

## TABLE OF CONTENTS

### CHAPTER 1

#### The Fundamentals of RICO

§ 1.01	The Background of RICO . . . . .	1-3
§ 1.02	The Elements of a RICO Action . . . . .	1-11
§ 1.03	Person . . . . .	1-12
	[1] Statutory Definition . . . . .	1-12
	[2] Vicarious Liability . . . . .	1-13
	[3] The Immunity of State/Federal Entities, Government Officials, and Foreign States. . . . .	1-19
§ 1.04	Employing a Pattern of Racketeering Activity or the Proceeds Thereof . . . . .	1-26.1
	[1] Predicate Acts (“Racketeering Activity”) . . . . .	1-26.1
	[a] “Indictable,” “Punishable,” “Chargeable” . . . . .	1-26.1
	[b] Federal Offenses . . . . .	1-27
	[c] State Offenses . . . . .	1-31
	[d] Pleading Requirements . . . . .	1-32
	[i] Generally . . . . .	1-32
	[ii] Fraud: Federal Rule of Civil Procedure 9(b) . . . . .	1-38
	[2] “Pattern” . . . . .	1-46
	[a] Statutory Language . . . . .	1-46
	[b] Judicial Interpretation of the “Pattern” Requirement. . . . .	1-48
	[i] <i>Sedima, S.P.R.L. vs. Imrex Co.</i> . . . . .	1-48
	[ii] Aftermath of <i>Sedima</i> . . . . .	1-48
	[iii] “Mailings” vs. “Episodes” vs. “Schemes” . . . . .	1-48
	[iv] “Continuity” and “Relationship” vs. “Distinctiveness” . . . . .	1-50
	[c] <i>H.J. Inc. and Its Aftermath</i> . . . . .	1-51
§ 1.05	The “Enterprise” . . . . .	1-61
	[1] “Associated-in-Fact” Enterprises . . . . .	1-61

## RICO: CIVIL AND CRIMINAL

	[2]	Test to Establish Existence of an Enterprise: Associations-in-Fact . . . . .	1-76
	[3]	Distinction Between Enterprise and Defendant . . . . .	1-82.2
	[4]	Economic Motive . . . . .	1-92
	[5]	Types of Enterprises . . . . .	1-96
		[a] Legitimate Business Entities . . . . .	1-96
		[b] Illegal Enterprises . . . . .	1-96
		[c] Individuals . . . . .	1-97
		[d] Labor Unions . . . . .	1-97
		[e] Governmental Entities . . . . .	1-97
		[f] Foreign Corporations . . . . .	1-98
	[6]	Effect on Interstate or Foreign Commerce . . . . .	1-98
	[7]	Avoiding the Enterprise/Person Identity Problems . . . . .	1-100
§ 1.06		Activities Prohibited Under the Act . . . . .	1-101
	[1]	Investment of the Proceeds . . . . .	1-101
	[2]	Acquiring an Interest in or Control of an Enterprise . . . . .	1-103
		[a] Interest . . . . .	1-104
		[b] Control . . . . .	1-104
	[3]	Conducting the Affairs of an Enterprise . . . . .	1-105
		[a] The “Operation or Management” Test . . . . .	1-105
		[b] <i>Reves v. Ernst &amp; Young</i> . . . . .	1-105
		[c] The <i>Reves</i> Majority’s Analysis . . . . .	1-107
		[d] Certain Implications of <i>Reves</i> . . . . .	1-108.1
		[e] Pre- <i>Reves</i> Decisions . . . . .	1-108.14
	[4]	Conspiracy . . . . .	1-108.17
§ 1.07		Injury . . . . .	1-109
	[1]	<i>Sedima, S.P.R.L. v. Imrex Co.</i> and <i>American National Bank &amp; Trust Co. v. Haroco.</i> . . . .	1-109
	[2]	Standing for Private Individuals Who Can Show Injury . . . . .	1-113
	[3]	Standing to Bring Conspiracy Claims . . . . .	1-138.3
	[4]	Injury to Business or Property . . . . .	1-138.4
	[5]	The Filed Rate Doctrine . . . . .	1-151
	[6]	Causation Nexus . . . . .	1-153
§ 1.08		Sanctions and Remedies . . . . .	1-168
	[1]	Criminal Sanctions . . . . .	1-168
	[2]	Civil Remedies . . . . .	1-172
		[a] Equitable Relief for Private Parties . . . . .	1-173
		[b] Punitive Damages and Contribution . . . . .	1-179

