

No. 13-7451

IN THE
Supreme Court of the United States

JOHN L. YATES,

Petitioner,

v.

UNITED STATES OF AMERICA,

Respondent.

**On Writ of Certiorari to the
United States Court of Appeals
for the Eleventh Circuit**

**BRIEF OF WASHINGTON LEGAL FOUNDATION
AS *AMICUS CURIAE*
IN SUPPORT OF PETITIONER**

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QUESTION PRESENTED

Whether a defendant is deprived of fair notice that the alleged destruction of harvested fish falls within the purview of 18 U.S.C. § 1519, a provision of the Sarbanes-Oxley Act of 2002 prohibiting the knowing destruction of “any record, document, or tangible object” with the intent to impede or obstruct an investigation.

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INTERESTS OF *AMICUS CURIAE*¹

The Washington Legal Foundation (WLF) is a public interest law firm and policy center with supporters in all 50 states. WLF devotes a substantial portion of its resources to defending and promoting free enterprise, individual rights, a limited, accountable government, and the rule of law. As part of its ongoing Business Civil Liberties Project, WLF has regularly appeared as *amicus curiae* before this Court and numerous other federal and state courts in cases addressing the proper scope of criminal prosecutions against members of the business community. *See, e.g., Stolt-Nielsen S.A. v. United States, cert. denied*, 549 U.S. 1015 (2006); *Arthur Andersen LLP v. United States*, 544 U.S. 696 (2005); *Friedman v. Sebelius*, 686 F. 3d 813 (D.C. Cir. 2012).

In addition, WLF's Legal Studies Division, the publishing arm of WLF, frequently publishes articles and sponsors media briefings on the problem of overcriminalization—the growing trend at the federal level to criminalize normal business activities. *See, e.g., Wash. Legal Found., Special Report: Federal Erosion of Business Civil Liberties* (2nd. ed., 2010); Sarah Hody & Martin Kwedar, *Stock-Option Backdating Cases Reflect Costs of Overcriminalization*, WLF LEGAL BACKGROUNDER (July

¹ Pursuant to Supreme Court Rule 37.6, *amicus* WLF states that no counsel for a party authored this brief in whole or in part; and that no person or entity, other than WLF and its counsel, made a monetary contribution intended to fund the preparation and submission of this brief. All parties have consented to the filing of this brief; letters of consent have been lodged with the Clerk.

23, 2010); J. Brady Dugan & Mark J. Botti, *Honest Services Fraud and Antitrust: Will the Supreme Court Re-Write the Rules for “Competition Crimes”?*, WLF LEGAL BACKGROUNDER (Dec. 11, 2009).

Because vague, ambiguous language in a criminal statute often deprives law-abiding citizens of the appropriate “fair warning” needed to comply with the law, this Court has repeatedly held that individual criminal defendants are entitled to know what conduct the law forbids and what the likely punishment for that conduct will be. WLF fears that the Eleventh Circuit’s overly broad interpretation of the Sarbanes-Oxley Act’s “anti-shredding” provision will radically transform the law into a trap for the unwary. Moreover, because that broad interpretation provides inadequate guidance to law enforcement agents and prosecutors, the holding below invites arbitrary and discriminatory application of federal law.

The statute at issue here, 18 U.S.C. § 1519, exhibits at least three aspects of overcriminalization that concern WLF. First, the statute criminalizes ambiguous conduct without providing a workable definition or meaningful limitation to the phrase “tangible object.” Second, as applied, the statute extends criminal law into economic activity that could best be addressed with regulatory or civil enforcement—and in fact was already adequately addressed by civil enforcement three years before criminal charges were ever filed. Finally, Congress drafted the statute to apply to the investigation of financial and other white collar crimes where the preservation of records, documents, or similar tangible objects (such as receipts or bills of lading) is

crucial to prove wrongdoing. By construing § 1519 to apply well outside the narrow category of conduct to which Congress addressed it, the holding below creates a duplicative and overlapping statute that criminalizes activity addressed more specifically in other parts of federal law governing, in this case, commercial fishing. Taken together, these facets of overcriminalization deprived Mr. Yates of fair notice that his alleged conduct fell within the statute's purview.

