

219 F.3d 1268
United States Court of Appeals,
Eleventh Circuit.

UNITED STATES of America, Plaintiff-Appellee,
v.
GOLDIN INDUSTRIES, INC., Goldin of
Alabama Inc., et al., Defendants-Appellants.

No. 97-6163. | June 29, 2000.

Defendant companies were convicted in the United States District Court for the Southern District of Alabama, No. 95-00158-CR-5, Richard W. Vollmer, Jr., J., of racketeering activities in violation of the Racketeer Influenced and Corrupt Organizations Act (RICO) and conspiracy to engage in such activities, and they appealed. After granting limited hearing en banc, the Court of Appeals, Barkett, Circuit Judge, held that indictment must name a RICO person distinct from the RICO enterprise, for purposes of RICO provision stating that it shall be unlawful for any person employed by or associated with any enterprise engaged in of affecting interstate or foreign commerce to conduct or participate in the conduct of such enterprise's affairs through a pattern of racketeering activity or collection of unlawful debt; abrogating *United States v. Hartley*, 678 F.2d 961 (11th Cir.1982).

Remanded to panel.

West Headnotes (2)

1 Racketeer Influenced and Corrupt Organizations

🔑 Indictment and Information

For purposes of Racketeer Influenced and Corrupt Organizations Act (RICO) provision stating that it shall be unlawful for any person employed by or associated with any enterprise engaged in of affecting interstate or foreign commerce to conduct or participate in the conduct of such enterprise's affairs through a pattern of racketeering activity or collection of unlawful debt, indictment must name a RICO person distinct from the RICO enterprise; corporation may not be simultaneously named as a liable "person" and as the "enterprise" in such RICO actions; abrogating *United States v. Hartley*, 678 F.2d 961 (11th Cir.1982). 18 U.S.C.A. § 1962(c).

26 Cases that cite this headnote

2 Criminal Law

🔑 Review De Novo

Whether a statute prohibits the charged conduct may be considered de novo even if the issue is raised for the first time on appeal.

1 Cases that cite this headnote

Attorneys and Law Firms

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Appeals from the United States District Court for the Southern District of Alabama.

Before ANDERSON, TJOFLAT, EDMONDSON, COX, BIRCH, DUBINA, BLACK, CARNES, BARKETT, HULL, MARCUS and WILSON, Circuit Judges.

Opinion

BARKETT, Circuit Judge:

Goldin Industries, Inc. ("Goldin Mississippi"¹), Goldin of Alabama, Inc. ("Goldin Alabama"), and Goldin Industries Louisiana, Inc. ("Goldin Louisiana") (collectively "the Goldin Corporations"), appeal their convictions for racketeering activities in violation of the Racketeer Influenced and Corrupt Organizations Statute ("RICO"), 18 U.S.C. § 1962(c), and conspiracy to engage in such activities in violation of RICO § 1962(d). The Goldin Corporations also appeal from the Final Judgment of Forfeiture and Order mandating restitution under 18 U.S.C. § 1963(a)(1) and (a)(3) of all proceeds obtained from the racketeering activity.

1 Throughout the indictment and in proceedings in the district court, Goldin Industries, Inc. is referred to as Goldin Mississippi. In order to avoid confusion, we also refer to that corporation as Goldin Mississippi.

The indictment against the Goldin Corporations under § 1962(c) alleges an “enterprise as defined in Title 18, U.S.C. § 1961(4), consisting of Martin C. Goldin, Steven L. Goldin, Jack Goldin, Goldin-Mississippi, Goldin-Alabama, Goldin-Louisiana, Alan H. Goldin” and others. It further names the same parties, except for Alan H. Goldin, as “persons employed by and associated with the enterprise as described above....” The individual defendants were acquitted.

*1270 On appeal, the Goldin Corporations first argue that the RICO convictions must be reversed because the unambiguous language of § 1962(c) requires that the RICO “person” prosecuted under the statute be separate and distinct from the RICO “enterprise” which has its affairs conducted through a pattern of racketeering activity. The Goldin Corporations make this argument notwithstanding a prior opinion of this court holding to the contrary. *United States v. Hartley*, 678 F.2d 961, 988 (11th Cir.1982). Both parties conceded in their briefs and at oral argument that this argument is foreclosed if *Hartley* has continued viability. The Goldin Corporations argue that *Hartley* was wrongly decided and should be revisited. Because a panel of this court cannot reconsider a decision of another panel,² we now reconsider *United States v. Hartley en banc*.

2 See *United States v. Hogan*, 986 F.2d 1364, 1369 (11th Cir.1993) (“It is the firmly established rule of this Circuit that each succeeding panel is bound by the holding of the first panel to address an issue of law, unless and until that holding is overruled en banc, or by the Supreme Court.”).

