

**UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF LOUISIANA**

<b>UNITED STATES OF AMERICA</b>	*	<b>CRIMINAL NO: 14-79</b>
<b>v.</b>	*	<b>SECTION: "C"</b>
<b>CHARLES "Chuck" E. MIZELL, JR.</b>	*	

\* \* \*

**FACTUAL BASIS**

The United States, represented by the United States Attorney's Office for the Eastern District of Louisiana, and the defendant, **CHARLES "Chuck" E. MIZELL, JR.**, hereby agree that this Factual Basis is a true and accurate statement of the Defendant's criminal conduct, that it provides a sufficient basis for the Defendant's plea of guilty to the charges contained in the Indictment in the above-captioned matter and as set forth in the plea agreement signed this same day, and had this matter proceeded to trial, the following facts would be established beyond a reasonable doubt through competent evidence and testimony:

At trial, an agent with the Department of Labor Office of Inspector General would testify that the Federal and State Unemployment Insurance (UI) System is designed to provide benefits to persons out of work through no fault of their own. The UI program is administered on behalf of the United States Department of Labor by workforce agencies in each state. In Louisiana, the UI program is administered by the Louisiana Workforce Commission (LWC). To receive UI benefits, an unemployed worker must file a claim, either telephonically or on the Internet with LWC ([www.laworks.net](http://www.laworks.net)). The claim will include information on the claimant's last employer and the reason for the separation. Based in part on the separation information and wage credits earned

by the claimant, LWC will determine if the claimant is qualified to receive benefits. Subsequently, the claimant must continue to contact LWC on a weekly basis and certify his/her eligibility for benefits. To receive weekly benefits, claimants must certify that they are able, available, and actively seeking full-time employment. If the claimant is qualified and eligible, LWC will pay benefits through a debit card or through a direct deposit into the claimant's personal bank account.

In Louisiana, the amount of weekly UI benefits paid to a claimant is based on the claimant's earnings reported by the claimant's employer(s) for the base period. The base period is the first four of the last five completed calendar quarters worked from the date of the initial claim. Consequently, the employer(s) who reported earnings in the base period are referred to as the base period employer(s).

In order to determine qualification of claimants, LWC notifies all base period and subsequent employers of the claim for benefits through a 'Notice to Base Period Employer' or 'Notice of Claim Filed.' These documents notify the claimant's employer(s) of their opportunity to provide information on the reason for separation from employment.

Chamico, Inc. (Chamico), located in Bogalusa, Louisiana, in the Eastern District of Louisiana, is a construction company that concentrates on public, municipal, and industrial contracts. Chamico qualifies as an employer subject to the provisions of the Louisiana Employment Security Law, the Social Security Act of 1935 and the Federal Unemployment Tax Act. Defendant **CHARLES "Chuck" E. MIZELL, JR.**, was the President of Chamico.

At trial, testimony would be offered to show that no later than on or about September 24, 2009, defendant, **CHARLES "Chuck" E. MIZELL, JR.**, requested that his employees TERRY CASTILOW and JACQUELINE MYERS apply for unemployment benefits claiming they were laid off from Chamico and had no wages so that he would not have to pay them their full salary.

CASTILOW and MYERS complied with **CHARLES “Chuck” E. MIZELL, JR.’s** request and filed for unemployment even though they continued to work for Chamico and received income. Defendant, **CHARLES “Chuck” E. MIZELL, JR.**, requested that CASTILOW submit false claims for unemployment benefits because Chamico was allegedly not doing well financially. Testimony and documents would be presented to show that as a result of CASTILOW and MYERS’s applications, on September 25, 2009, the LWC mailed Notice of Claim Filed forms to Chamico.

The LWC forms for CASTILOW and MYERS were returned to LWC on behalf of Chamico after being signed by the office manager. The forms fraudulently represented that CASTILOW and MYERS were unemployed due to lack of work and indicated a specific last day that each had worked for Chamico. Until March 27, 2010, CASTILOW and MYERS made weekly submissions to the LWC in which they fraudulently represented that they had not worked and had not received income. Witness testimony would be offered to show that CASTILOW and MYERS continued to work for Chamico during the time periods they certified to LWC that they were not employed. CASTILOW and MYERS were paid in cash by **CHARLES “Chuck” E. MIZELL, JR.** during the time periods they certified to LWC that they had not received any income.

