
COTTON CAMPAIGN
END FORCED LABOR IN CENTRAL ASIA

Jonathan E. Johnson III
Chief Executive Officer, Overstock.com, Inc.

David J. Nielsen
President, Overstock.com, Inc.

cc:
Ron Hilton
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Eric Glen Nickle
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May 24, 2021

Dear Mr. Johnson and Mr. Nielsen:

We write to you on behalf of the Cotton Campaign, a multi-stakeholder coalition of NGOs, unions, socially responsible investors, academics, and companies working to eradicate state-imposed forced labor, particularly in the cotton sectors of Central Asia. You may be aware that our Coalition hosts a [pledge in which companies have committed not to source cotton from Turkmenistan](#)—now signed by 119 industry brands and retailers—because of systemic, state-imposed forced labor in Turkmenistan’s annual cotton harvest.

We write to raise serious concerns about cotton products for sale on Overstock’s online platform which, according to details provided on the Overstock.com website, originate from Turkmenistan. Retailing goods made in-whole or in-part with Turkmen cotton is in violation of Section 307 of the U.S. Tariff Act (19 U.S.C. § 1307), which prohibits the import of goods made with forced labor, and is inconsistent with Overstock’s anti-human trafficking and forced labor [policy](#).

Turkmenistan, one of the most [closed and repressive countries](#) in the world, uses government-imposed, systematic forced labor to harvest cotton. [New reporting](#) by our [partners](#), [Turkmen.news](#) and the [Turkmen Initiative for Human Rights](#), shows that in the 2020 harvest, the government forced public sector employees, conscripts, and students to pick cotton under threat of penalty, such as dismissal or expulsion. It also extorted money from public employees to pay harvest expenses. All cotton in Turkmenistan is produced within this forced labor system and Turkmenistan does not import

cotton. Therefore, all cotton or cotton goods of Turkmen origin or containing Turkmen cotton are produced with forced labor.

As a result, U.S. Customs and Border Protection (CBP) imposed [a country-wide Withhold Release Order](#) (WRO) under section 307 of the U.S. Tariff Act on all cotton and cotton goods produced in whole or in part with Turkmenistan cotton in 2018, prohibiting these products from entering the U.S. A list of all the products made using forced labor that are prohibited by CBP is available on their [website](#).

Even though this prohibition has been in effect for three years, there are currently [dozens of such goods, potentially many more, retailing on your site from different suppliers](#), which on the Overstock.com website note “Country of Origin” as Turkmenistan. These Turkmenistan cotton products are also retailing in explicit violation of your [policy](#) on supply chain transparency and the obligation that suppliers “avoid all forms of forced or compulsory labor or other abusive labor practices”. The policy also states that “Overstock supports the worldwide eradication of human trafficking, slavery, forced or compulsory labor, child labor, and other abusive labor practices.” We urge you to uphold this commitment and stop the use of your platform as a retail destination for forced labor tainted products. In 2019, the International Labor Rights Forum [wrote](#) about the need for third-party marketplaces to exclude goods made with forced labor from their supply chains. We urge you to exclude those goods now.

We request that you take the following immediate steps:

1. Remove all goods made with cotton from Turkmenistan from your platforms until the WRO is lifted;
2. Sign the [Turkmen Cotton Pledge](#);
3. Review and revise your due diligence plan to ensure that you can effectively exclude goods made in whole or part with the use of forced labor;
4. Ask suppliers to stop sourcing cotton and cotton goods from Turkmenistan and cut all ties with suppliers that continue to do so;
5. Take steps to remediate harms caused by selling goods produced with forced labor, including by publicly condemning trade in these goods, and engaging with the Cotton Campaign to support efforts to end forced labor in Turkmenistan.

We respectfully request a response to this letter by June 7 with the measures you have taken to address measures 1-2 outlined above and a time-bound plan to implement measures 3-5. Meanwhile, we welcome the opportunity to meet with you promptly to discuss these matters.

Sincerely,



Allison Gill on behalf of the Cotton Campaign
Senior Coordinator of the Cotton Campaign
Director of Forced Labor Programs
Global Labor Justice-International Labor Rights Forum