News Release

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# RICO Law Never Meant for Use by Foreign Governments, Paper Argues

Originally adopted as a federal tool to battle organized crime, the federal Racketeer Influence and Corrupt Organizations, or RICO, law has become a favorite weapon of plaintiffs' lawyers in private civil lawsuits. Among the many attempts to creatively expand the law's reach, none are more egregious or unfounded than recent RICO suits by foreign governments against U.S. businesses for alleged "racketeering" activities overseas. As the authors of a new Washington Legal Foundation (WLF) paper explain, because courts have failed to properly dismiss cases by foreign plaintiffs, reforms may be required to return RICO to its limited scope.

The publication, **FOREIGN GOVERNMENTS' MISUSE OF FEDERAL RICO: THE CASE FOR REFORM**, was authored for WLF by **Ignacio Sanchez** and **Kevin O'Scannlain** of the law firm *DLA Piper Rudnick Gray Cary US LLP*. The paper is the latest installment in WLF's educational WORKING PAPER series.

The first section of the paper explores the nature of these lawsuits and why they are better adjudicated in the courts of the countries that bring them. The next two sections illuminate RICO's legislative history and demonstrate how U.S. courts have unilaterally expanded the meaning of this statute over the past twenty or so years. The fourth section examines one of the most troubling aspects of the judicial expansion of the statute: the separation of powers concerns that it raises. Finally, the paper examines one possible reform that could restore the original scope of the statute and prevent the adverse consequences of failing to take corrective action.

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Copies of this educational paper, WLF WORKING PAPER, Number 138 (May 2006), can be obtained by forwarding a request to: Publications Department, Washington Legal Foundation, 2009 Massachusetts Avenue, NW, Washington, D.C. 20036, or calling (202) 588-0302.