

Price Gouging Weekly Round Up

July 19, 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.

[Minnesota COVID-19 Testing Companies Cleared of Price Gouging Claims](#)

On July 14, 2021, the Minnesota Legislative Auditor's Office announced the results of its special review following reports that two COVID-19 testing companies overbilled for their tests. As of June, the Department of Health had paid out \$3.1 million to one company for direct testing costs. The Minnesota Department of Health could be required to pay \$74.96 million to both companies if private insurance companies do not fully cover the costs for testing. The auditors determined that at least through April of 2021, state programs did not make excessive payments to these companies that would be considered price gouging.

[Kentucky Gas Retailer Settles Price Gouging Case](#)

The Kentucky Attorney General announced a settlement with a fuel retailer following an investigation into price gouging allegations in the wake of the Colonial Pipeline shutdown. The state received eleven consumer complaints regarding possible price gouging by the gas station. According to the state, the retailer increased prices between 9.4 percent and 19.4 percent during the period between May 11 and May 13, 2021. As part of the settlement, the retailer has agreed to disgorge its profits in the amount of \$5,666.40.

[Lawsuit Filed Against Amazon](#)

A group of consumers filed suit against online retailer Amazon in a Washington federal court alleging Amazon violated Washington's consumer protection statute that prohibits "unfair methods of competition." The suit alleges that the prices of necessary safety items, like pain relievers and face masks, increased by up to five hundred percent over prices for those same items before the pandemic emerged. While Washington does not have a specific price gouging statute, the complaint alleges that Washington's consumer protection law should be interpreted to prohibit price increases of more than 15% during a state of emergency. To support their interpretation of the Washington statute, the plaintiffs allege the statute should be broadly construed and interpreted in light of federal law and other state laws.

Alabama's State of Emergency Ends

After sixteen months, Alabama Governor Kay Ivey lifted the state's COVID-19 state of emergency. The period was the longest state of emergency in the state's history. In her statement, Ivey referred to the state's declining infection and hospitalization rates and continued vaccine administration. With the termination of the COVID-related emergency declaration, Alabama's price gouging statute is no longer active, though the stature of limitations for enforcement remains in effect for 5 years.

Missouri Farmers Allege Price Gouging

At last week's hearing before the Missouri Legislature, farming leaders raised concerns about potential price gouging by meat companies. The farmers point to the difference between the prices farmers and feeders receive and the end price for boxed beef. Last year, the Missouri Attorney General asked the U.S. Department of Justice to investigate meat packers. The farmers also discussed the other issues that arose in the cattle industry during the COVID-19 pandemic.

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