Proskauer

Price Gouging Weekly Round Up

May 10, 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 to our clients and friends.

Florida Attorney General's Price Gouging Enforcement Activities

The Florida Attorney General announced more than $3 million in recoveries for consumers regarding scams, cancellations, and price gouging complaints related to COVID-19. Many of these recoveries were found through the state's Price Gouging Hotline. The Attorney General's office received approximately 5,400 consumer contacts about the price of essential goods; made more than 11,700 referrals and contacts to merchants about allegations of price gouging, refunds and scams; issued 108 subpoenas to further price gouging investigations; and worked with online platforms to deactivate 290 posts offering items for inflated prices.

Texas Energy Company Sued over Winter Storm Prices

On May 5, the owner of a motorcycle dealership filed a lawsuit against a Texas based energy company, alleging that the company engaged in unlawful price gouging during the February winter storm. The lawsuit alleges that Direct Energy violated the Texas Deceptive Trade Practices Act and negligently misrepresented its services. The motorcycle dealership is seeking $1 million in damages.

Oklahoma Rolls Back its Price Gouging Restrictions

On May 4, 2021, Oklahoma Governor Kevin Stitt signed an executive order rescinding his 2020 executive order declaring a State of Emergency in Oklahoma due to COVID-19. With the end of the state of emergency, Oklahoma's price gouging restrictions will expire on June 3, thirty days after the expiration of the emergency. Oklahoma's Emergency Price Stabilization Act prohibits an increase of more than 10% for the price of goods or services after a declared emergency. The move follows similar ones in Oregon and California.

Hawaii Investigates Allegations of Price Gouging with Rental Cars

Rental cars in Hawaii are booked months in advance as rental car companies struggle to meet consumer demand. Some customers in need of transportation have taken to renting moving trucks in lieu of traditional rental cars. The Hawaii State Department of Commerce and Consumer Affairs has opened an investigation into potential price gouging. Prices have can be $300 per day for vehicles. Hawaii's statute prohibits any price increase during a declared emergency.

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