## TABLE OF CONTENTS

xiii

[c]	Rule 11 Sanctions . . . . .	1-180
[d]	Arbitration . . . . .	1-181
[3]	Government Civil RICO . . . . .	1-182

## CHAPTER 2

### Civil RICO: Basic Applications

§ 2.01	Overview of the RICO Private Civil Action . . . . .	2-2
	[1] Predicate Acts for RICO Civil Liability . . . . .	2-3
	[2] Requirements of a Civil RICO Pleading . . . . .	2-4
	[3] Defendant Need Not Be Charged With a Criminal Violation to Incur Civil RICO Liability . . . . .	2-4
	[4] Plaintiff Need Not Allege a Special Racketeering-Related Injury . . . . .	2-5
	[5] The Limits of RICO's Scope Are Not Clearly Delineated . . . . .	2-10
§ 2.02	The Nature of the Predicate Acts . . . . .	2-11
	[1] Mail and Wire Fraud . . . . .	2-11
	[a] Elements of the Underlying Offense . . . . .	2-16
	[b] Distinguishing Mail and Wire Fraud . . . . .	2-17
	[c] Broad Construction . . . . .	2-17
	[d] Limitations on Mail and Wire Fraud . . . . .	2-18
	[i] Communication Must Be Related to the Scheme . . . . .	2-19
	[ii] Materiality . . . . .	2-19
	[iii] Foreseeability of Communication by Defendant . . . . .	2-20
	[iv] <i>Scienter</i> . . . . .	2-20
	[v] Plaintiff's Injury Must Be to Property . . . . .	2-23
	[vi] Extraterritorial Application . . . . .	2-34
	[1A] The Hobbs Act . . . . .	2-35
	[a] Elements of the Underlying Offense . . . . .	2-36
	[b] Broad Construction . . . . .	2-40
	[c] Labor Exception . . . . .	2-43
	[2] Securities Fraud . . . . .	2-48
	[a] Standing Requirements . . . . .	2-58
	[b] The <i>Scienter</i> Requirement for a Securities Violation Under RICO . . . . .	2-60
	[3] Bankruptcy Fraud . . . . .	2-62
	[a] Courts Are Reluctant to Infer RICO Violations Arising from Activities Related to Bankruptcy . . . . .	2-63

**RICO: CIVIL AND CRIMINAL**

	[b] Shareholders Lack Standing as RICO Plaintiffs in Bankruptcy . . . . .	2-64
	[c] Third-Party Creditors Lack Standing in Bankruptcy Actions . . . . .	2-64
	[4] General Commercial Litigation . . . . .	2-65
	[a] Choice of Forum . . . . .	2-65
	[b] Treble Damages and Settlement . . . . .	2-66
	[c] Statutes of Limitations and Civil RICO . . . . .	2-67
	[i] The Implied Four-Year Statute of Limitations on Civil RICO Actions . . . . .	2-67
	[ii] Accrual of a Civil RICO Action . . . . .	2-67
	[5] Mortgage Lending Practices . . . . .	2-72
	[6] Other Applications . . . . .	2-83
§ 2.03	The Broad Application of RICO to Civil Suits . . . . .	2-84.5
	[1] Recurring Definitional Problems After <i>Sedima</i> . . . . .	2-84.5
	[2] Issues Arising in Defining a “Pattern” of Racketeering Activity. . . . .	2-85
	[3] Continuity and Relationship Required to Form a Pattern . . . . .	2-87
	[4] Relationships Among the RICO Pattern, the RICO Enterprise, and the RICO Defendant . . . . .	2-93
	[a] Pattern and Enterprise . . . . .	2-93
	[b] Enterprise and Defendant . . . . .	2-95

**CHAPTER 3****Civil RICO: Special Problems**

§ 3.01	<i>Respondeat Superior</i> . . . . .	3-2
	[1] Overview of <i>Respondeat Superior</i> Liability Under Civil RICO. . . . .	3-2
	[2] Traditional Concepts of <i>Respondeat</i> <i>Superior</i> Liability. . . . .	3-3
	[3] Does <i>Respondeat Superior</i> Apply Under Civil RICO? . . . . .	3-5
	[a] Section 1962(c) . . . . .	3-6
	[b] Sections 1962(a), (b) and (d) . . . . .	3-10

