

Chesco D.A.: Gappa Oil is \$2 million in debt

(GAPPA OIL from A1)

man, organized the meeting.

Beginning in December, residents in Chester, Montgomery and Berks counties complained about not receiving oil deliveries they prepaid for from Gappa Oil. Carroll's office assigned a detective and two lawyers to investigate the situation last month. No charges have been filed yet.

"I have to prove that intent to defraud," Carroll said.

The investigation must look at what happened to the money after Gappa accepted payments. The company currently has fuel trucks, but deliveries have come to a halt, Carroll said.

David Gappa had contracts with his brother, Lou Gappa, who bought trucks from him, Carroll stated. His brother reportedly refused to buy the business because he would have assumed all the prepay contracts.

One of the explanations received by Carroll's office is that Gappa took prepay money from customers and invested in a piece of real estate that he thought could be sold quickly for a profit. He hasn't been able to do so, the district attorney said.

"If everyone gets money back in the first week of February, I'll likely drop the criminal investigation," Carroll said.

Gappa is answering questions and "so far he hasn't lied to us," Carroll told listeners. If they were looking for complete reassurance, the district attorney couldn't provide that.

"I'm not going to guarantee you get money back, or anything," he said.

Diana Colegrove of Phoenixville is short about \$400 and actually came up empty one night.

"I ran out. I spent a cold night at home," she said.

Margaret Foley, a Pottstown senior citizen, is still owed 675 gallons of the 800 gallons she purchased months ago for the seemingly bargain price of \$1.90. Most residents report paying for oil between February and May of 2007 for this winter season.

Both women have been forced to call

other companies for supplies.

Prior to Carroll's arrival, Spring City attorney David Schreiber spoke to the crowd. He told the crowd he had thought about what to say if David Gappa was in the room (his attorney ~~Adam Sager~~ wasn't in attendance, either, but did know about the gathering).

"I would say it's getting colder every day. You people have paid money and invested trust," Schreiber said.

Schreiber wants to know where the money is, why Gappa continued accepting money once he knew obligations couldn't be met, and how soon a full accounting of remaining funds can be publicly known.

Gappa, an East Pikeland business, did not purchase oil from a supplier immediately after receiving downpayments from customers, Carroll said. However, the top county law enforcer noted that contracts don't appear to stipulate that Gappa was to make purchases at any particular time. As a businessman, he has the prerogative to wait for lower prices.

Herrigel didn't buy that — pointing out the ever-increasing price of a barrel of oil on the open market.

Jim Wilkinson of Phoenixville asked a question that could have been on all affected residents' minds: Should individuals sue Gappa in civil court while the investigation takes its course?

Carroll said priority for repayment in civil cases is typically set in the order complaints are filed. As for concerns of the company filing for bankruptcy, the district attorney said the court won't grant the business bankruptcy protection if criminal intent is proven.

All affected customers are encouraged to take one of the following steps: Call your local police station to file a criminal complaint, or contact the district attorney directly at 610-344-6801. Information given to local police departments will get to the Chester County district attorney.

The Pennsylvania Attorney General, which handles consumer affairs statewide, can be reached at www.attorneygeneral.com, or 800-441-2555, although this step is not necessary.

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By Michael Hays
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PHOENIXVILLE — David P. Gappa Oil owes between \$650,000 and \$675,000 to approximately 300 customers in the tri-county region, according to Chester County District Attorney Joe Carroll.

And the company's total debt is roughly \$2 million, he told an audience of frustrated customers at the West End Fire Station in Phoenixville Thursday evening.

Despite the snowfall and 30 degree temperatures, about 50 customers showed up. They braved the same conditions that made them purchase fuel oil for their homes in the first place. Mike Herrigel, a Pottstown

(See GAPPA OIL on A3)