



COUNTY OF FRESNO

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## NEWS RELEASE

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# OVERSTOCK AGREES TO PAY \$27,000 IN CIVIL PENALTIES FOR MISLEADING ENVIRONMENTAL “GREENWASHING” CLAIMS

The Fresno County District Attorney’s Office, along with 23 other District Attorney’s Offices in California, has settled a consumer protection action filed against online retailer Overstock.com, Inc.

The action was filed in Sonoma County Superior Court, and the complaint alleged that Overstock advertised and sold plastic products in California that were misleadingly labeled as “biodegradable” or “compostable” in violation of California law.

Beginning in 2004, the California Legislature enacted statutes under the Public Resources Code (“PRC”) to limit the sale of plastics marketed as biodegradable, based in part on its recognition that the ability of plastic to biodegrade depends greatly on the environment in which it is placed. The lack of oxygen in landfills, for example, can significantly hamper the ability to biodegrade. Without thorough disclaimers, which are nearly impossible to include on consumer products, biodegradability claims are inherently misleading to consumers purchasing plastic products based on an assumption that the products will quickly biodegrade after disposal.

Accordingly, the PRC prohibits selling any plastic product labeled as “biodegradable,” “degradable,” or that otherwise implies that the product will break down in a landfill or other environment. The PRC also prohibits selling a plastic product labeled as “compostable” unless the product has met an established scientific standard designed to ensure the product will break down in municipal compost.

In accordance with the PRC and false advertising laws, the stipulated judgment prohibits Overstock from selling or offering for sale plastic products labeled as “biodegradable” “degradable” or “decomposable.” Overstock is further prohibited from selling or offering for sale plastic products labeled as “compostable” without appropriate scientific certification that the products can be composted.

Under the terms of the judgment, Overstock agreed to pay \$27,000 in civil penalties. Overstock worked cooperatively with the District Attorney’s Offices to implement changes to its website in order to comply with California law without admitting liability.

The District Attorney’s Office, along with 22 other Offices, settled a similar lawsuit against Walmart Stores, Inc., earlier this year for \$875,000.

The Media may email [FCDAMedia@co.fresno.ca.us](mailto:FCDAMedia@co.fresno.ca.us) or contact Administrative Assistant Geri Benavides at (559) 600-4441 with questions.