

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

UNITED STATES OF AMERICA	:	CRIMINAL NO. 10-732
v.	:	DATE FILED: February 3, 2011
CARLO DANIEL CASTRO	:	VIOLATIONS:
WILLIAM WONG	:	18 U.S.C. § 1951 (attempted interference
a/k/a "Billy Wong"	:	with interstate commerce by extortion -
	:	1 count)
	:	18 U.S.C. § 1951 (conspiracy to interfere
	:	with interstate commerce by extortion -
	:	1 count)
	:	18 U.S.C. § 894 (attempted extortionate
	:	collection of credit - 2 counts)
	:	18 U.S.C. § 1001 (making a material false
	:	statement - 3 counts)
	:	18 U.S.C. § 1346 (honest services wire
	:	fraud - 2 counts)
	:	18 U.S.C. § 1952 (use of an interstate
	:	facility with the intent to promote an
	:	unlawful activity - 1 count)

SUPERSEDING INDICTMENT

COUNT ONE

THE GRAND JURY CHARGES THAT:

At all times material to this indictment:

1. Defendant CARLO DANIEL CASTRO was an Inspector in the Philadelphia Police Department.
2. An individual known to the grand jury, and identified here as W.E., was a resident of New Jersey who, among other things, operated a real estate development business engaged in interstate commerce.

The Debt and Claim

3. In or about the Spring of 2006, defendant CARLO DANIEL CASTRO spoke with W.E. about investing money in a real estate development project (the “Real Estate Project”) on which W.E. was working. Defendant CASTRO and W.E. discussed that CASTRO could earn a considerable return on his investment. W.E. guaranteed to CASTRO that he would not lose any money on his investment.

4. On or about June 2, 2006, after agreeing to invest in the Real Estate Project, defendant CARLO DANIEL CASTRO provided W.E. with approximately \$90,000. W.E. used defendant CASTRO’s \$90,000 as part of a \$100,000 deposit towards purchasing the Real Estate Project from the developer. W.E. provided from his own personal funds the remaining \$10,000 of the deposit, as well as for the other costs of the project.

5. In or about May 2007, when W.E. was unable to secure sufficient financing for the remainder of the Real Estate Project, W.E. exercised his right to terminate the agreement of sale for the Real Estate Project, and requested the developer to return the \$100,000 deposit. W.E. was unable, however, to obtain the return of the deposit from the developer to which he was entitled, so W.E. could not repay to defendant CARLO DANIEL CASTRO his investment of \$90,000.

6. Beginning in or about the Spring of 2007 through on or about September 29, 2010, defendant CARLO DANIEL CASTRO repeatedly demanded that W.E. return his \$90,000.

7. On or about June 2, 2010, defendant CARLO DANIEL CASTRO filed a civil lawsuit in the Court of Common Pleas of Philadelphia County against W.E., and others,

seeking the return of his \$90,000 investment, plus consequential and punitive damages.

The Attempted Extortion

8. From in or about April 2010 through on or about October 12, 2010, in the Eastern District of Pennsylvania, defendant

CARLO DANIEL CASTRO

attempted to obstruct, delay and affect commerce, and the movement of articles and commodities in commerce, by extortion, in that defendant CASTRO attempted to obtain the property of W.E, with his consent having been induced by the wrongful use of actual and threatened force and violence, in that CASTRO attempted to demand a thing of value, that is, \$150,000 cash, from W.E., as a condition of not physically harming W.E.

Manner and Means

9. In an attempt to extort money from W.E, defendant CARLO DANIEL CASTRO asked a witness cooperating with the Federal Bureau of Investigation (the “CW”) to retain a “Collector.”

10. Defendant CARLO DANIEL CASTRO then arranged for the CW to represent him in dealing with the Collector, and instructed the CW not to disclose defendant CASTRO’s identity in order to conceal his involvement in the attempted extortion. In particular, CASTRO discussed with the CW that the Collector must not know that CASTRO was an Inspector with the Philadelphia Police Department.

11. As part of this attempted extortion, defendant CARLO DANIEL CASTRO:

- a. authorized and instructed the CW to pay the Collector 10% of the

amount of money obtained from W.E. as compensation for the Collector's services;

b. instructed the CW and the Collector to obtain an additional \$60,000, for a total of \$150,000, from W.E. as "interest" on the \$90,000 he invested, even though the Real Estate Project had failed and defendant CASTRO was not entitled to this interest;

c. authorized the Collector to use threatened or actual force in order to induce W.E. to repay the \$90,000 to CASTRO; and

d. monitored the CW's and the Collector's progress in extorting money from W.E. through telephone calls and meetings with the CW.