**TABLE OF CONTENTS**

xv

	[c] Policy Arguments .....	3-14
	[d] Legislative Efforts .....	3-16
	[4] Alleging a Derivative Claim Under RICO.....	3-17
§ 3.02	Arbitration Clauses .....	3-18.1
	[1] Whether Federal Claims Are Arbitrable....	3-18.1
	[2] The Rule in Civil RICO Cases .....	3-19
	[3] Collateral Estoppel .....	3-20
	[4] Waiver.....	3-22
	[5] Class Action Waivers.....	3-23
§ 3.03	Establishing Injury After <i>Sedima</i> .....	3-25
	[1] The <i>Sedima</i> Decision .....	3-25
	[2] Post- <i>Sedima</i> Decisions .....	3-25
	[a] Injury Under Section 1962(a) and (b) .....	3-25
§ 3.04	Statute of Limitations .....	3-30.4
	[1] Selecting the Applicable Limitation Period .....	3-30.4
	[2] Accrual of RICO Claims .....	3-30.4
§ 3.04A	Extraterritorial Application of RICO .....	3-39
§ 3.05	Supplemental Jurisdiction .....	3-45
	[1] Adjudication of Pendent State Claims Before 1990 .....	3-45
	[a] Federal Questions in Pendent Claims .....	3-45
	[b] Congressional Intent .....	3-45
	[c] Claims by Persons Against States....	3-47
	[2] Federal Jurisdiction Over Pendent Claims Is Discretionary .....	3-47
	[a] Factors That Counsel Against the Exercise of Jurisdiction Over Pendent State Claims .....	3-47
	[b] Factors Favoring the Exercise of Pendent Jurisdiction .....	3-48
	[3] Supplemental Jurisdiction and 28 U.S.C. § 1367.....	3-49
	[4] Effect of the Dismissal of Federal Claims on Pendent Jurisdiction .....	3-53
	[5] Effect on Pendent Claims When Federal RICO Claim Is Dismissed.....	3-56
§ 3.06	Concurrent or Exclusive Jurisdiction.....	3-58
	[1] Applicable Legal Standard.....	3-58
	[2] Preemption Issues.....	3-58
§ 3.07	Class Actions.....	3-67
	[1] Applicable Legal Standard.....	3-68

**RICO: CIVIL AND CRIMINAL**

[2]	Application of Rule 23 to RICO Claims . . . .	3-72
[a]	Decisions Before the Supreme Court's Opinion in <i>Bridge</i> . . . . .	3-73
[b]	Decisions After the Supreme Court's Opinion in <i>Bridge</i> . . . . .	3-77

**CHAPTER 4****Civil RICO: Damages**

§ 4.01	Introduction . . . . .	4-2
[1]	Overview . . . . .	4-2
[2]	The Effect of <i>Sedima</i> . . . . .	4-3
§ 4.02	Measuring RICO Damages . . . . .	4-4
[1]	General Considerations . . . . .	4-4
[2]	Out-of-Pocket Loss . . . . .	4-5
[a]	Amount Paid Minus Value Received . . . . .	4-5
[b]	Market Losses by Investors . . . . .	4-5
[3]	Restitution and Rescission—Return of Monies Paid . . . . .	4-7
[4]	Consequential Measures of Damages . . . .	4-14
[a]	Lost Wages . . . . .	4-14
[b]	Injury to Plaintiff's Business Reputation and Loss of Goodwill . . . . .	4-17
[c]	Lost Profits . . . . .	4-18
[d]	Obstruction of Justice—Expenses, Delays and Inconvenience . . . . .	4-19
[e]	Business Interruption Expenses . . . . .	4-20
[f]	Expenses of Investigation . . . . .	4-20
[g]	Personal Injury and Emotional Distress . . . . .	4-22
[5]	Benefit of the Bargain Measures of Damages . . . . .	4-23
[6]	Breach of Fiduciary Duty Measure of Damages—Salaries Paid to Disloyal Employees . . . . .	4-27
[7]	“Indirect” Damages . . . . .	4-27
[8]	Governmental Injury . . . . .	4-31
§ 4.03	Prohibited Damages . . . . .	4-37
[1]	Derivative Injury . . . . .	4-37
[2]	Personal Injury . . . . .	4-41

