

Overstock.com CEO out after revealing affair with Russian agent and "Deep State" comments

BY AIMEE PICCHI

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Overstock.com CEO Patrick Byrne resigned from the retailer Thursday following his cryptic statement last week about the "Deep State" and his involvement in various investigations. He had also told The New York Times he had an affair with convicted Russian agent Maria Butina.

In a letter sent Thursday to shareholders, Byrne said he had no choice but to resign following his comments. "My presence may affect and complicate all manner of business relationships, from insurability to strategic discussions regarding our retail business," he said. "Thus, while I believe that I did what was necessary for the good of the country, for the good of the firm, I am in the sad position of having to sever ties with Overstock, both as CEO and board member, effective Thursday August 22."



Overstock.com said boardmember Jonathan E. Johnson III will step in as interim CEO.

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Byrne's statement last week raised eyebrows, with the executive claiming to have assisted federal investigators in the "Clinton Investigation" and the "Russian Investigation," seemingly a reference to the FBI probe into Russian interference in the 2016 presidential election. Investors were spooked, sending shares of Overstock.com down by more than one-third over a two-day period.

Shares of Overstock jumped after the company said Byrne had resigned. In early afternoon trading, the stock was up more than 9%.



This March 25, 2010, file photo, chairman and CEO of OverStock.com Patrick Byrne poses for a picture by the employee of the month wall at the warehouse of Overstock.com outside of Salt Lake City, Utah.

AP

Overstock CEO and Maria Butina

Byrne previously told The New York Times that he met Butina at a libertarian conference in 2015, who in April was sentenced to 18 months in prison on charges of conspiring to infiltrate political groups in the U.S. The two later began a three-year relationship. In the statement last week, Byrne didn't mention Butina, but claimed that he has helped the FBI on several investigations, calling them the "Men in Black."

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"It was the third time in my life I helped the Men in Black: the first was when my friend Brian Williams was murdered, and the second was when I helped the M.I.B. shake up Wall Street a decade ago," he wrote, linking to a 2008 article about government and corporate control of the media in which Byrne figured.

"Unfortunately, this third time turned out to be less about law enforcement and more about political espionage conducted against Hillary Clinton and Donald Trump (and to a lesser degree, Marco Rubio and Ted Cruz)."

In his letter to shareholders, Byrne said "coming forward" about his concerns and involvement "was hardly my first choice. But for three years I have watched my country pull itself apart while I knew many answers, and I set my red line at seeing civil violence breaking out."

He concluded the letter by encouraging shareholders, "And don't forget to shop Overstock.com!"

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