

RICO Trade Secret Suit Can Survive In Texas, 5th Circ. Says

By **Adam Lidgett**

Law360 (June 9, 2026, 6:18 PM EDT) -- The Fifth Circuit on Tuesday reversed a lower court's decision dismissing a lawsuit against the head of an industrial cleaning services company over allegations that his business routinely steals employees from competitors, finding there was a plausible claim against him personally.

In a published opinion, a three-judge panel of the circuit court reversed a Texas federal judge's finding that plaintiff EnvTech Inc. failed to make a plausible claim against USA DeBusk LLC CEO Patrick DeBusk in the Racketeer Influenced and Corrupt Organizations Act case, remanding it back down.

There was enough in EnvTech's allegations to keep the case alive, including its claims that DeBusk told his company to get EnvTech's proprietary cleaning process for hydrofluoric acid alkylation units in oil refineries, according to the circuit court. The appellate panel noted "the evident rarity of EnvTech's trade secret, as shown by EnvTech's being the only purveyor of" a type of chemical cleaning product meant for hydrofluoric acid alkylation units "before USAD entered the business."

The appellate court said "DeBusk encouraged the use of that trade secret to generate potentially millions in revenue, and continued to do so even after EnvTech" filed an earlier state court lawsuit against his company and a former minority owner of EnvTech who was not a party to the instant case.

"These facts, in addition to the allegations that DeBusk's actions with respect to the two other competitors were similar, support the inference that trade secret theft became USAD's regular way of doing business during the relevant period, posing a threat of future repetition that is not abated by USAD's apparently refraining from further acts," the panel said.

EnvTech alleged that in 2012, a former minority owner with knowledge of its confidential chemical blends and methods left the company to work for USA DeBusk. EnvTech said it keeps its formulas so protected it doesn't even keep them in writing, adding that only a few people are privy to the information.

Robert M. Millimet, an attorney who represented EnvTech before the Fifth Circuit, said in a statement to Law360 on Tuesday he was "thrilled with this decision," which he said was "recognizing that a victim of such theft can use RICO to sue a CEO who intentionally engages in a modus operandi of stealing competitors' trade secrets."

"This decision confirms that potential liability for treble damages under RICO exists for those seeking to grow their business by intentionally stealing their competitors' trade secrets — which is exactly what happened to EnvTech," Millimet said.

Counsel for DeBusk did not immediately respond to a request for comment.

U.S. Circuit Judges Leslie H. Southwick, Stephen A. Higginson and Dana Douglas sat on the panel for the Fifth Circuit.

EnvTech is represented by Robert M. Millimet and Jennifer S. Richards of Richards Law PLLC, William A. Cohan and Gabriel L. Cohan of William A. Cohan PC, Reece Rondon and Jeffrey T. Bentch of Hall

Maines Lugin PC, and John D. O'Connor of O'Connor and Associates.

DeBusk is represented by M. Carter Crow, Warren S. Huang, Kevin Lie and Jonathan S. Franklin of Norton Rose Fulbright.

The case is EnvTech v. DeBusk, case number 25-40237, in the U.S. Court of Appeals for the Fifth Circuit.

--Editing by Nick Siwek.