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## Supreme Court Will Hear Oral Argument on Monday: Does RICO Act Cover Conduct Occurring Overseas?

*(RJR Nabisco, Inc. v. The European Community)*

**“Since Congress first adopted RICO in 1970 as a device for combating organized crime, activist attorneys have tried to transform it into a tool for attacking the overseas conduct of American corporations. In an era of ever-increasing globalization, it is important to adhere to the longstanding presumption against the extraterritorial application of U.S. law.”—Cory Andrews, WLF Senior Litigation Counsel**

WASHINGTON, DC—The U.S. Supreme Court will hear oral argument on Monday, March 21 at 10:00 a.m., to consider whether to overturn a decision of the U.S. Court of Appeals for the Second Circuit that exacerbates an existing circuit split on whether, and to what extent, the Racketeer Influenced and Corrupt Organizations Act (RICO) applies extraterritorially. The Supreme Court’s decision in *RJR Nabisco, Inc. v. The European Community* could sharply reduce the viability of claims brought under RICO for overseas activities that have little or no connection to the United States. WLF Chief Counsel Richard Samp will be available Monday afternoon following oral argument to discuss the case and its likely outcome.

WLF authored the sole *amicus* brief in support of the successful cert. petition. In its follow-on merits brief, WLF argues that the decision below drastically expands the reach of RICO civil liability by misconstruing the statute to extend to allegations of foreign racketeering, foreign enterprises, and foreign injuries.

As WLF’s brief demonstrates, RICO’s civil provisions provide for treble damages and recovery of all costs, including attorneys’ fees, to prevailing plaintiffs. As a result, civil RICO is uniquely prone to abuse, even when properly cabined to wholly domestic matters. WLF’s brief contends that allowing foreign litigants to bring what would be ordinary civil disputes abroad into U.S. federal courts will dramatically increase the burden on the federal courts, impose higher litigation costs on multi-national businesses, and force defendants into coercive settlements. WLF’s merits brief was joined by the Allied Educational Foundation.

In advance of oral argument, WLF issued the following statement by Senior Litigation Counsel Cory Andrews: “Since Congress first adopted RICO in 1970 as a device for combating organized crime, activist attorneys have tried to transform it into a tool for attacking the overseas conduct of American corporations. In an era of ever-increasing globalization, it is important to adhere to the longstanding presumption against the extraterritorial application of U.S. law.”

*WLF is a free-market, public-interest law firm and policy center that regularly litigates to defend free enterprise and the rule of law from depredations like the extraterritorial application of U.S. law.*

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