

Supreme Court Extends RICO to Personal Injury Claims

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On April 2, 2025, the U.S. Supreme Court expanded the type of civil actions that can be brought under the Racketeer Influenced and Corrupt Organizations Act (RICO) to include personal injury claims that caused economic harm in *Medical Marijuana, Inc v. Horn*. 604 U.S. ____ (2025). The 5-4 decision allows personal injury plaintiffs to seek treble damages and may weaken defendant's ability to dismiss RICO claims without extensive discovery. Treble damages are a type of remedy where the court is required to award the plaintiff triple the amount of actual damages determined by the jury in certain situations.

This case involved a commercial truck driver who ingested legal CBD products that falsely claimed to contain no federally illegal THC. He then failed a drug test and lost his job. Because his damages were economic in nature, the Court held that they fell within RICO's limitation on recovery for injury to "business or property," explaining that the RICO statute is focused on the type of harm, not the cause of that harm. The Court offered a hypothetical to demonstrate the nuance, noting that "a gas station owner beaten in a robbery cannot recover for his personal pain and suffering. But if the injuries from the robbery force him to shut his doors, he can recover for the loss of his business." *Medical Marijuana, Inc.*, slip op. at 6.

The decision resolves a 3-2 circuit split. Ruling in the plaintiff's favor below, the Second Circuit joined the Ninth in allowing civil RICO claims stemming from personal injury suits. Conversely, the Sixth, Seventh, and Eleventh Circuits have each ruled that RICO excludes damages arising from personal injuries.

Justices Thomas and Kavanaugh dissented. Justice Thomas argued that the parties failed to brief a threshold issue-whether the plaintiff had actually suffered a personal injury. Justice Kavanaugh, joined by Justice Roberts and Alito, warned that the majority's interpretation would circumvent RICO's exclusion of personal injury suits and violate Congress' intentions.

While the decision opens the door for more racketeering claims and the treble damages that come with them, RICO's applicability has other limitations. First, a RICO claim requires a direct relationship between the injury and racketeering-applying a more stringent standard than other torts. Second, RICO requires a pattern of racketeering activity, so "a harm resulting from a single tort is not a ticket to federal court for treble damages." *Medical Marijuana, Inc.*, slip op at 18.

Companies can expect an increase in personal injury plaintiffs adding RICO claims threatening treble damages and leveraging that threat in settlement negotiations. If you have questions regarding this decision's impact, the [White Collar Practice Group](#) is here to help.

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