On or about June 30, 2010, defendant **CHARLES “Chuck” E. MIZELL, JR.**, requested another employee, JAMES CREEL, participate in the same unemployment benefit scheme as CASTILOW and MYERS. **CHARLES “Chuck” E. MIZELL, JR.** asked that JAMES CREEL claim that he was laid off by Chamico and not receiving income so that alleged financial difficulties at Chamico would be eased. From July 10, 2010 to January 1, 2011, with the defendant **CHARLES E. “Chuck” MIZELL, JR.’s** knowledge, JAMES CREEL fraudulently made claims for unemployment benefits.

In approximately May 2013, Chamico's business slowed again and defendant, **CHARLES "Chuck" E. MIZELL, JR.**, asked his employees WILLIAM DARRYL KING, TENILLE NIELSON, JAMES CREEL, TERRY CASTILOW, DAVID LOWE, ROGER NADEAU, and JERRY ATHEY to file for unemployment while they continued to work for Chamico. **CHARLES "Chuck" E. MIZELL, JR.** told them he would pay them the difference between their salaries and what the LWC paid them in unemployment benefits. Although CASTILOW refused to participate personally in filing for unemployment in 2013, she acceded in **CHARLES "Chuck" E. MIZELL, JR.**'s request to assist him with his scheme to defraud the LWC.

At trial, documents and testimony would be presented to show that between May 2013 and January 2014, CASTILOW completed the unemployment forms for WILLIAM DARRYL KING, TENILLE NIELSON, JAMES CREEL, DAVID LOWE, ROGER NADEAU, and JERRY ATHEY and fraudulently represented to the LWC that the employees did not work at Chamico when she knew that they worked and received income from Chamico. CASTILOW kept the payroll records for the employees and the ledgers showing how much cash each employee who was participating in the unemployment scheme was to receive from Chamico each week. Defendant **CHARLES "Chuck" E. MIZELL, JR.** endorsed checks each week to pay those employees in cash while they were drawing unemployment and still working for him.

At trial, records and testimony would be presented to show that with defendant, **CHARLES "Chuck" E. MIZELL, JR.**'s knowledge and at his request, CASTILOW fraudulently represented to the LWC on Notice of Claim Filed and Notice to Base Period Employer forms that LWC had mailed to Chamico for WILLIAM DARRYL KING, TENILLE NIELSON, JAMES CREEL, DAVID LOWE, ROGER NADEAU, and JERRY ATHEY that each of those six employees had legitimate claims to unemployment. CASTILOW and **CHARLES "Chuck" E. MIZELL, JR.**

fraudulently represented that each of the employees who submitted claims for unemployment had stopped working at Chamico. Specifically, on or about May 14, 2013, TENILLE NIELSON and WILLIAM DARRYL KING's Notice to Base Period Employer forms mailed by the LWC to Chamico were returned to LWC fraudulently confirming that NIELSON and KING were unemployed due to lack of work. On May 20, 2013, JERRY ATHEY's Notice of Claim Filed form mailed by the LWC to Chamico was returned to the LWC fraudulently confirming that he was unemployed due to lack of work. On May 20, 2013, ROGER NADEAU's Notice to Base Period Employer form mailed by the LWC to Chamico was returned to LWC fraudulently confirming that NADEAU was unemployed due to lack of work. On May 22, 2013, DAVID LOWE's Notice to Base Period Employer form mailed by the LWC to Chamico was returned to LWC fraudulently confirming that LOWE was unemployed due to lack of work.

At trial, testimony and documentation would be offered to show that these forms were mailed by LWC after each of the employees sent in applications for unemployment benefits. Defendant, **CHARLES "Chuck" E. MIZELL, JR.**, admits that each of the employees submitted applications for unemployment benefits at his request. The total loss as a result of the fraud

committed in this matter and the amount that **CHARLES “Chuck” E. MIZELL, JR.** agrees and stipulates that he is responsible for is \$53,356.00.

**READ AND APPROVED:**

\_\_\_\_\_  
CHARLES E. MIZELL, JR.  
Defendant

\_\_\_\_\_  
Date

\_\_\_\_\_  
SHAWN MURRAY  
Attorney for Defendant

\_\_\_\_\_  
Date

\_\_\_\_\_  
EMILY K. GREENFIELD 28587  
Assistant United States Attorney

\_\_\_\_\_  
Date