WLF has no direct interest, financial or otherwise, in the outcome of this case. Because of its lack of a direct interest, WLF believes that it can provide the Court with a perspective that is distinct from that of the parties. As *amicus curiae*, WLF believes that the arguments set forth in this brief will assist the Court in evaluating the issues presented by the Petition.

STATEMENT OF THE CASE

Petitioner John Yates is a commercial fisherman who harvests fish off the west coast of Florida in the Gulf of Mexico. *See* Pet. App. A2. On August 23, 2007, John Jones, a field officer with the Florida Fish and Wildlife Conservation Commission (FWC) who is deputized by the National Marine Fisheries Service to enforce federal fisheries law, observed Yates engaged in commercial fish harvesting. *Id.* Officer Jones approached and boarded the vessel, the *Miss Katie*, to inspect for gear, fishery, and boating-safety compliance. *Id.*

Once aboard the *Miss Katie*, officer Jones proceeded to measure Yates's red grouper harvest to

determine whether the fish met the minimum legal length 20 inches. Pet. App. A3. Having determined that 72 grouper were too short, Jones issued Yates a citation for the undersized fish. *Id.* It was subsequently alleged that, before returning to port, Yates ordered members of his crew to throw undersized fish overboard because, upon re-measuring the fish four days later on August 27, 2007, FWC officers determined that only 69 fish measured less than 20 inches. *Id.* at A4.

In 2010, three years after Mr. Yates received his civil citation, the U.S. Attorney for the Middle District of Florida charged him with, *inter alia*, violating the “anti-shredding” provision of the Sarbanes-Oxley Act, 18 U.S.C. § 1519, which makes it a crime punishable up to twenty years in prison to knowingly destroy, conceal, or cover up “any record, document, or tangible object” with the intent to impede or obstruct an investigation. *See* Pet. App. A6. Yates contended that the fish he harvested from the Gulf of Mexico were not undersized and that FWC officers had failed to measure them in accordance with federal law, which requires that fish be measured with their mouths open so as to produce the greatest overall length. *Id.* at A4-A5.

At trial, Yates twice moved for a judgment of acquittal, once upon the conclusion of the government’s case-in-chief and again at the close of all evidence, on the grounds that § 1519 is “a records-keeping statute aimed solely at destruction of records and documents,” Pet. at 5, and did not apply to the alleged destruction of fish. Although he initially questioned whether fish properly came within the meaning of “tangible object,” the district

judge denied both motions. Pet. App. A6. Concluding that a “tangible object” under § 1519 was not limited to records or documents, the district court opined:

Given the nature of the matters within the jurisdiction of the government agency involved in this case, and the broad language of § 1519, the Court finds that a reasonable jury could determine that a person who throws or causes to be thrown fish overboard in the circumstances of this case is in violation of § 1519.

Id. at B1-B2. The jury ultimately found Yates guilty of violating § 1519, and the district court sentenced him to 30 days in prison and three years of supervised release.

On appeal, the Eleventh Circuit affirmed. Devoting only two perfunctory paragraphs to the statutory interpretation issue, the appeals court held that a fish is a “tangible object” within the meaning of § 1519. In reaching that conclusion, the appeals court relied entirely on Black’s Law Dictionary, which defines the word “tangible” as “having or possessing physical form.” Pet. App. A10. Because a fish possesses a physical form, the appeals court reasoned, § 1519 “unambiguously applies to fish.” *Id.*

SUMMARY OF ARGUMENT

The Sarbanes-Oxley Act of 2002 sought to restore the integrity of public companies’ disclosure and accounting practices in the wake of corporate scandals such as Enron and WorldCom. Among other provisions designed to hold public companies

more accountable, § 1519—known as the “anti-shredding” provision—makes it a crime punishable up to twenty years in prison to knowingly destroy, conceal, or cover up “any record, document, or tangible object” with the intent to impede or obstruct an investigation.

Three years after receiving an administrative citation for harvesting undersized fish in the Gulf of Mexico, Petitioner, a commercial fisherman, was indicted under § 1519 for, of all things, allegedly ordering members of his crew to throw undersized fish overboard. The indictment alleged that, by causing undersized red grouper to be thrown overboard, Petitioner had in fact destroyed, concealed, or covered up a “tangible object” within the meaning of the Sarbanes-Oxley Act’s anti-shredding provision. At the time of Petitioner’s arrest, no court in the country had interpreted § 1519 in such a way as to cover Petitioner’s alleged conduct.

