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NOTE: Where it is feasible, a syllabus (headnote) will be released, as is being done in connection with this case, at the time the opinion is issued. The syllabus constitutes no part of the opinion of the Court but has been prepared by the Reporter of Decisions for the convenience of the reader. See *United States v. Detroit Timber & Lumber Co.*, 200 U. S. 321, 337.

SUPREME COURT OF THE UNITED STATES

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BRIDGE ET AL. *v.* PHOENIX BOND & INDEMNITY CO.
ET AL.

CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR
THE SEVENTH CIRCUIT

No. 07–210. Argued April 14, 2008—Decided June 9, 2008

Each year the Cook County Treasurer’s Office holds a public auction to sell its tax liens on delinquent taxpayers’ property. To prevent any one buyer from obtaining a disproportionate share of the liens, the county adopted the “Single, Simultaneous Bidder Rule” (Rule), which requires each buyer to submit bids in its own name, prohibits a buyer from using “apparent agents, employees, or related entities” to submit simultaneous bids for the same parcel, and requires a registered bidder to submit a sworn affidavit affirming its compliance with the Rule. Petitioners and respondents regularly participate in the tax sales. Respondents filed suit, alleging that petitioners fraudulently obtained a disproportionate share of liens by filing false compliance attestations. As relevant here, they claim that petitioners violated and conspired to violate the Racketeer Influenced and Corrupt Organizations Act (RICO) through a pattern of racketeering activity involving mail fraud, which occurred when petitioners sent property owners various notices required by Illinois law. The District Court dismissed the RICO claims for lack of standing, finding that respondents were not protected by the mail fraud statute because they did not receive the alleged misrepresentations. Reversing, the Seventh Circuit based standing on the injury respondents suffered when they lost the chance to obtain more liens, and found that respondents had sufficiently alleged proximate cause because they were immediately injured by petitioners’ scheme. The court also rejected petitioners’ argument that respondents are not entitled to relief under RICO because they had not received, and therefore had not relied on, any false statements.

Held: A plaintiff asserting a RICO claim predicated on mail fraud need

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not show, either as an element of its claim or as a prerequisite to establishing proximate causation, that it relied on the defendant's alleged misrepresentations. Pp. 6–21.

(a) In 18 U. S. C. §1964(c), RICO provides a private right of action for treble damages to “[a]ny person injured in his business or property by reason of a violation,” as pertinent here, of §1962(c), which makes it “unlawful for any person employed by or associated with” a qualifying enterprise “to conduct or participate . . . in the conduct of such enterprise’s affairs through a pattern of racketeering activity,” including “mail fraud,” §1961(1)(B). Mail fraud, in turn, occurs whenever a person, “having devised or intending to devise any scheme or artifice to defraud,” uses the mail “for the purpose of executing such scheme or artifice.” §1341. The gravamen of the offense is the scheme to defraud, and any “‘mailing . . . incident to an essential part of the scheme’ . . . satisfies the mailing element,” *Schmuck v. United States*, 489 U. S. 705, 712, even if the mailing “contain[s] no false information,” *id.*, at 715. Once the relationship among these statutory provisions is understood, respondents’ theory of the case is straightforward. Petitioners nonetheless argue that because the alleged pattern of racketeering activity is predicated on mail fraud, respondents must show that they relied on petitioners’ fraudulent misrepresentations, which they cannot do because the misrepresentations were made to the county. Nothing on the statute’s face imposes such a requirement. Using the mail to execute or attempt to execute a scheme to defraud is indictable as mail fraud, and hence a predicate racketeering act under RICO, even if no one relied on any misrepresentation, see *Neder v. United States*, 527 U. S. 1, 24–25; and one can conduct the affairs of a qualifying enterprise through a pattern of such acts without anyone relying on a fraudulent misrepresentation. Thus, no reliance showing is required to establish that a person has violated §1962(c) by conducting an enterprise’s affairs through a pattern of racketeering activity predicated on mail fraud. Nor can a first-party reliance requirement be derived from §1964(c), which, by providing a right of action to “[a]ny person” injured by a violation of §1962, suggests a breadth of coverage not easily reconciled with an implicit first-party reliance requirement. Moreover, a person can be injured “by reason of” a pattern of mail fraud even if he has not relied on any misrepresentations. For example, accepting respondents’ allegations as true, they were harmed by petitioners’ scheme when they lost valuable liens they otherwise would have been awarded. Pp. 6–10.

(b) None of petitioners’ arguments—that under the “common-law meaning” rule, Congress should be presumed to have made reliance an element of a civil RICO claim predicated on a violation of the mail

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fraud statute; that a plaintiff bringing a RICO claim based on mail fraud must show reliance on the defendant's misrepresentations in order to establish proximate cause; and that RICO should be interpreted to require first-party reliance for fraud-based claims in order to avoid the “overfederalization” of traditional state-law claims—persuades this Court to read a first-party reliance requirement into a statute that by its terms suggests none. Pp. 10–21.

477 F. 3d 928, affirmed.

THOMAS, J., delivered the opinion for a unanimous Court.