**TABLE OF CONTENTS**

[3] Duplicative Damages and the Treatment of Set-Offs . . . . . 4-54

[4] Punitive Damages . . . . . 4-55

[5] Contingent Damages . . . . . 4-57

§ 4.04 Special Characteristics of RICO Damages . . . . . 4-59

[1] Trebling and Attorney’s Fees Are Mandatory . . . . . 4-59

[2] Prejudgment Interest . . . . . 4-60

[3] No Contribution or Indemnification . . . . . 4-62

[4] Conclusion . . . . . 4-65

**CHAPTER 5**

**Criminal RICO: Guidelines and Applications**

§ 5.01 Introduction . . . . . 5-2

§ 5.02 The Preface to the Justice Department Guidelines . . . . . 5-8

[1] RICO Guidelines Are Generally Not Binding on the Government . . . . . 5-8

[2] Prosecutor Reliance and the Enforceability of the RICO Guidelines . . . . . 5-12

[3] Some Courts Have Effectively Exacted Government Compliance With the RICO Guidelines . . . . . 5-13

§ 5.03 The Internal Review Process of the Justice Department . . . . . 5-17

§ 5.04 Guideline I—Pre-Indictment Scrutiny of RICO Prosecutions . . . . . 5-18

[1] General Prosecutorial Considerations Under RICO . . . . . 5-18

[a] Importance of the Case . . . . . 5-18

[b] Equity of the Penalties . . . . . 5-19

[c] Other Appropriate Considerations . . . . . 5-20

[2] Prohibited Prosecutorial Objectives . . . . . 5-20

[a] No Prosecutions for Evidentiary Purposes . . . . . 5-20

[b] Use of RICO Exclusively as a Bargaining Tool Prohibited . . . . . 5-21

§ 5.05 Guideline II—Approval Required for RICO Prosecutions . . . . . 5-22

§ 5.06 Guideline III—RICO Indictments Generally Barred When Predicate Depends Entirely on Violations of State Law . . . . . 5-24

**RICO: CIVIL AND CRIMINAL**

	[1] Three Exceptions to the General Rule . . . . .	5-24
	[2] Requests by State Authorities for Federal Intervention is Acceptable . . . . .	5-24
§ 5.07	Guideline IV—The Pattern of Racketeering Activities . . . . .	5-26
	[1] Guidelines Require Multiple Transactions to Prove a RICO Pattern . . . . .	5-26
	[2] Litigation of the Pattern Requirement . . . . .	5-27
	[a] Broad Interpretation by Most Courts in Criminal Cases . . . . .	5-27
	[b] A More Restrictive View . . . . .	5-28
	[c] Revisiting the Pattern Question . . . . .	5-29
§ 5.08	Guideline V—The Pattern of Racketeering Must Be Related to the Purpose of the Enterprise . . . . .	5-30
	[1] Majority Rule . . . . .	5-30
	[2] Examples of Cases Where the Government Failed to Establish the “Through” Requirement . . . . .	5-32
§ 5.09	Guideline VI—When the Enterprise Is an Association in Fact . . . . .	5-33
	[1] General Requirements of Guideline VI . . . . .	5-33
	[2] Distinctiveness of the Enterprise and the Defendant . . . . .	5-34
	[3] “Economic Goal” of the Enterprise No Longer Required . . . . .	5-35
	[4] Conclusion . . . . .	5-36

**CHAPTER 6****Criminal RICO: Forfeiture**

§ 6.01	Introduction . . . . .	6-2
§ 6.02	Criminal Prohibitions and Punishments . . . . .	6-5
§ 6.03	Novelty of Criminal Forfeiture . . . . .	6-7
	[1] No Criminal Forfeiture Prior to RICO . . . . .	6-7
	[2] The Significance of Differences Between <i>In Rem</i> and <i>In Personam</i> Forfeiture . . . . .	6-7
§ 6.04	Overview: Forfeiture Under RICO . . . . .	6-11
	[1] Purpose of Forfeiture Under RICO . . . . .	6-11
	[2] Property Subject to Forfeiture . . . . .	6-11
	[a] Nexus Between Property and Racketeering Activity Under Section 1963(a)(1) . . . . .	6-12