This Court has interpreted the Due Process Clause to require that criminal statutes put the world on notice, in words with sufficient definiteness that ordinary people can understand, of what conduct is prohibited. This void-for-vagueness doctrine has two concerns: providing fair warning to potential violators and cabining the discretion of police, prosecutors, and juries. To survive a constitutional challenge, a statute must (1) describe with sufficient particularity what a suspect must do in order to satisfy the statute and (2) establish minimal guidelines to govern prosecution and enforcement. Section 1519 does neither.

Construed by the Eleventh Circuit to include the destruction or concealment of practically *anything* that possesses a “physical form,” § 1519’s “tangible object” provision is too indefinite to establish an “ascertainable standard of guilt” under this Court’s binding precedent and is thus void for vagueness. Likewise, the Eleventh Circuit’s open-ended interpretation of § 1519 imposes no limits or standards on when prosecution may be warranted, but rather invites arbitrary enforcement by federal prosecutors and law enforcement.

Finally, even if the Eleventh Circuit’s elastic construction of § 1519 is valid for future convictions, due process precludes retroactively applying such a “novel construction” in this case where it would expand the scope of conduct subject to prosecution. At the time of Petitioner’s arrest, he had no indication that the disposal of allegedly undersized fish constituted the destruction of a “record, document, or tangible object” under federal law. No other federal appeals court had so ruled, nor had any court opined on the proper construction of “tangible object” as used in § 1519. In light of the Eleventh Circuit’s novel and unexpected construction of the Sarbanes-Oxley Act, Mr. Yates cannot be criminally punished for the alleged disposal of undersized fish in the Gulf of Mexico. The decision below should be reversed.

ARGUMENT

I. Section 1519 Failed to Give Mr. Yates “Fair Warning” That His Alleged Conduct Was Prohibited

This Court has long understood that “the dividing line between what is lawful and unlawful cannot be left to conjecture.” *Connally v. General Constr. Co.*, 269 U.S. 385, 393 (1926). To the contrary, the constitutional right of due process guarantees that no person should be forced “to speculate as to the meaning of penal statutes.” *Lanzetta v. New Jersey*, 306 U.S. 451, 453 (1939). Living under the rule of law means that citizens “are entitled to be informed as to what the State commands or forbids.” *Id.* Because “no man shall be held criminally responsible for conduct which he could not reasonably understand to be proscribed,” every law must “give a person of ordinary intelligence fair notice that his contemplated conduct is forbidden by the statute.” *United States v. Harriss*, 347 U.S. 612, 617 (1954).

Due process thus requires that a criminal statute give a defendant “fair warning” of what conduct is prohibited. “Although it is not likely that a criminal will carefully consider the text of the law before he murders or steals, it is reasonable that a fair warning should be given to the world in language that the common world will understand, of what the law intends to do if a certain line is passed.” *McBoyle v. United States*, 283 U.S. 25, 27 (1931). Accordingly, criminal laws must “employ[] words or phrases having a technical or other special meaning, well enough known to enable those within

their reach to correctly apply them, or a well-settled common-law meaning, notwithstanding an element of degree in which the definition as to which estimates might differ.” *Connally*, 269 U.S. at 391 (citations omitted).

This Court analyzes fair-warning challenges to criminal laws under the “void-for-vagueness” doctrine. Under that framework, “the terms of a penal statute creating a new offense must be sufficiently explicit to inform those who are subject to it what conduct on their part will render them liable to its penalties.” *Id.* Except where First Amendment rights are involved, vagueness challenges must be evaluated in light of the facts of the case at hand. *United States v. Mazurie*, 419 U.S. 544, 550 (1975). The fair warning component of the vagueness doctrine focuses on fairness to the targeted individual. To survive a constitutional challenge, a statute must “describe with sufficient particularity what a suspect must do in order to satisfy the statute.” *Kolender v. Lawson*, 461 U.S. 352, 361 (1983).

