

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

<b>UNITED STATES OF AMERICA</b>	<b>:</b>	<b>CRIMINAL NO.</b> _____
<b>v.</b>	<b>:</b>	<b>DATE FILED:</b> _____
<b>GARY COTTRELL</b>	<b>:</b>	<b>VIOLATIONS:</b>
<b>CHERYL L. STEPHENS</b>	<b>:</b>	<b>18 U.S.C. § 892(a) (making an extortionate extension of credit - 4 counts)</b>
	<b>:</b>	<b>18 U.S.C. § 894(a)(1) (collecting an extension of credit by extortionate means - 4 counts)</b>
	<b>:</b>	<b>18 U.S.C. § 1512(b)(3) (obstruction - 8 counts)</b>
	<b>:</b>	<b>18 U.S.C. § 1623 (false statement to the grand jury- 2 counts)</b>

**INDICTMENT**

**COUNT ONE**

**THE GRAND JURY CHARGES THAT:**

At all times material to this indictment:

1. Defendant GARY COTTRELL worked as a Philadelphia Police Officer from December 1996 to June 23, 2011.
2. During the time he worked as a police officer and for a time after he left the Philadelphia Police Department, defendant GARY COTTRELL also operated a business in which he extended credit to individuals who needed money ("borrowers"), typically in amounts ranging from several hundred dollars to several thousand dollars.
3. As part of his business of extending credit to borrowers, defendant GARY COTTRELL usually required borrowers to show him a driver's license or other form of personal

identification. Defendant COTTRELL took the information from the identification and entered it into his cellphone.

4. In extending credit to borrowers, defendant GARY COTTRELL set the terms of the loans for the borrowers. Defendant COTTRELL required each borrower to repay the amount of money he loaned to them plus interest generally in an amount equal to \$25 for every \$100 he loaned to the borrower, generally for a term of four weeks. The interest rate on these loans was substantially greater than the legally enforceable rate of 25% per annum.

5. Some individuals borrowing money from defendant GARY COTTRELL understood that defendant COTTRELL would use force, if necessary, to collect the money he loaned them plus interest.

6. Defendant GARY COTTRELL kept records of the money he loaned to borrowers. At times he recorded the loan amounts in a marbled-colored note book.

7. Defendant GARY COTTRELL sent text messages to borrowers, reminding them of the due date for the money that they owed him.

8. As the borrowers well understood, defendant GARY COTTRELL used force and the threat of force to collect money from them. At times defendant COTTRELL sent the threats of force to the borrowers via text messages.

### **The Extortionate Extension of Credit**

9. From in or about March 2011 to in or about April 2011, in the Eastern District of Pennsylvania, defendant

**GARY COTTRELL**

made an extortionate extension of credit, as defined in 18 U.S.C. § 891(6), to T.J., an individual

known to the grand jury.

In violation of Title 18, United States Code, Section 892(a).

**COUNT TWO**

**THE GRAND JURY CHARGES THAT:**

1. Paragraphs 1 through 8 of Count One are incorporated here.
2. In or about March 2011, in the Eastern District of Pennsylvania, defendant

**GARY COTTRELL**

made an extortionate extension of credit, as defined in 18 U.S.C. § 891(6), to J.S., an individual known to the grand jury.

In violation of Title 18, United States Code, Section 892(a).

**COUNT THREE**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 8 of Count One are incorporated here.
2. In or about July 2012, in the Eastern District of Pennsylvania, defendant

**GARY COTTRELL**

made an extortionate extension of credit, as defined in 18 U.S.C. § 891(6), to M.M., an individual known to the grand jury.

In violation of Title 18, United States Code, Section 892(a).

**COUNT FOUR**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 8 of Count One are incorporated here.
2. From in or about December 2010 to in or about January 2011, in the

Eastern District of Pennsylvania, defendant

**GARY COTTRELL**

made an extortionate extension of credit, as defined in 18 U.S.C. § 891(6), to K.E., an individual known to the grand jury.

In violation of Title 18, United States Code, Section 892(a).

**COUNT FIVE**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 8 of Count One are incorporated here.
2. From in or about March 2011, to in or about April 2011, in the Eastern

District of Pennsylvania, defendant

**GARY COTTRELL**

knowingly participated in the use of extortionate means to collect and attempt to collect an extension of credit from A.K., an individual known to the grand jury.

In violation of Title 18, United States Code, Section 894(a)(1).

**COUNT SIX**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 8 of Count One are incorporated here.
2. In or about March 2011, in the Eastern District of Pennsylvania, defendant

**GARY COTTRELL**

knowingly participated in the use of extortionate means to collect and attempt to collect an extension of credit from T.I., an individual known to the grand jury.

In violation of Title 18, United States Code, Section 894(a)(1).



