

# Venezuelan Nationals' RICO Suit Asserting Defamation Tossed

By **Carolina Bolado**

Law360 (May 20, 2025, 9:56 PM EDT) -- A Florida federal judge has dismissed racketeering and other claims against a director of Venezuela's state-owned oil company and others after determining that the suit accusing them of engaging in a defamatory campaign to smear civic leaders is a shotgun pleading.

In an **order filed Friday**, U.S. District Judge Beth Bloom tossed a lawsuit filed by Ivan Freites, Miguel Enrique Otero and Jorge Alejandro Rodriguez accusing Horacio Medina, who is the president of the ad hoc board of directors of Petr leos de Venezuela SA that controls the company's U.S. assets, and others, including a former Venezuelan ambassador, a professor and a film director, of orchestrating a campaign to defame them as a result of their lawsuit in Delaware.

The judge agreed with the defendants that the complaint "constitutes a classic shotgun pleading" that suffers from all of the "four mortal sins" laid out by the Eleventh Circuit in its 2015 decision in *Weiland v. Palm Beach County Sheriff's Office*, a police brutality suit.

Judge Bloom said that would be enough to dismiss the complaint, but she opted to address the defendants' other arguments, including that the claims are prohibited by the single action rule, which precludes a plaintiff from asserting multiple causes of action when they arise from the same allegedly defamatory publication.

"Plaintiffs have attempted to repackage their defamation allegations into additional federal causes of actions to drastically broaden the sweep of the instant suit and litigate their claims in federal court," the judge said. "However, such conduct is prohibited under the single action rule. Because plaintiffs do not distinguish their defamation allegations from those supporting their federal claims, the federal claims must be dismissed."

She said the plaintiffs failed to allege valid predicate acts required to establish racketeering activity and could not plead wire fraud based on a defamation scheme. The judge also said allegations that the defendants improperly disclosed some sealed materials in another suit filed by the plaintiffs in Delaware is not racketeering but bad faith litigation tactics that should be handled by the judge in Delaware.

"The court notes that plaintiffs do not allege that the Delaware court was corrupted by defendants' allegedly wrongful actions, and there is no other obvious reason to litigate these claims in a federal court in Florida," the judge said. "As such, principles of comity strongly favor the judge presiding over the Delaware litigation to address any alleged improper disclosure in connection to that litigation."

Judge Bloom dismissed the federal claims with prejudice but dismissed the state law claims without prejudice to allow the plaintiffs to assert any valid claims in state court.

Freites, Otero and Rodriguez filed their lawsuit in January against Medina; political science professor Jose Carrasquero; social activist Gustavo Lainette; lawyer Federico Medina; former Venezuelan ambassador to Canada Orlando Viera-Blanco; and journalist Alexis Ortiz. The suit also names organizations affiliated with the individual defendants.

They accused the defendants of orchestrating a "coordinated and malicious campaign [of] defamation, intimidation, obstruction of justice, witness tampering and racketeering" as a result of the plaintiffs' lawsuit against PDVSA and its U.S. subsidiary, Citgo, in Delaware claiming they were wrongfully terminated from their jobs at PDVSA in 2002 and 2003. Citgo's motion to dismiss that lawsuit is pending.

Specifically, the plaintiffs accuse the defendants of portraying them as "traitors, frauds, and corrupt opportunists" who, among other allegations, received illicit funds from former Venezuelan officials.

Gabor Gazso von Klingspor, who represents Horacio Medina, told Law360 the complaint in the Florida case is a "textbook example of a shotgun pleading" and called it "just a stream-of-thought pleading."

He said the plaintiffs, who are representing themselves, used artificial intelligence throughout their communications with counsel and their filings with the court.

"From the very beginning, it was clear that they were drafting this litigation through prompts," von Klingspor said.

Carlos Sardi, who represents the other defendants, told Law360 that his clients are "beyond happy."

"This outcome reinforces that U.S. courts will not permit the misuse of legal proceedings by foreign nationals to advance unfounded allegations as an improper litigation tactic to leverage claims in a parallel case in Delaware against PDVSA and Citgo with the misused objective of smearing the reputation of my clients in the U.S. and Venezuela only to score political points back home," Sardi said. "The result is the right one in all aspects."

The plaintiffs did not respond to a request for comment Tuesday.

Horacio Medina is represented by Gabor Gazso von Klingspor, Javier Coronado Diaz, Marta Colomar Garcia and Michael Diaz Jr. of Diaz Reus & Targ LLP.

The other defendants are represented by Carlos E. Sardi of Sardi Law PLLC.

The case is Freites et al. v. Medina et al., case number 1:25-cv-20465, in the U.S. District Court for the Southern District of Florida.

--Editing by Michael Watanabe.