

Department of Justice  
U.S. Attorney's Office  
District of South Carolina

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FOR IMMEDIATE RELEASE

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## **Charleston Restaurant Owner Pleads Guilty to Making a False Statement to the Department of Labor**

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**Charleston, South Carolina** ---- United States Attorney Bill Nettles stated today that Jose Jamie Villalpando, a/k/a "Jamie Villapondo," age 48, of Charleston, and owner of Senor Tequila Restaurants in Charleston, has entered a guilty plea in federal court in Charleston, to False Statement, a violation of 18 U.S.C. § 1001(a)(1). United States District Judge David C. Norton of Charleston accepted the guilty plea and will impose sentence after he has reviewed the presentence report which will be prepared by the U.S. Probation Office.

Evidence presented at the change of plea hearing established that the Wage & Hour Division (WHD) of the Department of Labor (DOL) began an investigation into whether Senor Tequila Mexican Restaurants (Senor Tequila) was paying its employees proper minimum wage and overtime pay in compliance with the Fair Labor Standards Act. The investigation found that Senor Tequila had failed to pay seven of its employees a total of approximately \$106,103.05 in minimum wage and overtime pay for the period of July 28, 2008 to July 19, 2010.

Jose Jaime Villalpando (Villalpando), owner and operator of Senor Tequila, agreed to pay the *back wages*. However, instead of paying all of the *back wages* he devised and executed a scheme in 2011 in an attempt to deceive WHD investigators and avoid the payment of *back wages* owed to three of the employees in the amount of \$76,575.92.

Villalpando executed the scheme by writing "Senor Tequila" *back wages* paychecks to the three employees. Villalpando then took those employees to the bank used by Senor Tequila and helped them set up accounts (one employee already had an account at the bank). Villalpando then had the three employees deposit the *back wages* paychecks into their respective bank accounts. Over the next several weeks, Villalpando had the three employees withdraw the amounts of the *back wages* paychecks from their accounts in increments and give the money back to him. Villalpando then mailed letters to WHD stating that he paid the three employees, and he attached copies of the cancelled *back wages* paychecks in an attempt to show that he had in fact paid the employees.

Mr. Nettles stated the maximum penalty for False Statement is imprisonment for 5 years and/or a fine of \$250,000.

The case was investigated by agents of the Department of Labor-Office of Investigation (DOL-OIG). Assistant United States Attorney Dean H. Secor of the Charleston office is prosecuting the case.