**TABLE OF CONTENTS**

	[b]	Calculation of Proceeds Subject to Forfeiture Under Section 1963(a)(3) . . . . .	6-14
	[c]	Extent to Which Property Is Subject to Forfeiture Under Section 1963(a)(2) . . . . .	6-19
	[d]	Joint and Several Liability . . . . .	6-22
	[3]	The “Relation-Back” Doctrine . . . . .	6-24
	[4]	Notice of Property Subject to Criminal Forfeiture . . . . .	6-25
	[5]	Calculating the Profits Subject to Forfeiture . . . . .	6-28
	[6]	Post-Conviction Proceedings . . . . .	6-28
	[7]	Immunity for Defendant During Forfeiture Proceedings . . . . .	6-34
§ 6.05		Third-Party Interests and Forfeiture of Attorneys’ Fees . . . . .	6-35
	[1]	Third-Party Interests Generally . . . . .	6-35
	[2]	Post-Trial Forfeiture Hearing . . . . .	6-44
	[3]	Third-Party Attacks on the Forfeiture Order . . . . .	6-46
	[4]	Forfeiture of Attorneys’ Fees . . . . .	6-47
	[a]	Background . . . . .	6-47
	[b]	Supreme Court Decisions . . . . .	6-54
§ 6.06		Pretrial Restraints and Due Process . . . . .	6-60
	[1]	Purpose . . . . .	6-60
	[2]	The Statute as Amended . . . . .	6-60
	[a]	Pretrial Restraint of Substitute Assets . . . . .	6-62
	[3]	Post-Indictment Restraints and Due Process . . . . .	6-67
	[a]	Majority Rule: Post-Restraint Hearing Required for RICO Restraining Orders . . . . .	6-68
	[4]	The Government’s Position: No Full Adversarial Post-Restraint Hearing Required . . . . .	6-87
	[a]	Standard of Proof . . . . .	6-89
	[b]	Seizure of Immovable Property May Require a Pre-Seizure Hearing . . . . .	6-89
	[c]	Property Subject to Restraint . . . . .	6-90
	[5]	Status of Seized Property . . . . .	6-90
	[6]	Restraints on Third-Party Interests and Due Process . . . . .	6-92

**RICO: CIVIL AND CRIMINAL**

§ 6.07	Other Constitutional Issues With Respect to Pretrial Restraints and Actual Forfeiture . . . . .	6-95
	[1] Violation of the Presumption of Innocence . . . . .	6-95
	[2] Violation of the Eighth Amendment . . . . .	6-96
	[3] Violation of the Constitutional Prohibition Against <i>Ex Post Facto</i> Laws and Other Defenses . . . . .	6-98
	[4] Violation of the First Amendment: Obscenity Cases . . . . .	6-98
	[5] Conclusion . . . . .	6-99
§ 6.08	Comparison of Forfeiture and Other Provisions Under the Money Laundering Control Act of 1986 . . . . .	6-101

**CHAPTER 7****Prosecuting a Civil Suit: Pleading and  
Proving Plaintiff's Case**

§ 7.01	Introduction . . . . .	7-3
§ 7.02	The Pros and Cons of Charging Civil RICO . . . . .	7-9
	[1] Potential Benefits . . . . .	7-9
	[2] Potential Disadvantages . . . . .	7-13
§ 7.03	Conducting The Precomplaint Investigation . . . . .	7-17
	[1] Investigate the Factual and Legal Basis for a RICO Claim . . . . .	7-17
	[a] Obligations Imposed by Rule 11 . . . . .	7-17
	[i] Duty of Reasonable Inquiry . . . . .	7-18
	[ii] Abuse of Judicial Process . . . . .	7-19
	[b] Rule 11 in the RICO Context . . . . .	7-20
	[c] Scope of Rule 11 Sanctions . . . . .	7-21
	[i] Amount of Sanctions . . . . .	7-21
	[ii] Persons Liable for Sanctions . . . . .	7-23
	[iii] Procedural Requirements . . . . .	7-23
	[2] Explore the Legal Atmosphere for a RICO Claim . . . . .	7-23
	[a] Choice of Forum . . . . .	7-23
	[b] Arbitration Clauses . . . . .	7-25
	[c] Statutes of Limitation . . . . .	7-26
§ 7.04	Drafting the Complaint . . . . .	7-30
	[1] Overall Considerations . . . . .	7-30
	[a] Emphasize Criminal Conduct and Intent . . . . .	7-30

