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CIVIL RICO—INTRODUCTION.
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814.40 INTRODUCTION TO RICO INSTRUCTIONS

The North Carolina Racketeer Influenced and Corrupt Organizations Act (NC-RICO or the Act) was enacted in 1986. 2009 N.C. Sess. Laws 360, 361, ch. 999, §§ 1 *et seq.* and codified as Chapter 75D of the North Carolina General Statutes. The General Assembly found that “a severe problem is posed in this State by the increasing organization among certain unlawful elements and the increasing extent to which organized unlawful activities and funds acquired as a result of organized unlawful activity are being directed to and against the legitimate economy of the State.” N.C. Gen. Stat. § 75D-2(a). The express purpose of the legislation is:

to deter organized unlawful activity by imposing civil equitable sanctions against this subversion of the economy by organized unlawful elements; to prevent the unjust enrichment of those engaged in organized unlawful activity; to restore [to] the general economy of the State all of the proceeds, money, profits, and property, both real and personal of every kind and description which is owned, used or acquired through organized unlawful activity by any person or association of persons whether natural, incorporated or unincorporated in this State; *and to provide compensation to private persons injured by organized unlawful activity.*

N.C. Gen. Stat. § 75D-2(b) (emphasis added).¹

Among the remedies provided by the Act is a private “cause of action” for an “innocent person who is injured or damaged in his business or property by reason of any violation” of the provisions of N.C. Gen. Stat. §

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75D-4 “involving a pattern of racketeering activity.” N.C. Gen. Stat. § 75D-8(c). The claim is for “three times the actual damages sustained and reasonable attorneys fees.” *Id.*

N.C. Gen. Stat. § 75D-4 prohibits certain conduct, which can be conveniently divided into three basic categories. It is unlawful:

1. To *engage* in a “*pattern of racketeering activity,*” or to acquire or maintain an interest in any “*enterprise*” or property through racketeering activities. N.C. Gen. Stat. § 75D-4(a)(1).
2. To *conduct* or *participate in* an “*enterprise*” through a “*pattern of racketeering activity.*” N.C. Gen. Stat. § 75D-4(a)(2).
3. To *conspire* or *attempt* to engage in the conduct prohibited by the provisions applicable to (1) and (2), above. N.C. Gen. Stat. § 75D-4(a)(3).

The Act defines the key terms, “*enterprise,*” “*racketeering activity*” and “*pattern of racketeering activity.*” N.C. Gen. Stat. § 75D-3(a)-(c).

These instructions address liability issues only. An instruction for actual damages should be given, with the amount of the award, if any, trebled and reasonable attorneys fees added pursuant to N.C. Gen. Stat. § 75D-8(c).

1 The legislation is not intended to interfere with “attorney-client relationship[s],” apply to “isolated and unrelated incidents of unlawful conduct,” or subject to suit under the provisions of this Chapter “legitimate business organizations doing business in this State, having no connection to, or any relationship or involvement with organized unlawful elements, groups or activities.” N.C. Gen. Stat. §§ 75D-2(b), (c).