A statute that fails to “define the criminal offense with sufficient definiteness that ordinary people can understand what conduct is prohibited,” *id.* at 357, or fails to “establish minimal guidelines to govern law enforcement,” *id.* at 358 (quoting *Smith v. Goguen*, 415 U.S. 566, 574 (1974)), is unconstitutionally vague. Here, 18 U.S.C. § 1519, which makes it a crime punishable up to twenty years in prison to knowingly destroy, conceal, or cover up “any record, document, or *tangible object*,” fails both of these tests when applied to Mr. Yates’s conduct in this case.

Mr. Yates did not have fair warning of “what the law intend[ed] to do if a certain line [was] passed.” *McBoyle*, 283 U.S. at 27. The legislative history reveals that § 1519 was enacted by Congress to be a “general anti-shredding provision” prohibiting people from “destroying, altering, or falsifying documents.” 148 Cong. Rec. at S7419 (July 26, 2002). Of course, the provision is part of the Sarbanes-Oxley Act, a federal law enacted “[t]o protect investors by improving the accuracy and reliability of corporate disclosures made pursuant to the securities laws.” Sarbanes-Oxley Act of 2002, Pub. L. No. 107-204, 116 Stat. 745 (2002). Section 1519 forms part of § 802, which is titled “Criminal Penalties for Altering Documents.” *Id.* Section 1519 itself is titled “Destruction, alteration, or falsification of records in Federal investigations and bankruptcy.” 18 U.S.C. § 1519.

The statute does not define “tangible object,” and it leaves unanswered many questions about that elastic phrase. Nor does the phrase “tangible object” have a settled common-law meaning on which Congress could have relied in drafting the statute. There might not be a vagueness problem if “tangible object” were otherwise well defined—that is, if the phrase enjoys an ordinary and natural meaning that is commonly understood. But it does not. And although the Eleventh Circuit relied exclusively on Black’s Law Dictionary’s definition of “tangible” to supply a meaning in this case, the fair warning principle ensures that a person should be able to “conform [his] conduct to law . . . by reading the *face* of a statute—not by having to appeal to outside legal

materials.” *Sabetti v. DiPaolo*, 16 F.3d 16, 17 (1st Cir. 1994) (emphasis in original) (Breyer, J.).

In *McBoyle v. United States*, a case involving the permissible statutory reach of the National Motor Vehicle Theft Act, this Court cautioned that “[w]hen a rule of conduct is laid down in words that evoke in the common mind only the picture of vehicles moving on land, the statute should not be extended to aircraft simply because it may seem to us that a similar policy applies, or upon the speculation that if the legislature had thought of it, very likely broader words would have been used.” 283 U.S. at 27. So too here, and because § 1519 is laid down in words that evoke in the common mind only “records” and “documents,” the statute should not be extended to include fish simply because it may seem to the Eleventh Circuit that a similar policy applies.

Construed by the Eleventh Circuit to include the destruction or concealment of practically *anything* that possesses a “physical form,” § 1519’s “tangible object” provision is too indefinite to establish an “ascertainable standard of guilt” under this Court’s binding precedent and is thus void for vagueness. *United States v. L. Cohen Grocery Co.*, 255 U.S. 81, 89 (1921). Accordingly, the holding of the Eleventh Circuit should be reversed.

II. As Interpreted by the Eleventh Circuit, Section 1519 is Subject to Arbitrary and Discriminatory Enforcement

The panel’s construction of § 1519 also fails the “more important” due process requirement for

criminal statutes, “the requirement that a legislature establish minimal guidelines to govern law enforcement.” *Kolender*, 461 U.S. at 358 (quoting *Smith*, 415 U.S. at 574). This requirement arises not from the lack of notice § 1519 provides a potential offender, but from the unfettered discretion it places in the hands of federal prosecutors and law enforcement personnel.

If criminal statutes are impermissibly vague or indefinite, law enforcement will not be guided by clear standards in enforcing those statutes. Such imprecision gives police and prosecutors leverage to make unfair demands of defendants, to threaten defendants with severe punishment for relatively minor infractions, or to exploit their positions of authority for improper motives. Indeed, a vague statute “impermissibly delegates basic policy matters to policemen, judges, and juries for resolution on an ad hoc and subjective basis, with the attendant dangers of arbitrary and discriminatory application.” *Grayned v. City of Rockford*, 408 U.S. 104, 108-09 (1972).