**COUNT SEVEN**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 8 of Count One are incorporated here.
2. From in or about March 2011, to in or about April 2011, in the Eastern

District of Pennsylvania, defendant

**GARY COTTRELL**

knowingly participated in the use of extortionate means to collect and attempt to collect an extension of credit from S.R., an individual known to the grand jury.

In violation of Title 18, United States Code, Section 894(a)(1).

**COUNT EIGHT**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 8 of Count One are incorporated here.
2. In or about June 2010, in the Eastern District of Pennsylvania, defendant

**GARY COTTRELL**

knowingly participated in the use of extortionate means to collect and attempt to collect an extension of credit from L.L., an individual known to the grand jury.

In violation of Title 18, United States Code, Section 894(a)(1).

**COUNT NINE**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 8 of Count One are incorporated here.
2. On or about February 1, 2012, in the Eastern District of Pennsylvania,

defendant

**GARY COTTRELL**

knowingly attempted to corruptly persuade T.J., an individual known to the grand jury, with the intent to prevent T.J. from communicating information to a law enforcement officer relating to the commission and possible commission of a federal offense, that is, that defendant COTTRELL charged interest when he loaned money to T.J., which information related to defendant Cottrell's violation of 18 U.S.C. § 892(a), making an extortionate extension of credit.

In violation of Title 18, United States Code, Section 1512(b)(3).

**COUNT TEN**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 8 of Count One are incorporated here.
2. On or about February 2, 2012, in the Eastern District of Pennsylvania,

defendant

**GARY COTTRELL**

knowingly attempted to corruptly persuade T.J., an individual known to the grand jury, with the intent to prevent T.J. from communicating information to a law enforcement officer relating to the commission and possible commission of a federal offense, that is, that defendant COTTRELL charged interest when he loaned money to T.J., which information related to defendant Cottrell's violation of 18 U.S.C. § 892(a), making an extortionate extension of credit.

In violation of Title 18, United States Code, Section 1512(b)(3).

**COUNT ELEVEN**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 8 of Count One are incorporated here.
2. From in or about February 2012 to in or about March 2012, in the Eastern District of Pennsylvania, defendant

**GARY COTTRELL**

knowingly attempted to corruptly persuade M.M., an individual known to the grand jury, with the intent to prevent M.M. from communicating information to a law enforcement officer relating to the commission and possible commission of a federal offense, that is, that defendant COTTRELL charged interest when he loaned money to M.M., which information related to defendant Cottrell's violation of 18 U.S.C. § 892(a), making an extortionate extension of credit.

In violation of Title 18, United States Code, Section 1512(b)(3).

**COUNT TWELVE**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 8 of Count One are incorporated here.
2. From in or about January 2012, to in or about April 2012, in the Eastern

District of Pennsylvania, defendant

**GARY COTTRELL**

knowingly attempted to corruptly persuade A.H., an individual known to the grand jury, with the intent to prevent A.H. from communicating information to a law enforcement officer relating to the commission and possible commission of a federal offense, that is, that defendant COTTRELL charged interest when he loaned money to A.H., which information related to defendant Cottrell's violation of 18 U.S.C. § 892(a), making an extortionate extension of credit.

In violation of Title 18, United States Code, Section 1512(b)(3).

**COUNT THIRTEEN**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 8 of Count One are incorporated here.
2. On or about August 10, 2012, in the Eastern District of Pennsylvania,

defendant

**GARY COTTRELL**

knowingly attempted to corruptly persuade J.H., an individual known to the grand jury, with the intent to prevent J.H. from communicating information to a law enforcement officer relating to the commission and possible commission of a federal offense, that is, that defendant COTTRELL charged interest when he loaned money to J.H., which information related to defendant Cottrell's violation of 18 U.S.C. § 892(a), making an extortionate extension of credit.

In violation of Title 18, United States Code, Section 1512(b)(3).

**COUNT FOURTEEN**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 8 of Count One are incorporated here.
2. In or about February 2012, in the Eastern District of Pennsylvania,

defendant

**GARY COTTRELL**

knowingly attempted to corruptly persuade V.L., an individual known to the grand jury, with the intent to prevent V.L. from communicating information to a law enforcement officer relating to the commission and possible commission of a federal offense, that is, that defendant COTTRELL charged interest when he loaned money to V.L., which information related to defendant Cottrell's violation of 18 U.S.C. § 892(a), making an extortionate extension of credit.

In violation of Title 18, United States Code, Section 1512(b)(3).



**COUNT FIFTEEN**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 8 of Count One are incorporated here.
2. In or about March 2012, in the Eastern District of Pennsylvania, defendant

**GARY COTTRELL**

knowingly attempted to corruptly persuade L.N., an individual known to the grand jury, with the intent to prevent L.N. from communicating information to a law enforcement officer relating to the commission and possible commission of a federal offense, that is, that defendant COTTRELL charged interest when he loaned money to L.N., which information related to defendant Cottrell's violation of 18 U.S.C. § 892(a), making an extortionate extension of credit.

