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**IRS CRIMINAL INVESTIGATIVE AIDE INDICTED FOR MAKING FRAUDULENT ENTRIES INTO FRAUD DETECTION CENTER'S COMPUTER DATABASES**

FRESNO-- United States Attorney McGregor W. Scott and Alan N. Hatcher, Special Agent-in-Charge, Treasury Inspector General for Tax Administration, San Francisco Field Division, announced today that a federal grand jury sitting in Fresno returned a two-count indictment against DIANA NICHOLSON, an IRS Investigative Aide, charging her with making false entries in a matter within the jurisdiction of the United States government and making false entries in records of federal investigations and proceedings. The United States District Court in Fresno issued a warrant for NICHOLSON's arrest today.

This case is the product of an investigation conducted by the United States Treasury Inspector General for Tax Administration. That agency investigates fraud, waste and abuse within the IRS, including allegations that implicate IRS employee integrity.

According to the indictment, NICHOLSON, 54, of Fresno, California, wilfully falsified various entries maintained in the computer databases of the IRS Criminal Investigation's Fraud Detection Center from on or about January 1, 2005 to on or about August 1, 2005. The indictment also alleges that NICHOLSON made those false entries during the course of her official employment as an Investigative Aide at the Fraud Detection Center in Fresno, in order to to hide the fact that she failed to perform her duties to eliminate work assigned to her. According to the Fraud Detection Center, false entries made by NICHOLSON have been identified and corrected.

According to Assistant United States Attorney Marlon Cobar, who is prosecuting the case, the maximum statutory penalties for false entries are five years imprisonment, a \$250,000 fine, and a three-year term of supervised release. The maximum penalties for false entries in records of federal investigations and proceedings are the same, except for an authorized maximum 20-year term of imprisonment.

The charges contained in the indictment are only allegations and the defendant is presumed innocent until and unless proven guilty beyond a reasonable doubt.

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