Telephone Calls and Meetings Connected to the Attempted Extortion

April 7, 2010 Telephone Call

12. On or about April 7, 2010, defendant CARLO DANIEL CASTRO spoke to the CW on the telephone and discussed a \$90,000 debt owed to defendant CASTRO by W.E. When the CW told CASTRO that he had found someone who could collect the debt from W.E. if CASTRO wanted this done, CASTRO replied, "Good," and asked the CW when they could "meet and talk about it."

April 20, 2010 Meeting

13. On or about April 20, 2010, defendant CARLO DANIEL CASTRO met with the CW in person, and asked the CW "what do they charge" for collecting debts. When the CW told defendant CASTRO that the Collector charged a 15 percent fee, CASTRO told the CW that W.E. "owes me 90,000 plus interest, so I'm looking for . . . I'm thinking about 150 thousand, that's what I want. Right? They can take off 15 percent." CASTRO told the CW to

instruct the Collector to collect his debt, telling the CW, “I want my fucking money, end of story.” CASTRO later agreed to a collection fee of 10 percent.

14. In addition, at this meeting:

a. CASTRO cautioned the CW to conceal his identity, advising the CW, “I can’t get myself in trouble.” CASTRO instructed the CW to “represent me” in his dealings with the Collector, and anyone working with the Collector, and told the CW, “When you talk to these people you can’t tell them who I am.” CASTRO explained that he did not want to meet the Collector, saying, “I don’t want to meet anybody.”

b. In response to the CW’s suggestion that the Collector go to W.E.’s home to collect the debt, CASTRO agreed that W.E. – who he said was “now married with a child” – would “get scared.” CASTRO provided the CW with W.E.’s full name and phone number, as well as the town in which W.E. lived, and promised to give W.E.’s home address to the CW later.

June 2, 2010 and June 4, 2010 Telephone Calls

15. On or about June 2, 2010, defendant CARLO DANIEL CASTRO spoke to an FBI undercover employee (the “UCE”), who posed as a “collector” from New York working with the CW to collect defendant CASTRO’s debt from W.E. The UCE explained that he was calling CASTRO because the CW “had me do some work for him and I did it for him.” After the UCE told CASTRO that he had something to give CASTRO, CASTRO agreed to meet the UCE on June 4, 2010, at 30th Street Train Station in Philadelphia.

16. On or about June 4, 2010, defendant CARLO DANIEL CASTRO spoke with the UCE on the telephone and told him that he was not able to meet because he was too

busy. CASTRO asked the UCE, “What is it you have exactly for me?” When the UCE told CASTRO, “I was paid five thousand bucks, and I’m going to keep my 10 percent, so basically I got forty-five hundred for you,” CASTRO asked “who gave you five thousand?” The UCE explained to CASTRO that the UCE had visited W.E. at his home, “collected” \$5,000 from him, and threatened to harm W.E. if he did not have the money the next time he came. CASTRO told the UCE that the UCE needed to “talk to [the CW] on this,” and asked the UCE not to call him directly anymore.

June 11, 2010 Meeting

17. On or about June 11, 2010, defendant CARLO DANIEL CASTRO met with the CW in person and reported, “your guy called me.” Despite the CW’s assurance that he did not tell the Collector about defendant CASTRO’s position in the Philadelphia Police Department, CASTRO reminded the CW: “Right, I can’t, I can’t meet him,” adding that he was in a very important position. In addition, at this meeting:

a. CASTRO instructed the CW to tell the Collector “to speed it up for me,” adding that W.E. could “sell the car, sell the house, I don’t care. He’s got, he’s got two cars.”

b. CASTRO advised the CW that based on CASTRO’S conversation with the UCE, CASTRO concluded that “This guy means serious business.” CASTRO sought assurance from the CW about the UCE’s techniques and asked the CW: “What’s to stop [W.E.] from going to the police or somebody?”

c. CASTRO confirmed with the CW that the CW instructed the Collector to collect a total of \$150,000 from W.E. CASTRO also clarified with the CW that the

Collector would take 10 percent as a collection fee “off the top.”

d. At the end of the meeting, CASTRO entered the CW’s car along with the CW, and received \$4,500 which the CW represented was money “collected” by the Collector as a result of the Collector threatening to harm W.E. CASTRO then reminded the CW that they were making their way up to \$150,000, and confirmed with the CW that “these guys are gonna make sure we get it in a bigger payment.”

June 19, 2010 Telephone Call

18. On or about June 19, 2010, defendant CARLO DANIEL CASTRO spoke to the CW on the telephone. Defendant CASTRO told the CW that he had filed a lawsuit against W.E. seeking the repayment of his debt so that, “on paper I’m fighting him,” while at the same time going “through you.” CASTRO further explained, “as long as he pays us I can always withdraw my case. No problem, I’ll withdraw it, forget it.” After the CW told CASTRO that the CW thought money would be collected from W.E. soon, CASTRO replied, “Yeah because he’s got his house, he’s got cars. He’s got money. His wife, they got money.”

