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## **<i>Ideal Steel Supply Corp.</i> v. <i>Anza</i>: The Second Circuit Clarifies The Proximate Cause Requirement of a Civil RICO Action Under 18 U.S.C. § 1962(a)**

**Date:** 07/20/11

On June 28, 2011, the United States Court of Appeals for the Second Circuit issued the latest in a series of decisions in *Ideal Steel Supply Corp. v. Anza*, interpreting the proximate cause requirement in civil actions under the Racketeer Influenced and Corrupt Organizations Act ("RICO"). On remand from the Supreme Court, the district court had dismissed, for lack of proximate cause, Ideal's claim under 18 U.S.C. § 1962(a) that it had "lost business as a result of defendants' investment of funds, derived from a pattern of racketeering activity, in the establishment and operation of a commercial enterprise in competition with plaintiff's business." The Supreme Court had previously dismissed the portion of the RICO claim brought under 18 U.S.C. § 1962(c) for want of proximate causation but had indicated that "it is at least debatable" whether the same proximate causation standards applied under § 1962(a). In reversing the district court's decision on remand, the Second Circuit concluded that the causation standards under the two subsections are indeed different, and it held that a claim was stated under § 1962(a) notwithstanding the previous dismissal of the claim under § 1962(c).

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