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Appeals court revives RICO claim against CEO over alleged employee poaching

Hiring a rival's star staff just got riskier - one CEO now faces personal RICO exposure



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A federal appeals court has revived a racketeering case against a CEO accused of growing his company by poaching rivals' staff - and their secrets.

The decision, issued June 9, 2026, by the [US Court of Appeals for the Fifth Circuit](#), reverses a lower court and puts EnvTech, Inc.'s lawsuit against Patrick DeBusk back in play. DeBusk is the founder, chairman and CEO of USA DeBusk LLC, an industrial cleaning company. EnvTech is suing him under the federal racketeering law known as RICO, which targets ongoing patterns of criminal conduct.

Strip away the refinery chemistry and this is a hiring story. EnvTech alleges that the company's regular play is to hire competitors' key employees and use their proprietary knowledge - all at DeBusk's direction.

According to the complaint, two longtime EnvTech employees, one of them a former part-owner, left for USAD carrying knowledge of EnvTech's confidential cleaning formula. Both, the filing says, were bound by confidentiality obligations, and one had signed a written agreement not to use EnvTech's confidential information. The complaint names them as alleged non-party co-conspirators; neither is a defendant in this case.

The court drew a sharp line around what it actually decided. It did not find DeBusk did anything wrong. It held only that EnvTech had "plausibly alleged" enough to survive dismissal - the stage where a judge accepts a plaintiff's facts as true just to see if the case can go forward.

Among the things the court weighed was DeBusk's own testimony. EnvTech's filing quotes his state court deposition, in which he said he "never thought about trade secrets" because the business plan is "more about execution of hiring people." Read in EnvTech's favor, the court wrote, that line could support an inference of an "illegal modus operandi" of hiring rivals' staff to get at their secrets.

To show a pattern, EnvTech also leaned on lawsuits brought by other competitors, each alleging USAD took trade secrets after hiring their people. In one of those matters, the complaint alleges DeBusk was "personally involved in the hiring" of two former employees and "induced them to violate their confidentiality and non-solicitation agreements."

The takeaway for HR is unusually direct. A lateral hire from a competitor can carry that competitor's legal claims into your business, and the exposure can reach the corner office. The court let a personal racketeering claim against a chief executive move forward, pointing to his position atop a company he founded and runs and to his alleged direction of the push for new business. Restrictive covenants run through the case - both the agreements EnvTech's departing staff allegedly broke and the rivals' agreements that USAD's hires allegedly violated.

So the recruiting checklist gets longer. What is the new hire bringing? What are they barred from using? And how much does leadership know - and bless - when it goes after a competitor's best people?

The allegations have not been tested in court. No court has found that DeBusk committed trade secret theft or any other wrongdoing. The appeals court ruled only that the claims are plausible enough to continue, and the case now heads back to the district court, where DeBusk has fought the claims throughout, arguing he was just an ordinary executive pushing into a new market while others, if anyone, did wrong.

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