July 20, 2010 Meeting

19. On or about July 20, 2010, defendant CARLO DANIEL CASTRO met the CW and received an envelope containing \$2,100, which the CW represented was money “collected” by the Collector from W.E. after W.E. was threatened with violence. In addition:

a. CASTRO warned the CW that the Collector should not become too aggressive with W.E. as that may cause “trouble.” CASTRO reminded the CW that he was a police officer, stating: “I can’t get myself in trouble. I want to be Police Commissioner.”

b. Still, CASTRO told the CW to instruct the Collector to go back out

to W.E.'s house again, and to have the Collector speed up the collection process, obtaining \$10,000 on each visit.

September 10, 2010 Phone Call and Meeting

20. On or about September 10, 2010, defendant CARLO DANIEL CASTRO spoke with CW on the telephone to arrange a lunch meeting for that day. Defendant CASTRO told the CW, "I've got some information to share with you. Somebody wants to talk to you." CASTRO explained, "somebody needed a favor, what you're doing for me. I told them about you."

21. Later that day, defendant CARLO DANIEL CASTRO met in person with the CW. The CW told defendant CASTRO that in order to collect money in larger increments from W.E., the Collector would need to get "rough" with W.E. CASTRO responded: "Get, get my money. I want, I want my money," adding, "They know how to get it, they get it." CASTRO further explained to the CW: "They know what they're doing. Just get, just get, I need to have my money. That's all, that's all I care about. . . I've waited too long. . . If he's got a lot of money coming, that's what he's gotta pay. . . . If he's got a hundred and fifty thousand dollars, that's what I want. Hundred and fifty. That's what I want. . . . I don't know these guys, they don't know me. . . . I just want, I want my money."

22. Towards the end of the meeting, defendant CARLO DANIEL CASTRO referred another person who needed the Collector's extortion services. Defendant CASTRO told the CW, "I want you to call a friend of mine before you leave" because "he needs help too." CASTRO said that he told his friend, "I know a guy that'll get your money back." CASTRO gave the CW a telephone number and instructed the CW to call Billy Wong, charged in this

indictment in Count Nine, to arrange for the Collector to provide his extortion services to Wong.

September 21, 2010 Telephone Call

23. On or about September 21, 2010, defendant CARLO DANIEL CASTRO spoke with the CW on the telephone. When the CW represented that the Collector had obtained a significant amount of money from W.E., defendant CASTRO scheduled a meeting with the CW to obtain the money, stating: "I'm looking forward to seeing what the end result is."

September 29, 2010 Meeting

24. On or about September 29, 2010, defendant CARLO DANIEL CASTRO met with the CW in person, and received from the CW \$14,500 which the CW represented had been collected from W.E. after the Collector had "roughed him up." In addition, defendant CASTRO received another \$500 from the CW, who represented to CASTRO that the \$500 came from the Collector as a referral fee for referring them to another "easy" collection case. CASTRO told the CW, "well, I'll give them something else, too."

October 12, 2010 Meeting

25. On or about October 12, 2010, defendant CARLO DANIEL CASTRO met with the CW in person. Defendant CASTRO told the CW that W.E. or his wife must have "complained to the police" because he had received a visit from the FBI. CASTRO further told the CW that the FBI did not "know who, who beat [W.E.] up," but were interviewing about eight possible suspects, including himself. CASTRO explained to the CW that he had told the FBI that he sued W.E. for the return of his money, but otherwise told the FBI, "I don't know anything about it." In light of his meeting with the FBI, CASTRO instructed the CW to call the Collector to tell him to stop, but only "for right now." CASTRO explained to the CW that the FBI was

likely going to be watching W.E., and the Collector “could get in trouble” if he tried to collect money from W.E. again. CASTRO instructed the CW to tell the Collector to “get away from [W.E.], for right now. For right now, he’s too hot.”

26. Defendant CARLO DANIEL CASTRO also told the CW that he was concerned that someone could be listening to their telephones. CASTRO instructed the CW to speak in coded language on the telephone when talking about the extortion activity. For example, CASTRO instructed the CW to call him after confirming with the Collector to suspend collecting money from W.E. CASTRO told the CW, however, to use coded language, instructing the CW to say “a case of water would be good” as code for “everything is okay.”

27. Defendant CARLO DANIEL CASTRO also discussed with the CW another collection case involving Billy Wong. Defendant CASTRO told the CW that Billy Wong had a friend in Florida who was owed \$1.5 million, and asked the CW if the Collector could “go to Florida?” CASTRO explained that “1.5 million is a lot of money.” CASTRO instructed the CW not to contact Billy Wong directly, but that he should talk only to CASTRO “in person.”

All in violation of Title 18, United States Code, Section 1951.