DISCUSSION

1 18 U.S.C. § 1962(c) provides:

It shall be unlawful for any person employed by or associated with any enterprise engaged in, or the activities of which affect, interstate or foreign commerce, to conduct or participate, directly or indirectly, in the conduct of such enterprise's affairs through a pattern of racketeering activity or collection of unlawful debt.

In *Hartley*, as the first appellate court to address this question, this Court held that a corporation may be simultaneously named as a liable “person” and as the “enterprise” in § 1962(c) actions. After *Hartley* was decided, every other circuit had the opportunity to address the question and unanimously held, contrary to *Hartley*, that the defendant named in a § 1962(c) indictment must be separate and distinct from the

“enterprise” named therein. See *Yellow Bus Lines, Inc. v. Drivers, Chauffeurs & Helpers Local Union 639*, 883 F.2d 132 (D.C.Cir.1989), *rev'd in part on other grounds*, 913 F.2d 948 (D.C.Cir.1990) (*en banc*); *Puckett v. Tenn. Eastman Co.*, 889 F.2d 1481 (6th Cir.1989); *Garbade v. Great Divide Mining and Milling Corp.*, 831 F.2d 212 (10th Cir.1987); *Bishop v. Corbitt Marine Ways, Inc.*, 802 F.2d 122 (5th Cir.1986); *Schofield v. First Commodity Corp.*, 793 F.2d 28 (1st Cir.1986); *Bennett v. United States Trust Co. of New York*, 770 F.2d 308 (2nd Cir.1985); *B.F. Hirsch v. Enright Refining Co., Inc.*, 751 F.2d 628 (3rd Cir.1984); *Haroco, Inc. v. American Nat'l Bank and Trust Co. of Chicago*, 747 F.2d 384 (7th Cir.1984), *aff'd on other grounds*, 473 U.S. 606, 105 S.Ct. 3291, 87 L.Ed.2d 437 (1985); *Rae v. Union Bank*, 725 F.2d 478 (9th Cir.1984); *United States v. Computer Sciences Corp.*, 689 F.2d 1181 (4th Cir.1982), *overruled in part*, *Busby v. Crown Supply, Inc.*, 896 F.2d 833 (4th Cir.1990) (the Fourth Circuit, deciding this issue *en banc*, upheld *Computer Sciences'* holding with regard to § 1962(c) but overruled *Computer Sciences'* similar finding that an indictment under § 1962(a) requires that the RICO defendant be separate and distinct from the RICO enterprise); *Bennett v. Berg*, 685 F.2d 1053 (8th Cir.1982).

These courts have reasoned that the plain language of § 1962(c) envisions two separate entities, which comports with legislative intent and policy. The rule adopted by our sister circuits reflects Congress' intention in § 1962(c) to target a specific variety of criminal activity, “the exploitation and appropriation of legitimate businesses by corrupt individuals.” *Yellow Bus Lines*, 883 F.2d at 139 (citing S.Rep. No. 617, 91st Cong., 1st Sess. 76-78 (1969), U.S.Code Cong. & Admin. News 1970, p. 4007). The distinction between the RICO person and the RICO enterprise is necessary because the enterprise itself can be a passive instrument or victim of the racketeering activity. See *Bennett*, 770 F.2d at 315 (“Such a distinction focuses the section on the culpable party and recognizes that the enterprise itself is often *1271 a passive instrument or victim of the racketeering activity.”).

2 On appeal, the Goldin Corporations argued that *Hartley* should be reconsidered by the en banc court and reversed. The government asserts that we cannot consider this argument because Goldin's objection to the indictment was raised for the first time on appeal. However, whether a statute prohibits the charged conduct may be considered de novo even if the issue is raised for the first time on appeal. See *United States v. Tomeny*, 144 F.3d 749, 750 (11th Cir.1998).

After oral argument before a panel of this court, the parties were requested to file briefs solely on the issue of whether *Hartley* was correctly decided. In its supplemental brief, the Government concedes that *Hartley* was wrongly decided. We now agree with our sister circuits that, for the purposes of 18 U.S.C. § 1962(c), the indictment must name a RICO person distinct from the RICO enterprise. The plain language of the statute requires that the entities be distinct. Having decided

that *United States v. Hartley* is no longer the law of this Circuit, we remand to the original panel in this case all other matters to be resolved in this appeal.

REMANDED TO THE PANEL.

Parallel Citations

RICO Bus.Disp.Guide 9914, 13 Fla. L. Weekly Fed. C 802

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