Proskauer

Price Gouging Weekly Round Up

September 21, 2020

Price gouging enforcement and litigation is front and center for company counsel and business managers nationwide. Our weekly round up highlights some of the most relevant news and information to our clients and friends.

Iowa Senators Send Letter to DOJ and FTC Urging Action

On September 15, 2020, Senators Chuck Grassley (R-IA) and Joni Ernst (R-IA) sent a letter to the Department of Justice and Federal Trade Commission urging the government agencies to take action in response to Iowa's recent derecho. The senators requested that the "departments investigate allegations of wrongdoing, fraud and price gouging related to the Iowa derecho, and aggressively go after the individuals who engage in these illegal activities." Senators Grassley and Ernst's letter stated that they "have heard concerns about possible price gouging of necessary goods and services, as well as scams targeting victims of the derecho." The senators stated that "we will not let scammers and price gougers use this tragedy to raise prices to sky-high levels and thwart Iowans from repairing and rebuilding their homes, businesses and communities." Iowa's state price gouging restrictions, which cover, among other things, materials, goods, or services for cleanup or repair, went into effect March 9th and are set to expire September 20th, unless extended.

Alabama Attorney General Issues Warning Against Price Gouging

On September 15, 2020, Alabama Attorney General Steve Marshall warned residents that Alabama's price gouging law is in effect due to Hurricane Sally. Alabama's price gouging law prohibits unconscionable pricing of items for sale or rent. It is prima facie evidence that a price is unconscionable if the amount "exceeds, by an amount equal to or in excess of twenty-five percent the average price at which the same or similar commodity or rental facility was obtainable in the affected area during the last 30 days immediately prior to the declared state of emergency and the increase in the price charged is not attributable to reasonable costs incurred in connection with the rental or sale of the commodity." Attorney General Marshall stated that "Alabamians should be on-guard to possible price gouging and home repair fraud during and after Hurricane Sally's passage through our state."

New York Attorney General Speaks Out on Price Gouging

In a recent *Law360* article, New York Attorney General Letitia James discussed New York's response to price gouging. Attorney General James stated that "at the beginning of the outbreak, we became aware of a number of scams across the state preying on consumer vulnerability. I issued guidance encouraging people to file complaints with my office if they believed they were victims of a scam or predatory action, and we have, as a result, received more than 8,000 complaints about price-gouging, fake medical products and other fraudulent practices." Attorney General James further stated that her offices have "sent cease-and-desist orders to those seeking to illicitly profit off the pandemic" and "[i]n extreme cases, [has] filed lawsuits against those aiming to unlawfully profit off of the coronavirus." For more information on New York's price gouging law, read our blog post.

Pennsylvania Attorney General Stops New Jersey Wholesaler from Price Gouging

On September 11, 2020, Pennsylvania Attorney General Josh Shapiro announced that his office entered into an Assurance of Voluntary Compliance with a New Jersey-based wholesaler after receiving complaints of price gouging. According to Attorney General Shapiro, the wholesaler sold 33.8 oz. bottles of hand sanitizer for $17.00 each. Attorney General Shapiro stated that "[s]ince the start of the public health emergency in Pennsylvania, my office has been working to stop price gouging wherever it happened. Ripping off people for hand sanitizer when they need it most is cynical and illegal. . . . Pennsylvanians and small businesses [ ] have a right to purchase life-saving goods at reasonable prices during this emergency."

Florida Attorney General Expands Price Gouging Hotline

On September 15, 2020, Florida Attorney General Ashley Moody expanded Florida's price gouging law to cover unconscionable price increases on essential commodities related to Hurricane Sally. Attorney General Moody reminded Floridians that this expansion only applies within the areas of the declared state of emergency. According to Attorney General Moody, "[d]uring a storm-related declared state of emergency, state law prohibits excessive increases in the price of essential commodities, such as food, water, hotel rooms, ice, gasoline, lumber and equipment, needed as a direct result of the event." For more information, read our blog post on Florida's price gouging law.

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