2)(B)(i) and 2.

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FORFEITURE ALLEGATION

As a result of committing the money laundering offenses in violation of 18 U.S.C. § 1956(h) alleged in Counts 3 through 7 of this Indictment, defendants, **HAROLD JAMES NICHOLSON** and **NATHANIEL JAMES NICHOLSON**, shall forfeit to the United States pursuant to 18 U.S. C. § 982 all property, real and personal, involved in the money laundering offenses and all property traceable to such property, specifically, \$35,593 in United States currency.

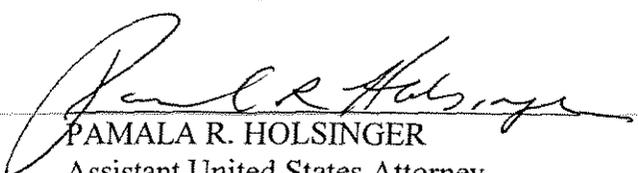
DATED this 27 day of January 2009.

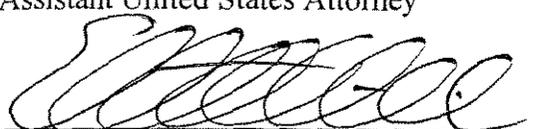
A TRUE BILL.

~~OFFICIATING FOREPERSON~~

Presented by:

KARIN J. IMMERGUT
United States Attorney
District of Oregon


PAMALA R. HOLSINGER
Assistant United States Attorney


ETHAN D. KNIGHT
Assistant United States Attorney