**TABLE OF CONTENTS**

xxi

	[b] Plead Conservatively and Alternatively .....	7-31
	[c] Plead with Particularity .....	7-32
	[d] Avoid Limiting Federal Claims to RICO .....	7-35
[2]	Plead Eight Specific Elements .....	7-36
	[a] Enterprise .....	7-36
	[b] Nexus Between “Person” and “Enterprise” .....	7-37
	[i] Separateness of Person and Enterprise .....	7-37
	[ii] Availability of <i>Respondeat         Superior</i> .....	7-38
	[iii] Section 1962(c): Conducting or Participating in an Enterprise .....	7-39
	[c] Acts of Racketeering .....	7-40
	[d] “Pattern of Racketeering Activity” .....	7-43
	[i] Continuity .....	7-44
	[ii] Relationship .....	7-46
	[e] Effect on Interstate or Foreign Commerce .....	7-46
	[f] Requisite Injury to “Business or Property” .....	7-50
	[g] Injury “By Reason Of” the RICO Violation .....	7-51
	[h] Pleading Conspiracy .....	7-55
[3]	Prayer for Relief and Demand for Jury Trial .....	7-56
[4]	Amending an Existing Complaint To Add a RICO Count .....	7-59
§ 7.05	Taking The Offensive .....	7-61
	[1] Motion to Preserve Assets .....	7-61
	[2] Motion to Preserve Evidence .....	7-62
	[3] Motions <i>In Limine</i> .....	7-63
§ 7.06	Pretrial Discovery in a RICO Case .....	7-65
	[1] Discovery Standards and Procedures .....	7-65
	[2] Fifth Amendment Issues .....	7-65
	[3] Obtaining Grand Jury Testimony .....	7-67
	[4] Obtaining Records of Government Agencies .....	7-68
§ 7.07	Proving a RICO Case .....	7-69
	[1] Burden of Proof .....	7-70
	[2] Use of Prior Criminal Conviction .....	7-71
	[3] Proof of State of Mind .....	7-72

	[4] Proof of Conspiracy . . . . .	7-72
	[5] Proof of Damage . . . . .	7-74
§ 7.08	Attorney’s Fees . . . . .	7-76

## CHAPTER 8

### Civil RICO: Defendants’ Tactics and Strategy

§ 8.01	Introduction . . . . .	8-2
§ 8.02	The Initial Response—Advisability of Motions Addressed to the Merits . . . . .	8-4
§ 8.03	Procedural Motions . . . . .	8-5
	[1] Motions to Stay . . . . .	8-5
	[a] Stay Pending Discovery on the Non-RICO Claims . . . . .	8-5
	[b] Stay Pending Arbitration . . . . .	8-5
	[c] Stay Pending Completion of Parallel Criminal Proceedings . . . . .	8-8
	[2] Motions for a Protective Order . . . . .	8-9
	[3] Motions to Sever . . . . .	8-10
	[4] Counterclaims . . . . .	8-11
	[a] RICO Counterclaims . . . . .	8-11
	[b] Counterclaims Alleging Malicious Prosecution or Abuse of Process . . . . .	8-11
	[c] Defamation . . . . .	8-12
	[5] Cross-Claims . . . . .	8-13
§ 8.04	Defenses Attacking the Pleadings . . . . .	8-14
	[1] Failure to Plead Fraud With Particularity . . . . .	8-14
	[2] Failure to Allege Probable Cause . . . . .	8-17
	[3] Rule 11 Motions . . . . .	8-18
§ 8.05	Dispositive Defenses . . . . .	8-20
	[1] Standing Challenges . . . . .	8-20
	[a] No Special Injury Requirement for RICO Plaintiffs . . . . .	8-20
	[b] Shareholder Standing . . . . .	8-22
	[c] Standing Requirements Under Section 1962(a) and (c) . . . . .	8-24
	[d] Standing of “Whistleblowers,” “Non-Participants” and “Indirect Injury” . . . . .	8-27
	[e] Assignability of RICO Claims . . . . .	8-30
	[2] Statute of Limitations . . . . .	8-31
	[3] The Enterprise as Defendant . . . . .	8-37

