

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

UNITED STATES OF AMERICA : **CRIMINAL NO.** _____
v. : **DATE FILED: February 3, 2011**
ALAN KATS : **18 U.S.C. § 894 (attempted extortionate
collection of credit - 1 count)**

INFORMATION

COUNT ONE

THE UNITED STATES ATTORNEY CHARGES THAT:

At all times material to this information:

1. An individual known to the United States Attorney, and identified here as R.C., operated a night club business in Philadelphia, Pennsylvania, that was engaged in interstate commerce.
2. Carlo Daniel Castro, charged elsewhere, was an Inspector in the Philadelphia Police Department.
3. W.W. was a business associate of defendant ALAN KATS.

The Debt and Claim

4. In or about early 2009, defendant ALAN KATS gave R.C. approximately \$20,000 as an investment in a Philadelphia night club. Shortly thereafter, at R.C.'s request, defendant 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 defendant ALAN KATS \$10,000 in partial repayment of R.C.'s debt to defendant KATS, leaving a remaining debt, according to

KATS, of \$26,000.

6. Beginning in or about the summer of 2009, defendant ALAN KATS repeatedly demanded that R.C. repay the remaining debt of \$26,000.

The Attempted Extortion

7. In or about early September 2010, defendant ALAN KATS and W.W. met with Carlo Daniel Castro, and told Castro that defendant KATS was owed a debt by R.C. Carlo Daniel Castro told defendant ALAN KATS and W.W. that he knew someone who could help defendant KATS and W.W. collect the debt owed to KATS.

8. On or about September 10, 2010, Carlo Daniel Castro instructed a witness cooperating with the Federal Bureau of Investigation (the "CW"), to contact W.W. to offer W.W. the collection services of a Collector.

9. On or about September 15, 2010, defendant ALAN KATS and W.W. 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.

10. On or about September 22, 2010, defendant KATS met with the UCE to discuss the collection of the debt from R.C. As part of this effort to collect money from R.C., defendant 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 defendant 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 defendant KATS.

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

ALAN KATS,

along with W.W. and Carlo Daniel Castro, charged elsewhere, 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.

**ZANE DAVID MEMEGER
UNITED STATES ATTORNEY**