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**Imprisoned Spy Pleads Guilty to Conspiracy to Act as an Agent of the Russian Government and Money Laundering**

WASHINGTON - Harold James Nicholson, 59, appeared before U.S. District Judge Anna J. Brown and pleaded guilty to the crimes of conspiracy to act as an agent of a foreign government and conspiracy to commit international money laundering, David Kris, Assistant Attorney General for National Security, and Dwight C. Holton, U.S. Attorney for the District of Oregon, announced today.

The maximum penalties for those crimes are five years in prison and a fine of $250,000 and 20 years in prison and a fine of $500,000, respectively. The plea agreement states both parties will ask the court at sentencing to impose an eight year prison sentence to be served consecutive to the sentence the defendant is currently serving. Judge Brown has scheduled sentencing on Jan. 18, 2011 at 1:30 p.m.

Harold J. Nicholson, a former CIA employee, is serving a 283-month sentence at the Federal Correctional Institution (FCI) in Sheridan, Ore., for a 1997 conviction of conspiracy to commit espionage. At the plea hearing, Harold J. Nicholson admitted that from 2006 to December 2008, with the assistance of his son Nathaniel, he acted on behalf of the Russian Federation, passed information to the Russian Federation, and received cash proceeds for his past espionage activities.

Harold J. Nicholson admitted that during the course of the conspiracy he met with his son Nathaniel on several occasions at FCI Sheridan and provided Nathaniel information intended for the Russian Federation. Defendant admitted that it was part of the conspiracy that Nathaniel would travel to several locations including San Francisco; Mexico City; Lima, Peru; and Nicosia, Cyprus, to meet with agents of the Russian Federation.

At these meetings, Nathaniel provided the Russian Federation information from the defendant and collected money for defendant’s past espionage activities. Defendant followed the instructions of the Russian Federation and provided information requested by the Russians to Nathaniel to deliver to Russian agents at the overseas locations. Defendant directed Nathaniel on how to covertly travel with the funds from the Russian Federation and how to disperse the funds to family members.

"Harold Nicholson, one of the highest-ranking CIA officials ever convicted of espionage, dispatched his son around the globe to collect on past espionage debts from Russian agents. Today, he admitted using this scheme to continue to profit from his spying activities while in prison. The many agents, analysts and prosecutors who worked on this matter deserve our thanks," said David Kris, Assistant Attorney General for National Security.

U.S. Attorney for Oregon, Dwight C. Holton stated, "Harold Nicholson has admitted not only betraying his country – *again* -- but also betraying his family by involving his son Nathaniel in his corrupt scheme to get more money for his past espionage activities. We applaud the outstanding work of the FBI on this criminal investigation and the extraordinary cooperation of the Bureau of Prisons."

"When he was hired by the CIA, Harold Nicholson took an oath to protect our nation’s security. He violated this oath," said Sean Joyce, Executive Assistant Director FBI National Security Division. "The FBI will relentlessly pursue those who breach the trust our country places in them."

"During his career with the CIA, this country entrusted Harold ‘Jim’ Nicholson with some of its most sensitive secrets," said Arthur Balizan, Special Agent in Charge of the FBI in Oregon. "Not once - but twice - he betrayed his oath, our nation and his family. Unfortunately, this is a legacy he and his children will live with from now on."

The FBI and the Federal Bureau of Prisons investigated this case. Assistant U.S. Attorneys Pamala Holsinger and Ethan Knight are prosecuting this case. Trial Attorney Patrick Murphy of the Counterespionage Section of the Justice Department’s National Security Division is also assisting.