Proskauer

Price Gouging Weekly Round Up

October 26, 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.

Virginia Passes Expansion of Price Gouging Law

On October 21, 2020, Virginia Governor Ralph Northam signed into law a revision to Virginia's Post-Disaster Anti-Price Gouging Act. As reported last week, prior to the revision, the Act's prohibition on selling necessary goods and services at an unconscionable price during a declared emergency did not extend to manufacturers and distributors unless it advertised to consumers. The newly passed revision expands the restrictions to certain manufacturers and distributors engaged in consumer transactions. However, it does not reach manufacturers or distributors of agricultural goods or services unless the manufacturer or distributor advertises such agricultural goods or services.

Kentucky Governor Announces Funding to Fight Price Gouging

On October 21, 2020, Kentucky Governor Andy Beshear announced that more than $780,000 in federal funding has been awarded to Kentucky to fight against scams and fraud related to COVID-19, including price gouging. Some of the funds, awarded to the Attorney General's Office of Consumer Protection Enforcement Unit, will be used to hire additional to staff to fight against COVID-related consumer fraud and scams and price gouging. Kentucky has received more than 4,624 price gouging complaints through August 2020.

Food Prices Continue to Rise Around the World as Stockpiling Continues

As the United States prepares for a winter of the unknown as the pandemic drags on, the U.S. and countries around the world are seeing a rise in food prices as consumers stockpile. According to the United Nations price index, world food prices have risen continuously for four months. “I think people are trying to protect their own interests, which in some ways is rational,” stated University of Michigan Professor Stephanie Preston. Businesses should keep in mind that food is considered an essential commodity under most state price gouging laws.

North Carolina Extends Price Gouging Restrictions

On October 21, 2020, North Carolina extended its state of emergency through November 13, 2020. Along with its emergency extension, North Carolina extended its price gouging provisions through November 13, 2020. The emergency declaration stated that it “encourages the North Carolina Attorney General to use all resources available to monitor reports of abusive trade practices towards consumers and make readily available opportunities to report to the public any price gouging and unfair or deceptive trade practices under Chapter 75 of the North Carolina General Statutes.”

Related Professionals

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