

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

UNITED STATES OF AMERICA * CRIMINAL NO. 18-035

v. * SECTION: "A"

OTHO SCHILLING *

* * *

FACTUAL BASIS

Should this matter have proceeded to trial, the government would have proven, through the introduction of competent testimony and admissible evidence, the following facts, beyond a reasonable doubt, to support the allegations in the Indictment now pending against the defendant.

The government would establish that Social Security was a social insurance program that provided eligible applicants with retirement, disability, and survivor benefits. The Social Security Administration ("SSA") was a government agency responsible for the management of the Social Security program, as defined in the Social Security Act.

The government would establish that the case against **OTHO SCHILLING** ("SCHILLING") began as a result of a complaint to the SSA's District Office in Bogalusa regarding possible fraud involving a former pastor of a church. The complainant reported that **SCHILLING** was the pastor at the New Beginning Baptist Church ("Church") in Bush, LA

AUSA BK
Defendant [Signature]
Defense Counsel [Signature]

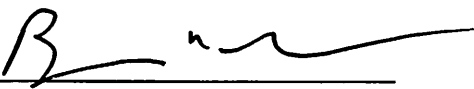
from January 2006 through January 2016. According to the complainant, **SCHILLING** required the Church to pay his personal expenses, such as his health and car insurance premiums, car payments, and personal land note in lieu of the Church paying him directly.

The SSA District Office notified the Inspector General (“OIG”) for the SSA after determining that **SCHILLING** had been receiving SSA Retirement, Survivors and Disability Insurance (“RSDI”) in the amount of \$1,728 a month. Accordingly, **SCHILLING** fraudulently received \$202,632.00 in benefits he was not entitled to because of his employment with the Church.

On July 25, 2017, **SCHILLING** provided a written statement to SSA indicating that he had not performed any type of work activity since receiving disability benefits. On that same day, a SSA-OIG Special Agent (“SA”) interviewed Schilling. After the agent identified himself, **SCHILLING** executed a written *Miranda* rights waiver and agreed to speak with the agent. During the interview, the defendant said he became the pastor at the Church in 2005 and had worked there for approximately ten to eleven years. **SCHILLING** stated that in lieu of being paid with a check, he had the Church pay \$1,500 in health insurance premiums and a land note of approximately \$1,400. **SCHILLING** said he received those benefits from the Church for being the Church’s pastor. According to **SCHILLING**, the monthly land note the Church paid on his behalf was for 47 acres of family land in Mt. Hermon, LA. **SCHILLING** said he quit being the Church’s pastor in 2016. **SCHILLING** said, “I am sorry that I did not report the benefits I’ve received from the Church to the SSA and made false statements during my redetermination reviews.”

AUSA BK
Defendant [Signature]
Defense Counsel GVSJ

Various records and testimonial evidence, including testimony from representatives of the SSA-OIG and other witnesses would also be admitted to prove the facts set forth above.




BRIAN M. KLEBBA
Assistant United States Attorney

10/2/18
Date



OTHO SCHILLING
Defendant

10-2-18
Date



GARY SCHWABE
Counsel for Defendant

10-2-18
Date