In violation of Title 18, United States Code, Section 1512(b)(3).

**COUNT SIXTEEN**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 8 of Count One are incorporated here.
2. On or about January 30, 2012, in the Eastern District of Pennsylvania,

defendant

**GARY COTTRELL**

knowingly attempted to corruptly persuade B.Y., an individual known to the grand jury, with the intent to prevent B.Y. from communicating information to a law enforcement officer relating to the commission and possible commission of a federal offense, that is, that defendant COTTRELL charged interest when he loaned money to B.Y., which information related to defendant Cottrell's violation of 18 U.S.C. § 892(a), making an extortionate extension of credit.

In violation of Title 18, United States Code, Section 1512(b)(3).

**COUNT SEVENTEEN**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 8 of Count One are incorporated here.
2. Defendant CHERYL STEPHENS was employed as a Philadelphia Police Officer. Defendant STEPHENS borrowed money from defendant GARY COTTRELL. In extending credit to STEPHENS, defendant COTTRELL required STEPHENS to repay the original amount of money he loaned her plus interest in the amount of \$25 for every \$100 he loaned her.
3. On or about August 9, 2012, defendant CHERYL STEPHENS testified before a federal grand jury about the nature of her relationship with defendant GARY COTTRELL and the terms of credit that defendant COTTRELL extended to her.
4. On or about August 9, 2012, in the Eastern District of Pennsylvania, defendant

**CHERYL L. STEPHENS,**

while under oath and testifying in a proceeding before a grand jury of the United States in the Eastern District of Pennsylvania, knowingly made a false material declaration.

5. The grand jury empaneled on or about April 15, 2011, was conducting an investigation to determine, in part, whether GARY COTTRELL had engaged in making extortionate extensions of credit and collections of extensions of credit by extortionate means, and obstruction. It was material to this investigation to determine whether COTTRELL charged interest for each loan that he made.

6. With respect to this material matter, defendant CHERYL L. STEPHENS falsely testified that defendant GARY COTTRELL did not charge interest, as set forth at pages 10-11 and 15-16 of the transcript:

Q. So for every \$100 you borrowed then, he charged \$25?

A. No, I would give him \$25 on every \$100 I borrowed.

...

Q. Well, let me ask you this, ma'am, when you said you borrowed \$200, you said you would give back \$250, right?

A. Um-hum.

Q. How did you arrive at that figure, \$250?

A. \$25.

Q. Yeah, did you come up with that figure?

A. That was me.

Q. That was you?

A. Yes.

Q. Mr. Cottrell didn't say to you, you owe me 250 on 200?

A. No.

Q. He didn't say to you, you owe me 500 on 400?

A. No.

Q. So you're just supposed to be paying him back what you were borrowing?

A. Yes.

Q. Well, when you borrowed the \$3,000, he didn't say to you how much he wanted back?

A. \$3,000.

Q. \$3,000?

A. Yeah.

Q. So he was just like a bank without charging—any interest to anybody is what you're telling us; is that right?

A. He did not, no.

7. The testimony of defendant STEPHENS, as she then and there well knew and believed, was false, in that STEPHENS was told by COTTRELL that she had to pay interest payments on money borrowed.

In violation of Title 18, United States Code, Section 1623.

**COUNT EIGHTEEN**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 10 of Count One and paragraphs 2 and 3 of Count Seventeen are incorporated here.

2. On or about August 9, 2012, in the Eastern District of Pennsylvania, defendant

**CHERYL L. STEPHENS,**

while under oath and testifying in a proceeding before a grand jury of the United States in the Eastern District of Pennsylvania, knowingly made a false material declaration.

3. The grand jury empaneled on or about April 15, 2011, was conducting an investigation to determine, in part, whether GARY COTTRELL had engaged in making extortionate extensions of credit and collections of extensions of credit by extortionate means, and obstruction. It was material to this investigation to determine whether COTTRELL told witnesses not to mention the fact that they paid interest on each loan that he made to them.

4. With respect to this material matter, defendant CHERYL L. STEPHENS falsely testified that defendant GARY COTTRELL did not tell her to deny paying interest when she testified before the grand jury, as set forth at page 17 of the transcript:

Q. He knows you were coming here before the grand jury, right?

A. No.

Q. All right. You never had any conversation with him about whether you should say whether you paid interest payments or not?

A. Absolutely not, no. Had no conversation. Last time I saw Gary it was, how are you doing? How are you feeling? You okay? You getting big. That was it.

5. The testimony of defendant STEPHENS, as she then and there well knew and believed, was false, in that COTTRELL had told her not to say that she had paid interest on loans from COTTRELL.

In violation of Title 18, United States Code, Section 1623.

**A TRUE BILL:**

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**FOREPERSON**

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**ZANE DAVID MEMEGER**  
**United States Attorney**