

Christie Administration Issues Price Gouging Warning During Severe Weather State of Emergency

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Trenton, NJ - The Office of the Attorney General, the New Jersey Division of Consumer Affairs, and the New Jersey Division of Criminal Justice are reminding consumers about New Jersey's price gouging law as the state prepares for possible effects of the coming Nor'easter and potential for Hurricane Joaquin. Merchants and businesses that engage in price gouging or fraud in the State of Emergency relating to this hurricane will be punished to the full extent of the law by both criminal and civil authorities.

New Jersey's price gouging law prohibits excessive price increases during a declared state of emergency, or for 30 days after the termination of the state of emergency. Excessive price increases are defined as price increases that are more than 10 percent higher than the price at which merchandise was sold during the normal course of business prior to the state of emergency. Governor Chris Christie declared a State of Emergency on October 1, 2015.

"Especially after Superstorm Sandy, no merchant or business can claim ignorance of New Jersey's price gouging law," said Acting Attorney General John J. Hoffman. "We will not tolerate anyone taking advantage of the suffering of others."

"Consumers who suspect price gouging in connection with Hurricane Joaquin, for food, gas, hotel rooms, generators, or other necessary items or services, should contact the Division of Consumer Affairs immediately," said Steve Lee, Acting Director of the New Jersey Division of Consumer Affairs. "Division investigators are prepared to act quickly and aggressively to enforce the laws to protect consumers who are dealing with the effects of these storms."

"Prosecutors across the state already have brought criminal charges against more than 100 defendants who committed fraud in the wake of Superstorm Sandy," said Elie Honig, Director of the New Jersey Division of Criminal Justice. "As the nor'easter and Hurricane Joaquin approaches, we will continue to work with the Division of Consumer Affairs to ensure that wrongdoers are prosecuted to the full extent of the law."

Price-gouging violations are punishable by civil penalties of up to \$10,000 for the first offense and \$20,000 for the second and subsequent offenses. Each individual sale of merchandise is considered a separate and distinct event.

Tips To Consumers Concerning Price Gouging:

Be Aware of New Jersey's Price Gouging Law (N.J.S.A. 56:8-107 et seq.). During a State of Emergency, as declared by Governor Chris Christie or certain others, excessive price increases are illegal. An excessive price increase is any higher price that exceeds 10 percent of the price prior to the State of Emergency.

If You Believe Price Gouging is Occurring, Contact the Division of Consumer Affairs. Contact the Division of Consumer Affairs at (973) 504-6240. A special voicemail box has been set up to address storm-related price gouging complaints and will be checked regularly, even if state offices are closed. Please leave your name, contact information, nature of the complaint, and as much information about the business you are complaining about that you have, including the name of the business and location. If possible, consumers should note the price of a good or service prior to the declared state of emergency, and the price after the state of emergency has been declared, when filing a complaint. Investigators will work to address the complaint as quickly as possible.

Following the Superstorm Sandy State of Emergency, the New Jersey Division of Consumer Affairs, working with county consumer affairs offices, reviewed more than 2,000 consumer complaints in the days immediately following the landfall of Superstorm Sandy. The New Jersey Division of Consumer Affairs investigated approximately 200

businesses for alleged price gouging and filed price gouging lawsuits against 27 businesses. All of the lawsuits have been settled, resulting in over \$1 million in civil penalties, cost reimbursements to the State, and restitution to consumers. The New Jersey Division of Criminal Justice took action in over 100 cases statewide relating to Superstorm Sandy, bring various criminal charges in price gouging, fraud, and other cases.

Some examples of the matters relating to Superstorm Sandy brought by the Division of Consumer Affairs include the following:

The Division of Consumer Affairs took action against a hotel that allegedly raised its room rates up to 208 percent following Superstorm Sandy. The hotel allegedly charged \$219 after Sandy, for a room that was rented at \$71.20 prior to the State of Emergency.

The Division of Consumer Affairs took action against a gas station that allegedly charged as much as \$5.09 per gallon for credit card sales of premium gasoline - an increase of 34.2 percent above the price prior to the State of Emergency.

The Division of Consumer Affairs took action against a Monmouth County based landscaping company that allegedly sold various models of Powerhouse generators at prices ranging from \$800 to \$1,550, representing markups of between approximately 82 percent and 155 percent, and also allegedly sold generators that had previously been recalled.

Consumers who believe they have been cheated or scammed by a business, or suspect any other form of consumer abuse in connection with Hurricane Joaquin, can file an online complaint with the New Jersey Division of Consumer Affairs by visiting its website or by calling (973) 504- 6240.

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