

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF
ILLINOIS, EASTERN DIVISION

Holy Bible Missionary Baptist Church, Johnathan Johnson, and
Deronda Powell, on behalf of themselves and those similarly situated
v. City of Harvey, Christopher Clark, Richard Seput, and Corean
Davis

Holy Bible Missionary Baptist Church · No. 25-cv-3264 · Decided March 6, 2026

SUMMARY

The United States District Court for the Northern District of Illinois granted the defendants’ Rule 12(b)(6) motion to dismiss claims arising from alleged overbilling for municipal water services. The court held that the complaint failed to plausibly plead RICO racketeering activity, individual defendants’ involvement, predicate mail or wire fraud acts, or an association-in-fact enterprise. The state-law claims were dismissed without prejudice, and plaintiffs were granted leave to amend by March 27, 2026, subject to stated limitations.

CASE DETAILS

COURT	United States District Court for the Northern District of Illinois, Eastern Division
WRITING FOR THE COURT	April M. Perry
JURISDICTION	United States District Court for the Northern District of Illinois, Eastern Division
DECIDED	March 6, 2026
DOCKET	25-cv-3264
DISPOSITION	dismissed
PROCEDURAL POSTURE	Defendants moved to dismiss the complaint under Federal Rule of Civil Procedure 12(b)(6). The court granted the motion, dismissed the RICO claim, dismissed the state-law claims without prejudice, and granted plaintiffs leave to amend subject to specified limitations.
STANDARD OF REVIEW	On a Rule 12(b)(6) motion, the court accepts well-pleaded allegations as true and determines whether the complaint states a plausible claim for relief; fraud-based claims must satisfy Rule 9(b)'s particularity requirement.

PRECEDENTIAL VALUE	unpublished district court opinion
PARTIES	Holy Bible Missionary Baptist Church, Johnathan Johnson, Deronda Powell, on behalf of themselves and those similarly situated v. City of Harvey, Christopher Clark, Richard Seput, Corean Davis

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QUESTIONS PRESENTED

1. Whether the complaint plausibly alleged a RICO claim under 18 U.S.C. § 1962(c).
2. Whether the alleged RICO predicate acts of mail fraud, wire fraud, or state-law theft were pleaded with the specificity required by Federal Rule of Civil Procedure 9(b).
3. Whether the complaint plausibly alleged the individual defendants' participation in the alleged RICO scheme.
4. Whether the complaint plausibly alleged an association-in-fact RICO enterprise.
5. Whether the City of Harvey could be repleaded as a RICO defendant.
6. Whether the court should retain supplemental jurisdiction over the state-law claims after dismissing the federal claim.

HOLDINGS

1. The complaint did not plausibly allege racketeering activity because allegations that Harvey's water bills were inaccurate or excessive did not support an inference of a fraudulent scheme rather than negligence, incompetence, or mistake.
2. The complaint failed to plead the alleged mail- and wire-fraud predicate acts with the particularity required by Rule 9(b) because it did not identify any mailing or wiring with sufficient detail regarding time, place, content, or participants.
3. The complaint failed to plausibly allege that Clark, Seput, or Davis personally participated in the alleged RICO conduct.
4. The complaint did not plausibly allege an association-in-fact RICO enterprise because it did not plead the required purpose, relationships among the associates, or longevity sufficient to pursue the enterprise's purpose.
5. Plaintiffs were not permitted to replead a RICO claim against the City of Harvey because the weight of authority holds that municipalities are not proper RICO defendants, and plaintiffs themselves asserted that the City was not the wrongdoer.

6. The court dismissed the state-law claims without prejudice after dismissing the only claim supporting federal subject-matter jurisdiction.

KEY QUOTATIONS

“A claim is facially plausible “when the plaintiff pleads factual content that allows the court to draw the reasonable inference that the defendant is liable for the misconduct alleged.””

“To be clear: the complaint must do more than speculate, draw legal conclusions, or add the words “upon information and belief” before it speculates or draws legal conclusions.”

“One might infer from the complaint that the purpose of the enterprise was to send false water bills and collect the profits therefrom, but an enterprise must have “a structure and goals separate from the predicate acts themselves.””

FACTUAL BACKGROUND

Plaintiffs alleged that the City of Harvey overcharged property owners for water by inflating usage figures or estimating bills rather than reading meters. Holy Bible Missionary Baptist Church alleged that its monthly bills increased from approximately \$40-\$50 to more than \$500, and Deronda Powell alleged similar increases. Plaintiffs attributed the alleged conduct to Harvey officials and asserted RICO, Illinois consumer-protection, deceptive-trade-practices, and common-law claims.

PROCEDURAL HISTORY

Plaintiffs filed claims under RICO, the Illinois Consumer Fraud and Deceptive Business Practices Act, the Illinois Uniform Deceptive Trade Practices Act, and Illinois common law. Defendants moved to dismiss under Rule 12(b)(6). The district court dismissed the federal RICO claim for failure to plausibly plead racketeering activity, individual defendants' participation, predicate acts, and an enterprise, and relinquished jurisdiction over the remaining state-law claims without prejudice.

DISPOSITION

dismissed

CASES CITED

- Berthold Types Ltd. v. Adobe Systems, Inc., 242 F.3d 772, 776 (7th Cir. 2001)
- Henson v. CSC Credit Services, 29 F.3d 280, 284 (7th Cir. 1994)
- Erickson v. Pardus, 551 U.S. 89, 94 (2007)
- Roldan v. Stroud, 52 F.4th 335, 339 (7th Cir. 2022)
- Bell Atlantic Corp. v. Twombly, 550 U.S. 544, 555 (2007)
- Ashcroft v. Iqbal, 556 U.S. 662, 678 (2009)
- Borsellino v. Goldman Sachs Group, Inc., 477 F.3d 502, 507 (7th Cir. 2007)
- Sears v. Likens, 912 F.2d 889, 893 (7th Cir. 1990)

- United States ex rel. Presser v. Acacia Mental Health Clinic, LLC, 836 F.3d 770, 776 (7th Cir. 2016)
- Camasta v. Jos. A. Bank Clothiers, Inc., 761 F.3d 732, 737 (7th Cir. 2014)
- Bible v. United Student Aid Funds, Inc., 799 F.3d 633, 655 (7th Cir. 2015)
- Goren v. New Vision International, Inc., 156 F.3d 721, 726, 730-31 (7th Cir. 1998)
- Jepson, Inc. v. Makita Corp., 34 F.3d 1321, 1328 (7th Cir. 1994)
- Bankers Trust Co. v. Old Republic Insurance Co., 959 F.2d 677, 683-84 (7th Cir. 1992)
- Boyle v. United States, 556 U.S. 938, 946 (2009)
- United States v. Masters, 924 F.2d 1362, 1367 (7th Cir. 1991)
- United Food & Commercial Workers Unions & Employers Midwest Health Benefits Fund v. Walgreen Co., 719 F.3d 849, 854 (7th Cir. 2013)
- Rogers v. City of New York, 359 F. App'x 201 (2d Cir. 2009)
- Pedrina v. Chun, 97 F.3d 1296, 1300 (9th Cir. 1996)
- Call v. Watts, 142 F.3d 432 (6th Cir. 1998)
- Gentry v. Resolution Trust Corp., 937 F.2d 899, 914 (3d Cir. 1991)
- Carroll v. Brown, 1988 WL 130004, at *4 (N.D. Ill. Nov. 25, 1988)
- Dietchweiler by Dietchweiler v. Lucas, 827 F.3d 622, 631 (7th Cir. 2016) (per curiam)
- Monell v. Department of Social Services, 436 U.S. 658 (1978)