## TABLE OF CONTENTS

xxiii

§ 8.06	The “Pattern” of Racketeering Activity and Other Challenges . . . . .	8-43
[1]	Pattern—The Number of Predicate Acts Required . . . . .	8-43
[2]	The Pattern Requirement in Mail and Wire Fraud . . . . .	8-44
[3]	“Through” A Pattern of Racketeering Activity . . . . .	8-54
[4]	Attacks on the Predicate Acts . . . . .	8-55
[a]	Prior Conviction Requirement. . . . .	8-55
[b]	Securities Fraud . . . . .	8-56
[c]	Mail and Wire Fraud. . . . .	8-57
[d]	Miscellaneous. . . . .	8-58
[5]	<i>Mens Rea</i> . . . . .	8-59
[6]	RICO and Labor Law—the Preemption Controversy . . . . .	8-60
§ 8.07	Defendant’s Remedies—Attorney’s Fees and Costs. . . . .	8-69
§ 8.08	Equitable Defenses . . . . .	8-70
§ 8.09	Miscellaneous . . . . .	8-72

## CHAPTER 9

### Criminal RICO: Prosecutors’ Considerations

§ 9.01	Multi-Defendant RICO Prosecutions . . . . .	9-2
[1]	The Purpose of the Multi-Defendant RICO Prosecution . . . . .	9-2
[2]	Advantage of the RICO Statute for the Prosecution . . . . .	9-3
[3]	The Colombo Family Indictment. . . . .	9-7
[a]	The Enterprise . . . . .	9-7
[b]	Inclusion of State Crimes and Previous Convictions. . . . .	9-8
[c]	Inclusion of Out of District Crimes and Crimes Beyond the Normal Statute of Limitations . . . . .	9-11
§ 9.02	Drafting RICO Indictments . . . . .	9-13
[1]	In General . . . . .	9-13
[2]	The Number of Defendants and Predicates . . . . .	9-13
[3]	The “Enterprise” Section of the RICO Count . . . . .	9-19

**RICO: CIVIL AND CRIMINAL**

	[4] The Special Verdict Form . . . . .	9-22
	[5] The Court's Charge . . . . .	9-23
§ 9.03	Witness Protection. . . . .	9-24
	[1] In General. . . . .	9-24
	[2] Operation. . . . .	9-24
	[3] Benefits. . . . .	9-25
	[4] Protection as an Issue at Trial. . . . .	9-26
§ 9.04	Jury Selection . . . . .	9-27
	[1] In General. . . . .	9-27
	[2] The Anonymous Jury. . . . .	9-27
	[3] Individual Questioning and the Use of Questionnaires . . . . .	9-33
	[4] Conclusion . . . . .	9-38
§ 9.05	Trial Techniques . . . . .	9-39
	[1] In General. . . . .	9-39
	[2] Tape Cases . . . . .	9-39
	[3] Handling of the Accomplice Witness . . . . .	9-40

**CHAPTER 10****Criminal RICO: Defense Techniques**

§ 10.01	The Investigation. . . . .	10-2
	[1] The Defense Investigation . . . . .	10-2
	[2] The Reluctant Witness. . . . .	10-3
	[3] The Joint Defense Strategy . . . . .	10-4
	[4] Subpoenas. . . . .	10-6
§ 10.02	Sufficiency of the Indictment. . . . .	10-8
	[1] Pattern of Racketeering Activity . . . . .	10-9
	[2] The Enterprise . . . . .	10-16
	[a] Illegal Enterprise . . . . .	10-16
	[b] Legal Entity Enterprise . . . . .	10-18
	[c] Association With or Employment by an Enterprise . . . . .	10-19
	[3] Participation in the Conduct of the Affairs of the Enterprise Through a Pattern of Racketeering Activity. . . . .	10-20
	[4] Conspiracy . . . . .	10-22
§ 10.03	Procedural Motions . . . . .	10-22.1
	[1] Joinder and Severance . . . . .	10-22.1
	[2] Mandatory Severance. . . . .	10-23
	[3] Discretionary Severance. . . . .	10-27
§ 10.04	Miscellaneous Pretrial Motions . . . . .	10-29
	[1] Venue . . . . .	10-29

