Proskauer

Price Gouging Weekly Round Up

April 13, 2021

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 for our clients and friends.

New York Attorney General Discusses Price Gouging Enforcement Efforts

In a recent interview with North County Public Radio, New York Attorney General Letitia James discussed her office's efforts to stop pandemic-related price gouging. Attorney General James stated that "[i]nitially in the beginning of this pandemic, we saw price gouging of essential items, hand sanitizers and masks and things of that sort. And then we saw it transition [to] price gouging of food, primarily eggs and meat." However, Attorney General James stressed that as small businesses are the lifeblood of the economy, her office "will always approach a small business with a reported problem to ensure that we can work it out and we can reach some sort of agreement."

Over Thirty Price Gouging Lawsuits Filed Against Natural Gas Suppliers

Texans are still feeling the freeze following the February winter storm, particularly in the massive natural gas bills that have spurred a flurry of lawsuits. At least 30 lawsuits in four states have been filed related to natural gas suppliers and public utilities. The bulk of the lawsuits are in Texas state court and involve some of the world's largest energy companies. As the nation's largest gas producer, Texas power generation dropped by about a third during the winter storm, which caused a surge in demand for power and heat and the alleged price gouging of utilities.

Iowa Company Recovering from Giant Utility Bills

An Iowa-based whiskey distillery is facing a $54,000 utility bill after the February winter storm. According to the distillery owner, this is more than twice their expected bill, stating that “somebody along the line took advantage of the cold weather and now we’re stuck with these horrendous bills.” The utility director of Manning, Iowa stated: “let’s call it what it was: it was price gouging.” The Iowa Association of Municipal Utilities is closely watching federal investigations about price gouging in Minnesota and Kansas and considering following suit, although director Alex Cutchy said “we have no hard evidence of any market manipulation in Iowa.” The Association says its members saw wholesale electric prices peak 240 times higher than normal.

Texas State Representative Asks Texas Attorney General To Investigate Price Gouging

In another case of natural gas price increases, Southeast Texas State Representative James White reached out to Texas Attorney General Ken Paxton who is investigating claims of price gouging from the town of Kountze, Texas. According to Tim Drake, the Kountze Director of Public Works, “I’ve got a bill for $519,000 for a city [of] less than 300 gas customers.” State representative White said that FEMA could be an option to help the city recoup some of the cost.

Related Professionals

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