

Price Gouging Weekly Round Up

November 2, 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.

[Minnesota Attorney General Talks Price Gouging – Pushes for New Legislation](#)

In a recent *Law360* article, Minnesota Attorney General Keith Ellison discussed Minnesota's fight against pandemic profiteering. To date, Minnesota has received more than 2,200 complaints related to price gouging since the start of the pandemic. Attorney General Ellison stated that a "dedicated team of attorneys and investigators have made countless calls to businesses and consumers, conducted secret shopper visits, and sent numerous enforcement and resolution letters to sellers. They've also established direct channels of communication with online sales platforms . . . in order to quickly share information and stop price-gouging by third-party sellers" While Minnesota does not currently have a price gouging statute, Minnesota Governor Tim Walz issued an executive order banning price-gouging of essential items like face masks, gloves, toilet paper, and food staples during the pandemic. According to Attorney General Ellison, "so many Minnesotans have experienced the harm that price-gouging can do during this pandemic, it's time for the Legislature to pass a law to prohibit it."

[North Carolina Attorney General Settles Price Gouging Allegations](#)

On October 29, 2020, North Carolina Attorney General Josh Stein announced that his office has reached a settlement with a New Jersey-based company accused of price gouging PPE. According to the lawsuit, the company made several pitches for 7 million masks each, at a markup of more than 100%. Each transaction would have led to a profit of \$30,100,000. "Sellers cannot take advantage of a crisis to make a profit, especially at the expense of front line health care workers and first responders who were risking their lives to care for their fellow North Carolinians with the coronavirus," said Attorney General Stein. "I'm pleased with this judgment, and I hope it will serve as a reminder to everyone that my office will not hesitate to take swift action against price gouging."

Chicago-Shoppers See Higher Prices at the Grocery Store

According to recent reports, Chicago residents are seeing higher prices at the grocery store. Dairy product prices are 8.3% higher in September compared to this time last year, while meat prices are 5.3% higher. Normal annual food inflation is typically only 2% to 3%. During the early days of the pandemic, food prices jumped 3.2% from March to April, the largest jump the Chicago area has seen since the 1970s. Chicago's Department of Business Affairs and Consumer Protection has received almost 750 complaints year to date, compared to only two complaints during all of 2019. Department spokesman Isaac Reichman commented that "in the vast majority of cases the price hikes were reasonable due to increased demand or decreased supply chain." The Department has only issued four businesses citations.

Alabama Price Gouging Law in Effect Due to Tropical Storm Zeta

On October 27, 2020, Alabama Attorney General Steve Marshall announced that Alabama's price gouging law is in effect following Governor Kay Ivey's declaration of a state of emergency in advance of Tropical Storm Zeta. Attorney General Marshall stated that "the public should be on the lookout for unconscionable pricing of emergency-related items as well as repair and clean-up services as Tropical Storm Zeta crosses the state of Alabama." On October 6 Attorney General Marshall also reminded that Alabama's price gouging law is "still in effect for the ongoing States of Emergency from COVID-19 and Hurricane Sally."

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