COUNT TWO

THE GRAND JURY FURTHER CHARGES THAT:

28. Paragraphs 1 through 7, and 9 through 26 of Count One are incorporated here.

29. From in or about April 2010 through on or about October 12, 2010, in the Eastern District of Pennsylvania, defendant

CARLO DANIEL CASTRO

knowingly participated in the use of extortionate means to attempt to collect an extension of credit.

In violation of Title 18, United States Code, Section 894.

COUNT THREE

THE GRAND JURY FURTHER CHARGES THAT:

1. On or about October 4, 2010, in Philadelphia, in the Eastern District of Pennsylvania, defendant

CARLO DANIEL CASTRO,

in a matter within the jurisdiction of the executive branch of the Government of the United States, that is, the Federal Bureau of Investigation (“FBI”), an agency of the United States Department of Justice, knowingly and willfully made a materially false statement.

2. On or about October 4, 2010, agents of the FBI were investigating defendant CARLO DANIEL CASTRO’s participation in an attempted extortion scheme to collect a debt supposedly owed to him by W.E., as described in paragraphs 1 through 7, and 9 through 26 of Count One of this indictment. The details relating to defendant CASTRO’s participation in this scheme were material to the investigation.

3. With respect to a material matter, defendant CARLO DANIEL CASTRO told FBI agents that he had not received any payments from W.E. towards the debt W.E. supposedly owed to defendant CASTRO.

4. This statement of defendant CARLO DANIEL CASTRO, as he then and there well knew and believed, was false in that defendant CASTRO knew that he had in fact received payments from the CW that he believed were collected from W.E. in partial satisfaction of the debt supposedly owed to him by W.E.

In violation of Title 18, United States Code, Section 1001.

COUNT FOUR

THE GRAND JURY FURTHER CHARGES THAT:

1. On or about October 4, 2010, in Philadelphia, in the Eastern District of Pennsylvania, defendant

CARLO DANIEL CASTRO,

in a matter within the jurisdiction of the executive branch of the Government of the United States, that is, the Federal Bureau of Investigation (“FBI”), an agency of the United States Department of Justice, knowingly and willfully made a materially false statement.

2. On or about October 4, 2010, agents of the FBI were investigating defendant CARLO DANIEL CASTRO’s participation in an attempted extortion scheme to collect a debt supposedly owed to him by W.E., as described in paragraphs 1 through 7, and 9 through 26 of Count One of this indictment. The details relating to defendant CASTRO’s participation in this scheme were material to the investigation.

3. With respect to a material matter, defendant CARLO DANIEL CASTRO told FBI agents that, outside of the lawsuit and general complaining to friends, defendant CASTRO has not had any discussions with anyone about how he could collect from W.E. the debt W.E. supposedly owed to CASTRO.

4. This statement of defendant CARLO DANIEL CASTRO, as he then and there well knew and believed, was false in that defendant CASTRO knew that he had in fact repeatedly spoken to a cooperating witness about authorizing another individual to use violence and the threat of violence to collect the debt supposedly owed to him by W.E.

In violation of Title 18, United States Code, Section 1001.

COUNT FIVE

THE GRAND JURY FURTHER CHARGES THAT:

1. On or about October 4, 2010, in Philadelphia, in the Eastern District of Pennsylvania, defendant

CARLO DANIEL CASTRO,

in a matter within the jurisdiction of the executive branch of the Government of the United States, that is, the Federal Bureau of Investigation (“FBI”), an agency of the United States Department of Justice, knowingly and willfully made a materially false statement.

2. On or about October 4, 2010, agents of the FBI were investigating defendant CARLO DANIEL CASTRO’s participation in an attempted extortion scheme to collect a debt supposedly owed to him by W.E., as described in paragraphs 1 through 7, and 9 through 26 of Count One of this indictment. The details relating to defendant CASTRO’s participation in this scheme were material to the investigation.

3. With respect to a material matter, defendant CARLO DANIEL CASTRO told FBI agents that he did not hire anyone to threaten or hurt W.E. to collect the debt W.E. supposedly owed to CASTRO.

4. This statement of defendant CARLO DANIEL CASTRO, as he then and there well knew and believed, was false in that defendant CASTRO knew that he had in fact

hired an individual to use violence and the threat of violence to collect the debt supposedly owed to him by W.E.

In violation of Title 18, United States Code, Section 1001.

COUNTS SIX AND SEVEN

THE GRAND JURY FURTHER CHARGES THAT:

At all times material to this indictment:

1. Defendant CARLO DANIEL CASTRO was a Police Officer for the Philadelphia Police Department.
2. As a Philadelphia Police Officer, defendant CARLO DANIEL CASTRO was responsible for, among other things, promoting public safety and enforcing criminal laws within the City of Philadelphia.
3. As a Philadelphia Police Officer with access to law enforcement databases, defendant CARLO DANIEL CASTRO signed a form acknowledging that access to these law enforcement databases was for official law enforcement and criminal justice purposes only, and that information retrieved from these databases could not be disseminated beyond law enforcement and criminal justice agencies.
4. From in or about January 2010 through on or about April 20, 2010, in the Eastern District of Pennsylvania, and elsewhere, defendant

CARLO DANIEL CASTRO

devised and intended to devise a scheme and artifice to defraud and deprive the citizens of the City of Philadelphia and the Philadelphia Police Department of their right to the honest and faithful services of defendant CASTRO through bribery and the concealment of material information.