**TABLE OF CONTENTS**

[2] Double Jeopardy . . . . . 10-31

[3] Pretrial Detention . . . . . 10-34

§ 10.05 Trial Techniques . . . . . 10-35

[1] Publicity . . . . . 10-35

[2] Anonymous Jury Panels . . . . . 10-39

[3] Post-Trial Motions . . . . . 10-42

[4] Jury Instructions . . . . . 10-45

[5] Forfeitures . . . . . 10-47

[a] Bifurcation . . . . . 10-47

[b] Attorney’s Fees . . . . . 10-49

§ 10.06 Sentencing and Bail Pending Appeal . . . . . 10-52

[1] Sentencing . . . . . 10-52

[2] Bail Pending Appeal . . . . . 10-58

**CHAPTER 11**

**Civil and Criminal RICO: Parallel Proceedings**

§ 11.01 Introduction . . . . . 11-2

§ 11.02 The Strategic Problems of Parallel Proceedings . . . . . 11-3

[1] Morale and Resource Depletion . . . . . 11-3

[2] Access to Grand Jury Materials . . . . . 11-3

[3] Collateral Estoppel . . . . . 11-4

[a] Government as Plaintiff . . . . . 11-4

[b] Application for Private Plaintiffs . . . . . 11-5

[c] Application in State Criminal Proceedings . . . . . 11-6

[d] Effects of Appeals and Acquittals on Collateral Estoppel . . . . . 11-7

[e] *Res Judicata* . . . . . 11-8

[4] Discovery . . . . . 11-8

[5] Pre-Trial Seizure of Assets . . . . . 11-10

§ 11.03 Responses to Parallel Criminal and Civil RICO Actions . . . . . 11-13

[1] Benefits of Going Forward With the Civil Proceeding . . . . . 11-13

[2] Disadvantages of Advancing the Civil Proceeding . . . . . 11-13

[3] Staying RICO Civil Proceedings . . . . . 11-16

[4] Protective Order . . . . . 11-21

[5] The Fifth Amendment Privilege . . . . . 11-22

**CHAPTER 12****Government Civil RICO**

§ 12.01	Government Civil RICO: The Prosecutor's Epilogue .....	12-2
§ 12.02	Government Civil RICO in the Courts: An Overview of Significant Cases .....	12-5
§ 12.03	Common Litigation Issues .....	12-31
	[1] Collateral Estoppel .....	12-31
	[2] Preliminary Relief .....	12-32
	[a] Limiting Defendants' Participation in the Alleged Enterprise .....	12-33
	[b] Limiting Defendants' Associations With One Another .....	12-33
	[c] Appointment of a Receiver, Trustee, or Court Liaison Officer .....	12-34
	[3] Vicarious and Accessorial Liability Under Civil RICO .....	12-36
	[a] Vicarious Liability .....	12-36
	[b] Aiding and Abetting .....	12-37
	[4] Special Discovery Problems in Government Civil RICO Cases .....	12-39
	[a] Assertions of Privilege by Defendants and Witnesses .....	12-39
	[b] Motions to Stay Discovery .....	12-40
	[c] Dissemination of Discovery Materials Among Government Agencies .....	12-42
	[d] Obtaining Discovery from the Government .....	12-43
	[5] Trusteeships .....	12-44
	[6] Remedies Available to the Government .....	12-49
	[7] Pleading With Particularity .....	12-52
	[8] Constitutional Attack on RICO .....	12-54
§ 12.04	Proposed Congressional Action .....	12-57
	[1] Private Treble Damages Actions .....	12-57
	[2] RICO Predicates .....	12-58
	[3] Union Trusteeships .....	12-60
	[4] Pattern of Racketeering Activity .....	12-61

**TABLE OF CONTENTS**

xxvii

**Appendices**

<b>APPENDIX A:</b> Racketeer Influenced and Corrupt Organizations Provisions of the Organized Crime Control Act of 1970 .....	A-1
<b>APPENDIX B:</b> Department of Justice Guidelines— United States Attorneys' Manual, Title 9—Criminal Division.....	B-1
<b>INDEX</b> .....	I-1

