

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

**UNITED STATES OF AMERICA**

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**CRIMINAL NO: 14-79**

**v.**

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**SECTION: "C"**

**TERRY CASTILOW**

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**FACTUAL BASIS**

The United States, represented by the United States Attorney's Office for the Eastern District of Louisiana, and the defendant, **TERRY CASTILOW**, 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. CHARLES "Chuck" E. MIZELL, JR., was the President of Chamico.

At trial, testimony would be offered to show that on September 24, 2009, **CASTILOW** applied for unemployment benefits claiming that she was laid off from Chamico and had no wages, and thus was eligible to receive UI benefits. **CASTILOW** was an office assistant in September 2009. Testimony and documents would be presented to show that as a result of **CASTILOW's**

application, on September 25, 2009, the LWC mailed a Notice to Base Period Employers form and Notice of Claim Filed form to Chamico.

The LWC forms were returned to LWC on behalf of Chamico after being signed by the office manager. The form fraudulently represented that **CASTILOW** was unemployed due to lack of work and that her last day worked was September 22, 2009. From October 3, 2009, to on or about March 27, 2010, **CASTILOW** made weekly representations to LWC that she was unemployed and not paid by Chamico. Records would be presented to show that **CASTILOW** received \$7,384.00 from the LWC in unemployment benefits and \$650.00 in federal stimulus money associated with the unemployment benefits program during that time. In 2010, **CASTILOW** received extended benefits through the federal government after her state unemployment insurance benefits were exhausted totaling \$3,408.00. **CASTILOW** also received \$300.00 in federal stimulus money associated with the unemployment insurance program during that time.

Witness testimony would be offered to show that **CASTILOW** continued to work for Chamico during the time periods she certified to LWC that she was not employed. **CASTILOW** was paid in cash during the time periods she certified to LWC that she was not receiving any income. **CASTILOW** filed for unemployment at the urging of CHARLES “Chuck” E. MIZELL, JR.

In approximately May 2013, **CASTILOW** was Chamico’s office manager. Chamico’s business was slow at that time and CHARLES “Chuck” E. MIZELL, JR. asked **CASTILOW** to file for unemployment while working and getting paid her salary. **CASTILOW** refused to participate personally in filing for unemployment.

**CASTILOW** did accede to CHARLES “Chuck” E. MIZELL, JR.’s request that she assist in preparing documents for other employees to defraud the LWC. Between May 2013 and January

2014, **CASTILOW** completed the unemployment forms for six Chamico employees fraudulently representing to the LWC that the employees did not work at Chamico when she knew that they were working and/or receiving 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 each week. **CASTILOW** cashed the checks that CHARLES “Chuck” E. MIZELL, JR. endorsed for those employees he was paying while they were drawing unemployment and still working for him. On pay day, those employees picked up the cash payments from **CASTILOW**. One of the employees who **CASTILOW** represented to LWC was no longer employed by Chamico when in truth and in fact he was employed by Chamico and getting payments from Chamico was ROGER NADEAU.

At trial, records and testimony would be presented to show that on May 16, 2013, ROGER NADEAU applied to the LWC for UI benefits fraudulently representing that he was unemployed and not getting paid. On that form, ROGER NADEAU represented to the LWC that his last day worked was May 10, 2013. As a result of his application, on May 20, 2013, the LWC mailed a Notice to Base Period Employers form to Chamico. **CASTILOW** fraudulently represented to the LWC that ROGER NADEAU’s last day worked was May 10, 2013, when she knew that he was still being employed by Chamico on its contracts. **CASTILOW** paid ROGER NADEAU cash for the weeks that he was drawing unemployment. At trial, records would be presented to show that from on or about May 25, 2013 to July 27, 2013, ROGER NADEAU made weekly representations to LWC that he was unemployed and not paid by Chamico. **CASTILOW** admits that she knew that

her conduct was illegal, but that she committed the offenses at the direction and request of

CHARLES “Chuck” E. MIZELL, JR.

**READ AND APPROVED:**

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TERRY CASTILOW  
Defendant

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Date

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AARON RIVES  
Attorney for Defendant

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Date

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EMILY K. GREENFIELD 28587  
Assistant United States Attorney

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Date