Purpose of the Scheme

5. The purpose of the scheme and artifice was for defendant CARLO

DANIEL CASTRO to secretly use his official position to enrich himself by soliciting and accepting gifts, payments, and other things of value from a witness cooperating with the Federal Bureau of Investigation (the “CW”), in exchange for favorable official action.

Manner and Means

6. The scheme and artifice to defraud was carried out in the following ways, among others:

a. Defendant CARLO DANIEL CASTRO solicited and accepted gifts, payments, and other things of value totaling approximately \$700 from the CW. The things of value included a 42 inch LCD flat screen television.

b. Defendant CASTRO provided favorable official action on behalf of the CW as requested, including checking a vehicle license plate for the CW, and providing the CW with the home address of the owner of the vehicle. The CW had told CASTRO that he wanted to find the owner of the vehicle because this person owed him money. The CW had asked CASTRO to run the license plate for the vehicle and provide him with the information on the vehicle’s owner.

c. CASTRO took steps to hide, conceal, and cover up his activity and the nature and scope of his dealings with the CW, including asking the CW to write down the results of the license plate search on a separate piece of paper, instead of providing the CW with the printed out results of the search, because the print out could help identify CASTRO as the person who conducted the license plate check.

Execution of the Scheme

7. On or about the dates listed below, in the Eastern District of Pennsylvania, and elsewhere, defendant

CARLO DANIEL CASTRO,

for the purpose of executing the above-described scheme and artifice to defraud and deprive, transmitted and caused to be transmitted by means of wire communication in interstate commerce, the following writings, signals, and sounds:

<u>COUNT</u>	<u>DATE</u>	<u>WIRE TRANSMISSION</u>
6	April 13, 2010	An electronic request sent from Philadelphia, Pennsylvania, to a motor vehicle information database maintained in New Jersey by the New Jersey Motor Vehicle Commission
7	April 13, 2010	An electronic request sent from Philadelphia, Pennsylvania to a stolen vehicle database maintained in West Virginia by the National Crime Information Center

All in violation of Title 18, United States Code, Sections 1343 and 1346.

COUNT EIGHT

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1, 2, 5 and 6 of Counts Six and Seven are incorporated here.
2. On or about April 7, 2010, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendant

CARLO DANIEL CASTRO

used a facility in interstate and foreign commerce with the intent to promote, manage, establish, and carry on, and to facilitate the promotion, management, establishment, and carrying on, of an unlawful activity, that is, Bribery in Official and Political Matters, in violation of Title 18 Pa. Cons. Stat. Ann. § 4701, and thereafter performed and attempted to perform an act to promote, manage, establish, and carry on, and to facilitate the promotion, management, establishment, and carrying on of bribery, that is, defendant CASTRO accepted a 42 inch LCD flat screen television from a witness cooperating with the Federal Bureau of Investigation (the "CW"), based upon the agreement that this benefit would influence the conduct of CASTRO in relation to the affairs of the CW, that is, CASTRO checked a vehicle license plate for the CW, and provided the CW with the name and home address of the owner of the vehicle, after being told by the CW that the CW wanted to find the owner of the vehicle because this person owed him money.

In violation of Title 18, United States Code, Section 1952.

COUNT NINE

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1, 3 through 7, and 9 through 26 of Count One are incorporated here.
2. An individual known to the grand jury, and identified here as R.C., operated a night club business in Philadelphia, Pennsylvania, that was engaged in interstate commerce.
3. Alan Kats was a business associate of defendant WILLIAM WONG.

Background of the Debt and Claim

4. In or about early 2009, co-conspirator Alan Kats, charged elsewhere, gave R.C. approximately \$20,000 as an investment in a Philadelphia night club. Shortly thereafter, at R.C.'s request, Kats loaned R.C. an additional \$16,000.
5. During the summer of 2009, the night club ran into some financial problems, and ultimately never opened. R.C. later paid Alan Kats \$10,000 in partial repayment of R.C.'s debt to Kats, leaving a remaining debt, according to defendant WONG and Kats, of \$26,000.
6. Beginning in or about the summer of 2009, Alan Kats repeatedly demanded that R.C. repay the remaining debt of \$26,000.

