

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

**UNITED STATES OF AMERICA** : **CRIMINAL NO.** \_\_\_\_\_  
**v.** : **DATE FILED:** \_\_\_\_\_  
**KENNETH GASSMAN** : **VIOLATIONS:**  
18 U.S.C. § 1951(a) (Hobbs Act extortion -  
1 count)

**INDICTMENT**

**COUNT ONE**

**THE GRAND JURY CHARGES THAT:**

At all times material to this indictment:

1. Defendant KENNETH GASSMAN was an inspector with the Philadelphia Department of Licenses and Inspection (L & I). As an inspector, defendant GASSMAN was responsible for inspecting buildings and businesses for violations of the building code. GASSMAN's position with L&I gave him official power to close businesses and buildings for violations that endangered the safety of the public.
2. While employed as an L & I inspector, defendant KENNETH GASSMAN acquired a significant number of residential properties in and around the Fishtown section of Philadelphia. Defendant GASSMAN renovated many of these properties and turned them into income-producing rental properties. Among the properties acquired and renovated by defendant GASSMAN were multiple properties on the 2500 block of E. Thompson Street in Philadelphia.
3. LD, a person known to the grand jury, owned a commercial building on the 2500 block of E. Thompson Street. The building was situated between properties owned by defendant KENNETH GASSMAN.

4. In or about 2006, defendant KENNETH GASSMAN offered to purchase the property from LD. LD, believing that the offer was below fair market value, rejected this offer. Subsequently, LD rejected a second offer made by defendant GASSMAN.

5. LD was aware that defendant KENNETH GASSMAN was an employee of the Philadelphia Department of Licenses and Inspection when he rejected defendant GASSMAN's two offers to purchase the property.

6. After LD rejected defendant KENNETH GASSMAN's offers, defendant GASSMAN engaged in a course of conduct designed to seriously inhibit LD's ability to sell the property to other persons and to force LD to sell the property to him.

7. This course of action included, but was not limited to, the following activities:

a. Defendant KENNETH GASSMAN caused other inspectors at L&I to inspect LD's property and issue violations which forced LD to spend money for unnecessary repair work and to contest the violations;

b. Defendant KENNETH GASSMAN gave inspectors bogus information which caused the inspectors to issue unsubstantiated violations for "operating an unlicensed auto repair shop;"

c. Defendant KENNETH GASSMAN repeatedly telephoned the City of Philadelphia 311 Contact Center and, using aliases, reported that LD's property was in an unsafe and dangerous condition;

d. Defendant KENNETH GASSMAN vandalized LD's property by injecting glue in the garage door locks and sealing shut the entrance door to the property with an expanding foam sealant;

f. Defendant KENNETH GASSMAN removed or defaced “for sale” signs placed on the property.

8. Despite being subjected to defendant KENNETH GASSMAN’s use of harassment, vandalism and his position as an inspector with L&I, LD refused to sell the property to defendant GASSMAN

9. From in or about 2006 through in or about February 2010, in the Eastern District of Pennsylvania, defendant

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attempted to obstruct, delay and affect commerce and the movement of articles and commodities in commerce, by extortion, in that defendant GASSMAN attempted to compel LD to sell real estate to him, which was not due defendant GASSMAN or his office, with LD’s consent, under color of official right.

In violation of Title 18, United States Code, Section 1951.

**A TRUE BILL:**

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**GRAND JURY FOREPERSON**

  
**ZANE DAVID MEMEGER**  
**UNITED STATES ATTORNEY**