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Price Gouging Weekly Round Up

November 9, 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.

Amazon Continues to Combat Online Price Gouging

As a second wave of potential panic buying approaches, FOX Business has reported that Amazon is continuing to combat price gouging by third-party sellers. Since the pandemic began, Amazon has removed more than one million products from its platform. With winter approaching, a new category of cold-weather products, including fire pits and propane heaters, may be subject to state price gouging laws. “We are disappointed that bad actors are attempting to take advantage of this global health crisis and, in addition to removing these offers, have suspended more than 10,000 selling accounts,” an Amazon spokesperson told FOX Business. “We have referred the most egregious offenders to federal and state law enforcement across the country to hold them accountable. We continue to actively monitor our store and remove offers that violate our policies.”

The “COVID” Fee Appearing on Some Medical Bills

Many Americans are receiving medical bills with a “COVID" fee. According to a *New York Times* investigation, an elderly women living in an assisted living facility was told she had to pay a one-time fee of $900 for cleaning supplies, masks, and meal delivery. Another women saw a $60 personal protective equipment charge added to an ambulance ride of about one mile, while a New York City women was charged a $45 fee on top of her dental cleaning. According to Michigan Assistant Attorney General Darin Fowler, “[t]he cynical view is that some see this as an opportunity: Everyone understands something unusual is going on, and most customers are ready to embrace the idea they will need to bear some expense. Unfortunately, in every setting there are a percentage of folks who will take advantage of that situation.” COVID surcharges have been appearing across the country as the pandemic continues, but it remains unclear how these fees may be treated under state price gouging and consumer protection laws. Read our blog post for more information on COVID-related surcharges.

Michigan Attorney General Settles Price Gouging Allegations against Ann Arbor Business

On October 30, 2020, Michigan Attorney General Dana Nessel announced that her office reached a settlement with an Ann Arbor business accused of price gouging in late March. According to the Attorney General’s investigation, the business charged consumers excessively high prices for hand sanitizer in violation of the Michigan Consumer Protection Act (MCPA). The MCPA prohibits “[c]harging the consumer a price that is grossly in excess of the price at which similar property or services are sold.” “The uptick in excessive pricing and other deceptive business practices have become an unfortunate side effect of the ongoing pandemic,” Attorney General Nessel said. “In response to this, my office has remained steadfast in our commitment to protecting Michiganders’ pocketbooks, and I will continue to aggressively enforce the state's consumer protection laws to ensure they are not being taken advantage of.”

Oklahoma Attorney General Warns of Contractor Fraud

Oklahoma Attorney General Mike Hunter recently warned Oklahomans to be aware of contractor fraud due to an ice storm that swept across the state. Attorney General Hunter reminded residents that Oklahoma's Emergency Price Stabilization Act is in effect under the ongoing COVID-19 disaster emergency declaration, stating "natural disasters bring out criminals." He further stated, "I encourage Oklahomans to remain patient and be cautious when choosing a contractor. If someone does become the victim to contractor fraud, contact my office. We will do what we can to get their money back and prosecute the individuals committing the crimes."

Related Professionals

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