The Conspiracy

7. From in or about September 10, 2010 through on or about November 2, 2010, in the Eastern District of Pennsylvania, defendants

**CARLO DANIEL CASTRO and
WILLIAM WONG,
a/k/a “Billy Wong,”**

along with co-conspirator Alan Kats, charged elsewhere, conspired to obstruct, delay, and affect commerce, and the movement of articles and commodities in commerce, by extortion, in that defendants CASTRO and WONG, and co-conspirator Kats, conspired to obtain the property of R.C., with his consent having been induced by the wrongful use of actual and threatened force and violence, in that CASTRO, WONG, and Kats attempted to demand a thing of value, that is, \$26,000 cash, from R.C., as a condition of not physically harming R.C.

Manner and Means

It was part of the conspiracy that:

8. Defendant WILLIAM WONG and co-conspirator Alan Kats told defendant CARLO DANIEL CASTRO that Kats was owed a debt by R.C.

9. Defendant CARLO DANIEL CASTRO, who had already retained a “Collector” to use violence and force, and threats of violence and force, to collect a \$90,000 debt owed to him, told defendant WILLIAM WONG and co-conspirator Alan Kats that defendant CASTRO knew someone who could help defendant WONG and Kats collect the debt owed to Kats.

10. Defendant CARLO DANIEL CASTRO instructed a witness cooperating with the Federal Bureau of Investigation (the “CW”), who had helped defendant CASTRO retain

the Collector, to contact defendant WILLIAM WONG to offer defendant WONG the collection services of the Collector.

11. Defendant WILLIAM WONG and co-conspirator Alan Kats met with the CW, and instructed the CW to set up a meeting with the Collector, who was actually an FBI undercover agent (the “UCE”) posing as a debt collector from New York.

12. As part of this conspiracy to extort money from R.C., defendant WILLIAM WONG and co-conspirator Alan Kats:

a. authorized and instructed the Collector to keep 10% of the amount of money obtained from R.C. as compensation for the Collector’s services;

b. authorized the Collector to use threatened or actual force in order to induce R.C. to repay the \$26,000 debt to Kats;

c. monitored the CW’s and the Collector’s progress in extorting money from R.C. through telephone calls and meetings with the CW and the UCE; and

d. accepted payments supposedly collected from R.C. in satisfaction of the debt allegedly owed to Kats.

13. As part of this conspiracy to extort money from R.C., defendant CARLO DANIEL CASTRO:

a. arranged for the CW to meet defendant WILLIAM WONG and Alan Kats, for the purpose of helping defendant WONG and Kats collect the debt from R.C.;

b. served as an intermediary between the CW and WONG and Kats when they could not get in contact with the CW; and

c. accepted a \$500 referral fee for referring the Collector to the

collection job pursued by WONG and co-conspirator Kats.

Overt Acts

In furtherance of this conspiracy, defendants CARLO DANIEL CASTRO and WILLIAM WONG, and co-conspirator Alan Kats committed the following overt acts among others, in the Eastern District of Pennsylvania:

September 10, 2010 Phone Calls and Meeting

1. On or about September 10, 2010, defendant CARLO DANIEL CASTRO spoke to the CW on the telephone and arranged to meet to discuss a \$90,000 debt owed to defendant CASTRO by W.E. During the call, defendant CASTRO told the CW, "I've got some information to share with you. Somebody wants to talk to you." CASTRO further explained that "Somebody needs a favor. What you're doing for me. I told them about you."

2. Later on the same date, defendant CARLO DANIEL CASTRO met in person with the CW to discuss the status of the collection of defendant CASTRO's \$90,000 debt. During the meeting, CASTRO told the CW about a "friend" who also needed collection services because he was owed "twenty thousand dollars." CASTRO told the CW that he would "put [the CW] in contact" with his friend. CASTRO explained to the CW that he told his "friend" that he knew "somebody that'll get your money." The CW told CASTRO in response that, "When you give me the number, do me a favor. You talk to the guy and tell him that they, you know, that we're going to go rough him up. No, no Mr. Nice Guy. Cause Mr. Guy no, doesn't work. Just please let him know." CASTRO gave the CW the telephone number of his "friend," whom CASTRO identified as "Billy Wong," who is defendant WILLIAM WONG. CASTRO instructed the CW to "Call him now," and provided the CW with WONG's phone number. The

CW dialed the number for WONG, and when WONG did not answer, the CW left the following voice mail message: “Hi Mr. Wong. This is [the CW], friend of Danny Castro. Please call me.”

3. On September 10, 2010, defendant WILLIAM WONG spoke with the CW on the telephone concerning the collection job referred by defendant CARLO DANIEL CASTRO to the CW. During the call, defendant WONG asked the CW, “so, you’re friends of . . . Danny?” After the CW said that he was, WONG then asked the CW, “when’s a good time to have a talk to you?” The CW told WONG “not right now. But I just called to say, you know because Danny forced me to call you, said call him now, now.” The CW and WONG agreed to meet the following week.

