
United States District Court
District of New Jersey

UNITED STATES OF AMERICA : HON. Patty Shwartz

v. :

DIANE SNYDERMAN : **CRIMINAL COMPLAINT**

: Magistrate No. 07-

I, Mark L. Scrivanich, the undersigned complainant being duly sworn, state the following is true and correct to the best of my knowledge and belief.

SEE ATTACHMENT A

I further state that I am a Special Agent with the Department of the Treasury, Treasury Inspector General for Tax Administration and that this complaint is based on the following facts:

SEE ATTACHMENT B

continued on the attached page and made a part hereof.

Mark L. Scrivanich, Special Agent
Department of the Treasury
Treasury Inspector General for Tax Administration

Sworn to before me and subscribed in my presence,

_____, 2007 at Newark, New Jersey
Date City and State

Honorable Patty Shwartz
United States Magistrate Judge

Signature of Judicial Officer

ATTACHMENT A

On or about April 3, 2000, in the District of New Jersey, defendant

DIANE SNYDERMAN

as an employee of the United States, namely the Internal Revenue Service, did knowingly and willfully inspect, without authority, a tax return and return information in that, at the request of "N.R.," an individual with whom defendant had a personal relationship, defendant did search an Internal Revenue Service computer database and did inspect return information relative to "S.R.D." and "M.D." without authorization from "S.R.D." and "M.D."

In violation of Title 26, United States Code, Section 7213A.

ATTACHMENT B

I, Mark L. Scrivanich, a Special Agent with the Department of Treasury, following an investigation, and having discussed this matter with other law enforcement officers, have knowledge of the following facts:

Background

1. At all times relevant to this Complaint:
 - a. Defendant DIANE SNYDERMAN, a resident of Lakewood, New Jersey, was employed by the Internal Revenue Service (“IRS”) beginning in 1991. As a Revenue Officer, defendant DIANE SNYDERMAN’s responsibilities included the assessment and collection of federal income taxes. In performing these responsibilities, defendant DIANE SNYDERMAN had authority to access tax returns and return information. However, this authority was limited by and was required to conform to applicable access and non-disclosure laws and regulations governing IRS employees. In order to ensure compliance with these laws and regulations, defendant DIANE SNYDERMAN was required to and did attend periodic classes and receive training administered by the IRS.
 - b. As here relevant, defendant DIANE SNYDERMAN’s authority to inspect tax returns and return information was contingent on the following factors:
 - (i) defendant DIANE SNYDERMAN was required to have prior authorization either directly from the taxpayer or indirectly via a power of attorney executed by the taxpayer which delegated the taxpayer’s authority to a third party;

- (ii) defendant DIANE SNYDERMAN was required to have a matter or case pending or assigned to her, and not assigned to another Revenue Officer, which required her to access a taxpayer's returns and/or return information; and
 - (iii) defendant DIANE SNYDERMAN could not inspect tax returns or return information where there was any ongoing personal or business relationship that would cause a conflict of interest between the taxpayer (or the taxpayer's designee), on the one side, and defendant DIANE SNYDERMAN, acting on behalf of the IRS, on the other side.
- c. The IRS maintained the Integrated Data Retrieval System (the "IDRS"), a computer program which contains tax information for all individuals and businesses who have filed tax returns or have had income reports, i.e., IRS Forms W-2 or 1099, filed with the IRS over the course of time.

The Investigation

2. This investigation was opened on or about March 10, 2006, when information and a referral were received from the Treasury Inspector General for Tax Administration's Strategic Enforcement Division ("SED"), which is responsible for detecting fraud and abuses in IRS operations, as well as unauthorized accesses to IRS computer systems by IRS employees.
3. The preliminary referral from SED was triggered by a transaction which established that on or about April 22, 2005, defendant DIANE SNYDERMAN inspected return information of "R.D.," an individual who was a Certified Public Accountant and who, in

this capacity, had prepared defendant DIANE SNYDERMAN's tax returns for the past 30 years through and including 2005. Further investigation established that "R.D." also prepared tax returns for the business of defendant DIANE SNYDERMAN's husband, as well as for her son.

4. This preliminary referral also established that between in or about August 1997 and in or about September 2006, defendant DIANE SNYDERMAN engaged in a variety of unauthorized activities and accesses that were outside the scope of her duties: she inspected tax returns and/or return information for approximately 56 individuals who also were "R.D.'s" clients; she inspected tax returns and return information relating to a real estate sales firm listed on her employment application as her former employer; she inspected tax returns and return information relating to her friends and relatives, as well as friends' relatives. Moreover, the investigation revealed that in at least some instances, these inspections were without the authorization of those individuals whose tax return and/or return information were inspected and, in other instances, were contrary to IRS requirements and standards governing conflicts of interest and, in still another instance, related to a matter that was pending before another Revenue Officer.

The Unauthorized Access of "S.R.D.'s" and "M.D.'s" Return Information

5. On or about February 12, 2007, and on or about April 23, 2007, respectively, I interviewed "M.D." and "S.R.P.," formerly known as "S.R.D.," based on defendant DIANE SNYDERMAN's inspection of their tax returns on or about April 3, 2000. At the time their returns were inspected, "S.R.P." and "M.D." were married to each other.

6. "S.R.P." stated, in essence, that when she learned that "M.D.," her then- spouse, had federal tax problems, she consulted with her father, "N.R." "S.R.P." further stated that her father, "N.R.," and her mother were friends of longstanding with defendant DIANE SNYDERMAN.
7. According to "S.R.P.," when she consulted her father, "N.R.," he stated that he would "straighten out the mess."
8. According to the IRS audit trail, on or about April 3, 2000, defendant DIANE SNYDERMAN used her IRS computer to access the return information of "S.R.P." and "M.D." maintained on the IDRS without their authorization and contrary to IRS conflict of interest restrictions.
9. Subsequently, when "S.R.P." and "M.D." were separated and sold their residence, "N.R." recommended that the sale be referred to defendant DIANE SNYDERMAN who, without notice to or authorization from the IRS, was still associated as a realtor with the real estate sales company where she had been employed before working for the IRS. When the sale was concluded, defendant DIANE SNYDERMAN received approximately \$1,563 from the real estate sales company as a referral fee.