Because they are enforced in such an ad hoc and subjective manner, vague laws also give government officials “the *de facto* power of determining what the criminal law in action shall be.” Henry M. Hart, Jr., *The Aims of the Criminal Law*, 23 Law & Contemp. Probs. 401, 428 (1958). In a famous passage in *The Spirit of the Laws*, Montesquieu asserted that separation of legislative and executive functions is vital to preventing “tyrannical” enforcement of tyrannical laws: “When the legislative and executive powers are united in the same person, or in the same body of magistrates,

there can be no liberty; because apprehensions may arise, lest the same monarch or senate should enact tyrannical laws, to enact them in a tyrannical manner.” Montesquieu, *The Spirit of the Laws* 163 (J.V. Pritchard ed., Thomas Nugent trans., 1914) (1748).² More than 70 years ago, Justice Robert Jackson cautioned:

If the prosecutor is obliged to choose his cases, it follows that he can choose his defendants. Therein is the most dangerous power of the prosecutor: that he will pick people that he thinks he should get, rather than pick cases that need to be prosecuted. With the law books filled with a great assortment of crimes, a prosecutor stands a fair chance of finding at least a technical violation of some act on the part of almost anyone.

Robert H. Jackson, *The Federal Prosecutor*, 31 Am. Inst. of Crim. L. & Criminology 3, 5 (1941). As this Court cautioned more than a century ago, “[i]t would certainly be dangerous if the legislature could set a net large enough to catch all possible offenders, and leave it to the courts to step inside and say who could be rightfully detained, and who should be set at large.” *United States v. Reese*, 92 U.S. 214, 221 (1876).

If arbitrary and discriminatory enforcement is

² Vaguely worded statutes thus raise separation-of-powers concerns under the nondelegation doctrine. If the executive branch is permitted, in effect, to re-write the law at the point of enforcement, then Congress will have abdicated its supreme policy-making role.

to be avoided, “laws must apply explicit standards for those who apply them.” *Grayned*, 408 U.S. at 108. Otherwise, if the legislature fails to provide such minimal guidelines, “a criminal statute may permit ‘a standardless sweep [that] allows policemen, prosecutors, and juries to pursue their personal predilections.’” *Kolender*, 461 U.S. at 358 (quoting *Smith*, 415 U.S. at 575).

In *Kolender*, the statute at issue required suspects to provide “credible and reliable” identification to police and to “account for their presence when requested by a peace officer under circumstances that would justify a stop under the standards of *Terry v. Ohio*.” *Id.* at 353. The Court struck down that statute because it “vest[ed] virtually complete discretion in the hands of the police to determine whether the suspect has satisfied the statute and must be permitted to go on his way in the absence of probable cause to arrest.” *Id.* at 358. The statute thus “furnishe[d] a convenient tool for harsh and discriminatory enforcement by local prosecuting officials, against particular groups deemed to merit their displeasure.” *Id.* at 360 (quotations omitted).

Similarly, the Eleventh Circuit’s open-ended interpretation of § 1519 imposes no limits or standards on when prosecution may be warranted. This lack of guidance is especially troubling given that violation of the statute permits a maximum penalty of 20 years in prison. The statute’s failure to cabin prosecutorial discretion regarding what constitutes destruction of a “record, document, or tangible object” is starkly illustrated by the instant case, in which a commercial fisherman who allegedly

caused undersized fish to be thrown overboard is deemed a criminal under an obscure statutory provision entitled “Destruction, alteration, or falsification of *records* in Federal investigations and bankruptcy.” 18 U.S.C. § 1519 (emphasis added).

As interpreted by the Eleventh Circuit, § 1519 invites abuse by enforcement agencies—not only law enforcement, but as Justice Jackson warned, by government prosecutors. If the holding below is allowed to stand, arbitrary and discriminatory enforcement will continue. Because the Eleventh Circuit’s indefinite construction of § 1519 subjects Mr. Yates to criminal liability “under a standard so indefinite that police, court, and jury were free to react to nothing more than their own preferences,” *Smith*, 415 U.S. at 578, the holding below should be reversed.