September 15, 2010 Phone Calls and Meeting

4. On September 15, 2010, defendant CARLO DANIEL CASTRO left a telephone voice mail message for the CW asking the CW to give defendant CASTRO a call. CASTRO told the CW, “my friend, uh, Billy’s looking for you. I’ll give him your number.”

5. Later that same day, defendant WILLIAM WONG spoke with the CW on the telephone to discuss a meeting concerning the collection job referred by defendant CARLO DANIEL CASTRO to the CW. The CW and defendant WONG agreed to meet that same day at 3:30 p.m. at a Dunkin Donuts located on Bustleton Avenue in Northeast Philadelphia.

6. That same day, at approximately 3:30 p.m., defendant WILLIAM WONG and co-conspirator Alan Kats met with the CW in person to discuss the collection of a debt owed to Kats by R.C. During this meeting, the following conversations occurred:

a. The CW first explained to defendant WONG and Kats that he needed to know how they knew defendant CASTRO, saying, “I want to know, you know. I

don't know you." WONG explained that he had known CASTRO for between 15 to 18 years, from when CASTRO was a lieutenant in the Philadelphia Police Department.

b. The CW explained that the CW's "background" was in lending people money "with interest," and told WONG and KATS that if people did not pay back their debts, "I have people who just collect my debt." The CW said that he normally would not do this for other people, but explained that because "Danny ask me. That's why I'm doing it."

c. Kats explained to the CW that he and two other partners had each invested \$20,000 in a night club with an individual (later identified by Kats as R.C.). Kats explained that he had later provided R.C. with an additional \$16,000 loan. Kats stated that R.C. later provided Kats with a check for \$16,000 as a partial repayment of the debt, but the account did not have enough money to cover the check. Kats stated that R.C. did pay him \$10,000, so Kats believed he was still owed \$26,000.

d. Kats then explained to the CW that getting repaid his debt was only part of the reason why he wanted his debt collected from R.C.: "I don't care how much it cost me, honestly, I'm telling you like it is. But I don't want this guy to get away with it. So I don't care how much I have to pay."

e. The CW then explained the following to Kats and WONG: "My guys get the money one way or another. It's uh, you know, when they do the right thing, they don't. And again, I'm telling you, I'm not going to go nice. Not me, whatever that does it. They're not going to go nice. They don't want to waste their time. I mean, they want to go in to get the money and bring it to you. And take their share. That's all."

f. Kats told the CW that he wanted the CW to meet with the other two business partners who also lost \$20,000. The CW told Kats, "Give me a chance to work, and then, and then refer me. Let me see what I can do. I don't want to promise the world."

g. At the end of the meeting, WONG told the CW that WONG and CASTRO "know a lot of people in between especially in law enforcement," and warned that "we have to do it very, very discreet."

September 22, 2010 Meeting

7. On September 22, 2010, co-conspirator Kats met in person with the UCE, who was posing as a Collector, for the purpose of discussing the collection job referred to the UCE by defendant CARLO DANIEL CASTRO. After Kats told the UCE that he was owed \$26,000, the UCE told Kats that he charged a collection fee of 10 percent. The UCE asked Kats, "How far, where do you want it to go?" Kats told the UCE, "I don't care." The UCE asked again, "how far do you want us to take it to get the money back?" Kats told the UCE that he didn't want the UCE to get into any "serious legal trouble." The UCE then asked: "And just so, you want to be clear. You, so it doesn't come back on anybody. You guys are okay with it escalating as, in terms of violence." Kats answered, "As long as it doesn't get back to anybody." The UCE asked again later, "escalate the violence level as high as it needs to go?" Kats answered, "I don't care. I mean I feel bad for the family. . . . But listen. I have my family. I have pay take off my credit card, the money to pay for my daughter's, uh, you know, house. Why should I worry about his?"

September 29, 2010 Voice Messages

8. On September 29, 2010, defendant WILLIAM WONG called the CW and

left a voice mail message. Earlier that same day, the CW had called defendant WONG, telling him that his “buddy” was going to call him on Friday, and said that he will “make you very happy” because “he got uh some money for you.” In WONG’s voice message responding to the CW’s call, WONG told the CW that the news was “Great, excellent, excellent.” WONG added that he had “already told Al [Kats], he’s very, very happy.”

October 1, 2010 Meeting

9. On October 1, 2010, co-conspirator Alan Kats met in person the UCE for the purpose of paying Kats money supposedly “collected” from R.C. The UCE told Kats that R.C. “wasn’t happy.” Kats responded that he would “be surprised if he were.” The UCE told Kats that the victim had “thirty-five hundred at his house, I took it.” The UCE gave Kats \$3,000 that was supposedly collected from R.C., and told Kats that he was keeping the remaining \$500 supposedly collected as a collection fee.

