



U.S. Department of Justice

United States Attorney

Eastern District of Pennsylvania

615 Chestnut Street
Suite 1250
Philadelphia, Pennsylvania 19106-4476
(215) 861-8200

August 24, 2010

CITY INSPECTOR CHARGED WITH HOBBS ACT EXTORTION

PHILADELPHIA - Kenneth Gassman, an inspector with the Philadelphia Department of Licenses and Inspection, was charged today by indictment¹ with Hobbs Act extortion, announced United States Attorney Zane David Memeger. The indictment returned by a federal grand jury alleges that Gassman used his position with L&I in an effort to compel the owner of a commercial property to sell the property to him.

According to the indictment, Gassman, who owned multiple properties in and around the Fishtown section of Philadelphia, made two offers to buy the property located in the 2500 block of E. Thompson Street. The indictment alleges that after the owner of the property rejected the offers, Gassman engaged in conduct designed to inhibit the property owner’s ability to sell the property to others and to compel the owner to sell the property to him. Gassman caused other L&I inspectors to inspect the property and issue violations, including a bogus violation for operating an unlicensed auto repair business. Gassman is further alleged to have vandalized the property, removed for sale signs, and used aliases to contact the city’s 311 system with complaints that the property was unsafe. According to the indictment, Gassman’s conduct caused the owner of the property to spend money to make repairs and to contest the L&I violations.

“The citizens and taxpayers of Philadelphia deserve fair and evenhanded treatment by public officials and employees, untainted by the personal interests of those who enforce the city’s commercial, building and zoning codes,” said Memeger. “Abusing one’s public position for personal gain is illegal and cannot be tolerated.”

INFORMATION REGARDING THE DEFENDANT

NAME	ADDRESS	AGE OR YEAR OF BIRTH
Kenneth Gassman	Philadelphia, PA	45

¹An Indictment or Information is an accusation. A defendant is presumed innocent unless and until proven guilty.

August 24, 2010
Page 2

If convicted, Gassman faces a maximum sentence of 20 years imprisonment, a \$250,000 fine, three years supervised release and restitution.

The case is the result of an investigation initiated by the Philadelphia Office of Inspector General, conducted jointly with the FBI. It is being prosecuted by Assistant United States Attorney Richard P. Barrett.

**UNITED STATES ATTORNEY'S OFFICE
EASTERN DISTRICT, PENNSYLVANIA
Suite 1250, 615 Chestnut Street
Philadelphia, PA 19106**

**Contact: PATTY HARTMAN
Media Contact
215-861-8525**

*COPIES OF NEWS MEMOS AND RELATED DOCUMENTS CAN ALSO BE FOUND AT
<http://www.usdoj.gov/usao/pae>*