III. The Appeals Court’s Unexpected and Novel Construction of Section 1519 Operates With Impermissible *Ex Post Facto* Effect

“[L]imitations on *ex post facto* decisionmaking are inherent in the notion of due process.” *Rogers v. Tennessee*, 532 U.S. 451, 456 (2001). Even if the Eleventh Circuit’s elastic construction of § 1519 is valid for the future, due process precludes such a “novel construction” if it would expand the scope of conduct subject to prosecution in this case, where “neither the statute nor any prior judicial decision ha[d] fairly disclosed [the defendant’s conduct] to be within its scope.” *United States v. Lanier*, 520 U.S. 259, 266 (1997). This is such a case.

When a federal court construes a statute, it “explain[s] its understanding of what the statute has meant continuously since the date when it became law.” *Rivers v. Roadway Express, Inc.*, 511 U.S. 298, 313 n.12 (1994). Consequently, “an unforeseeable judicial enlargement of a criminal statute, applied retroactively, operates precisely like an *ex post facto* law.” *Bouie v. City of Columbia*, 378 U.S. 347, 353 (1964). This Court has squarely held that “due process bars courts from applying a novel construction of a criminal statute to conduct that neither the statute nor any prior judicial decision has fairly disclosed to be within its scope.” *Lanier*, 520 U.S. at 266.

Once a court interprets a statute so as to render a defendant’s conduct criminal, it may not apply that interpretation retroactively against that defendant unless “the statute, either standing alone or as construed, made it reasonably clear *at the relevant time* that the defendant’s conduct was criminal.” *Lanier*, 520 U.S. at 267 (emphasis added). This formulation provides courts with the needed flexibility to ensure that the law may evolve, *see Rogers*, 532 U.S. at 462, while ensuring fundamental fairness by requiring that the prosecution and punishment of particular conduct is foreseeable. A judicial ruling that is both unexpected and novel deprives a criminal defendant of those important protections.

“Unlike the void-for-vagueness doctrine and the rule of lenity, this rule of nonretroactivity is not a rule of statutory interpretation.” Trevor W. Morrison, *Fair Warning and the Retroactive Judicial Expansion of Federal Criminal Statutes*, 745 Cal.

L.R. 455, 469 (2001). Rather, it provides that “once a court has decided to interpret a statute a certain way, the court may not apply that interpretation retroactively if the text of the statute, or prior constructions of it, did not fairly disclose the possibility that the statute could be read that way.” *Id.*

At the time of Mr. Yates’s alleged offense, the law did not give him fair notice that the disposal of allegedly undersized fish constituted the destruction of a “record, document, or tangible object” under the Sarbanes-Oxley Act. No other federal appeals court had so ruled, nor had any court ruled on the proper construction of “tangible object” as used in § 1519. Only later in this case, when the Eleventh Circuit expanded § 1519 to cover the destruction of anything “having or possessing a physical form,” was Mr. Yates’s conduct criminalized for the first time. But in reaching that conclusion, the panel cited no applicable precedent interpreting § 1519 to support its construction, relying instead on Black’s Law Dictionary’s definition of “tangible.” The panel did cite *United States v. Sullivan*, 578 F.2d 121, 124 (5th Cir. 1978), a case noting that cocaine is a “tangible object” subject to examination and inspection under Rule 16(a) of the Rules of Criminal Procedure. But that case was decided more than two decades before enactment of the Sarbanes-Oxley Act and has nothing to do with Sarbanes-Oxley or § 1519.

Under this Court’s retroactivity analysis, criminal liability may be imposed “if, but only if, ‘in light of the pre-existing law the unlawfulness [of the conduct in question was] apparent.’” *Lanier*, 520 U.S. at 271-72 (quoting *Anderson v. Creighton*, 483

U.S. 635, 640 (1987)). In cases of first impression such as this one, due process precludes criminal liability. In light of the Eleventh Circuit's novel and unexpected construction of the Sarbanes-Oxley Act, Mr. Yates cannot be criminally punished for the alleged disposal of undersized fish in the Gulf of Mexico. The decision below should be reversed.

CONCLUSION

For the foregoing reasons, *amicus curiae* Washington Legal Foundation respectfully requests that the Court reverse the Eleventh Circuit and hold that § 1519 of the Sarbanes-Oxley Act is void for vagueness.

Respectfully submitted,

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