October 12, 2010 Meeting

10. On October 12, 2010, defendant CARLO DANIEL CASTRO met in person with the CW. During the meeting, defendant CASTRO told the CW that defendant WILLIAM WONG had a friend in Florida who was owed \$1.5 million, and asked the CW if the Collector could “go to Florida?” CASTRO explained that “1.5 million is a lot of money.” CASTRO instructed the CW not to contact defendant WILLIAM WONG directly, but that he should talk only to CASTRO “in person.”

October 20, 2010 Telephone Call

11. On October 20, 2010, defendant WILLIAM WONG spoke with the UCE by telephone. The UCE asked defendant WONG about the Florida collection job referred to the

CW by defendant CARLO DANIEL CASTRO, asking WONG, “I heard you might have uh you might have some, some collection that needs done down in Florida or something?” WONG said that the job was in “Miami,” and told the UCE that WONG would “get some more information together so we can put in the package.” WONG said that he would give the package to the CW. WONG then asked the UCE about the collection effort from R.C.: “As far as my other friend Al, uh how’s, how’s the other things going with uh with that one gentleman?” After the UCE apologized for the delay in the collection, WONG asked the UCE to keep them informed. WONG explained that co-conspirator Alan Kats “went nuts” when Kats had heard that the victim had opened up a new night club. WONG also asked the UCE how the CW was doing. WONG explained to the UCE that “me and a mutual friend, uh, we both try contact him and we haven’t heard back from him.”

October 25, 2010 Voice Mail Message

12. On October 25, 2010, defendant WILLIAM WONG left a voice mail message on the UCE’s telephone. On the message, defendant WONG told the UCE that he had not spoken to co-conspirator Kats in a few days, but would call him to “see what’s going on with um, with uh, the folders and stuff,” and that “hopefully we can have something together for you.”

November 1, 2010 Voice Mail Messages

13. On November 1, 2010, defendant WILLIAM WONG left a voice mail message on the telephone of the UCE, responding to an earlier voice mail message left by the UCE. In the UCE’s message, the UCE told defendant WONG, “I have some money for you, and I have some uh money for Alan.” The UCE asked to meet the following day, and stated that “I’d

like to see both of you 'cause I'd like to give you like a little referral uh tip for uh these other three referrals. And if you have the uh packages ready, or if Al has the packages ready, then uh all the better." In WONG's responsive voice mail, WONG told the UCE that a meeting tomorrow would be fine, and he thanked the UCE for "thinking of me." WONG told the UCE that he would "try and make it tomorrow, if not, just give everything to Al, and then Al will have all the information for you." WONG then gave the UCE a telephone number on which WONG said he could be reached "24/7."

November 2, 2010 Meeting

14. On November 2, 2010, co-conspirator Alan Kats met the UCE in person for the purpose of receiving from the UCE an additional payment of money supposedly "collected" from R.C. The UCE told Kats that he had \$5,000 for him, but added, "I want five hundred to go to Billy [WONG] for doing the referrals for us." Kats said, "I'll take care of it." The UCE and Kats discussed future collection jobs, and Kats said that he would get back to the UCE. Kats added to the UCE, "I'm sure I'll get you working."

15. At that point, co-conspirator Alan Kats went with the UCE to the UCE's car. The UCE asked Kats why defendant WILLIAM WONG did not come to the meeting. Kats told the UCE, "Because both of us can't leave," adding that "It's either him or me, someone has to mind the store." The UCE and Kats then called defendant WONG on WONG's cell phone. The UCE told WONG that "with regards to [R.C.], uh, he knows that violent threat is out there, but thus far, we haven't had to take it that far, he clearly knows there is a threat out there." The UCE explained to WONG the "process" in the event the other collections came through: "You start off by asking, and then it goes as far as it has to go in terms of violence." The UCE told

WONG that “I just want to make sure you are okay with that.” The UCE added that, “I got some money for, uh, for Al, and he’ll, he’s gonna divide you up your portion for kind of helping us out with the broker side of things.” WONG responded, “No problem, no problem.”

16. After the call with defendant WILLIAM WONG, co-conspirator Alan Kats accepted from the UCE \$5,000, which was supposedly collected from R.C. The UCE told Kats that the victim actually had \$6,000, and that the UCE took the other \$1,000. Kats ended by saying that “we’ll be in touch with you, because Billy knows your number.”

All in violation of Title 18, United States Code, Section 1951.

COUNT TEN

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 5, and 7 through 12, and Overt Acts 1 through 16, of Count Nine are incorporated here.

2. From on or about September 10, 2010 through on or about November 2, 2010, in the Eastern District of Pennsylvania, defendants

**CARLO DANIEL CASTRO and
WILLIAM WONG
a/k/a "Billy Wong"**

knowingly participated in the use of extortionate means to attempt to collect an extension of credit.

In violation of Title 18, United States Code, Section 894.

A TRUE BILL:

FOREPERSON

**ZANE DAVID MEMEGER
UNITED STATES ATTORNEY**