



May 14, 2009

Dear Colleagues,

One of the major problems we have faced in trying to hold Russell Athletic accountable for its violations of university codes of conduct has been the company's misrepresentations of fact and its efforts to hide the reality of what has transpired in Honduras. I write to you today in order to bring to your attention to a particularly shocking example – one concerning the death threats to which Jerzees de Honduras workers and union leaders have been subjected.

As you know, these threats have been a major concern during the course of this case. Such threats must be taken very seriously because of the history of violence against labor rights advocates in Honduras – including the murder last year of Altragracia Fuentes, the leader of one of the national union federations. As we have made clear, we do not believe that factory management is the author of these threats, but there is no question that management's repeated statements blaming the union leaders for the closure helped to make these leaders a target. Out of concern for the safety of these leaders, and because of a lack of action by the Honduran government, the WRC organized a petition to the Inter-American Human Rights Commission (IAHRC) seeking an order of protection. The process within the IAHRC is still underway and we continue to have deep concern about the potential for violence. The US State Department has also communicated its concerns to the Honduran government regarding these threats and the need for protective measures for the workers involved.

Both the WRC's [report](#) on Jerzees de Honduras and the [report](#) of FLA investigator and ILO expert Adrian Goldin provide substantial detail about the threats that workers have received. Individual members of the union's leadership have been personally targeted. For example, on two occasions, the in-plant union's president returned to his work station after lunch to find anonymous notes stating, "You're going to die because it is your fault, your fault that the factory is closing." Graffiti written on the walls of the men's restrooms read, "We're going to put an AK-47 in the [union] president's chest." Another message, also directed at the union's president, stated "By God, we're going to cut off your head."

FLA investigator Goldin reported the following: "...there were operators who threatened the leaders of the union and said that they would collect money to pay an assassin ('sicario') to kill them. Someone even said that 'the heads of the leaders were going to wind up in the gutters' (this is where it is common to dispose of the bodies of crime victims)."

When workers originally brought these threats to management's attention in October of 2008, the company's solution was to tell the threatened workers that if they did not feel comfortable in the factory, they should either quit or go on leave. Though it was obvious that some of the threats were being issued by a person or persons within the factory, management never made any attempt to identify the culprits. Instead of seeking to identify and expel from the factory the authors of the threats, the company suggested that the victims should leave.

For months, Russell refused to take any action concerning these threats. In February, Russell finally wrote to the WRC acknowledging the seriousness of the threats and stating that the company had communicated its concerns to relevant parties and had written to support the IAHRC petition. While it was too long in coming, the company's recognition of the seriousness of these death threats was important to the effort to ensure their safety.

We were thus shocked to learn that the CEO of Fruit of the Loom and Russell, speaking on May 2 in front of thousands of people at the Berkshire Hathaway shareholder meeting in Omaha, denied that any death threats have occurred. A worker from Jerzees de Honduras, who had personally received death threats related to the closure, cited these threats in a seconding speech for a shareholder resolution on a related matter – disclosure of labor, human rights and environmental issues at Fruit of the Loom, Russell and other Berkshire subsidiaries. The CEO, John Holland, then addressed the assemblage and stated, without qualification, that no death threats had occurred. His statement – verbatim – was as follows: **"There were no death threats."**

This false denial is highly irresponsible. It directly conflicts with the message of concern that Russell says it conveyed to the Honduran government and the business community in Honduras, thus reducing the chances that these parties will take the threats seriously and take appropriate action. It sends a dangerous signal to the unknown authors of these threats, suggesting that the company is not terribly concerned about the fate of the threatened workers. It sends a message down through the company's corporate hierarchy that denial – rather than serious remediation and reform – is the company's policy. And it means that the entire Berkshire Hathaway shareholder community, and the national media covering the event, was presented with false information on a matter of very serious import, in terms both moral and fiduciary.

The statement is also an indication of a problem we have been grappling with for two years and have reported to you on multiple occasions: Russell has not communicated honestly about its labor practices with the university community. The company seems to say whatever it considers convenient at a given time. The company's statements are frequently inconsistent with established fact and, on a surprising number of occasions, directly contradict statements the company itself has made in other venues. This complicates the monitoring process and forces university administrators to waste time separating fact from fiction.

Unfortunately, these false denials by Russell executives have increased in frequency at the same time that Russell is claiming to the university community that it is committed to respecting freedom of association in its Honduran plants. For example, in an April 16 article in the University of Arizona campus newspaper, Matt Murphy, a Russell Senior Vice President, was quoted stating that "there was no suppression of union activities prior to the plant's closure, although . . . threatening comments passed between workers may have slipped by unnoticed." The same article cites Catherine Gammon, Russell Athletic's Senior Director of Corporate Communications, as asserting that "there had been absolutely no anti-union sentiment voiced by senior management at the plant." The implications of Mr. Murphy and Ms. Gammon's statements are quite disturbing. There is no factual dispute that the closure of Jerzees de Honduras came after nearly two years of Russell's active suppression of union activities in its Honduran plants. This included the illegal firing of 145 employees in 2007, over 100 incidents in 2008 documented by the WRC in which company managers – including the plant's General Manager and Russell's Regional Director of Human Resources – made statements threatening closure because of the union, and numerous similar incidents documented by FLA investigator Adrian Goldin.

In the face of this massive volume of documented violations, to claim that the company did nothing wrong except possibly allow some "comments" made "between workers" to "slip by" and to claim that there was "absolutely no anti-union sentiment voiced by senior management at the plant" crosses well over the line between "spin" and outright dishonesty. Russell is now denying the validity of the findings of both the WRC and FLA investigations, at the same time that it is claiming to be responding to those findings with a program of remediation. The two positions directly contradict each other, just as it is a glaring contradiction for Russell to assure the university community that it is taking threats against workers seriously, and then tell shareholders and the national media that no such threats ever occurred.

If Russell is unwilling to address its past practices in a remotely accurate and consistent fashion, then how can anyone trust the company's claims about how it will behave in the future?

We are writing to Russell, seeking a public clarification from the company of its position on the death threats – in order to minimize the confusion that the company's statements may cause in Honduras and in the US. We hope that at some point Russell will recognize its obligation under university codes of conduct to provide accurate information about its labor practices.

We wanted you to be aware of the situation.

Sincerely,

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