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Christie Administration Activates Temporary Hotlines to Report Price Gouging During Declared State of Emergency

Tuesday, October 30, 2012

Tags: [Hurricane Sandy](#)

Trenton, NJ – Since declaring a state of emergency on Saturday, Governor Chris Christie once again issued a forceful reminder to merchants: Price gouging during a state of emergency is illegal; will be investigated by the Attorney General and Division of Consumer Affairs; and will result in significant penalties.

"During emergencies, New Jerseyans should look out for each other – not seek to take advantage of each other," said Governor Christie. "The State Division of Consumer Affairs is looking closely at any and all complaints about alleged price gouging. Anyone found to have violated the law will face significant penalties."

New Jersey's price gouging statute, N.J.S.A. 56:8-107, et. seq., makes it illegal to set excessive price increases during a declared state of emergency or for 30 days after the termination of the state of emergency.

Price increases are deemed excessive under the law if they are more than 10 percent above the price at which the good or service was sold during the normal course of business, prior to the state of emergency. The law does allow that, if the merchant faces additional costs imposed by suppliers or legitimate logistical concerns, a price increase is considered excessive if it is more than 10 percent above the amount of markup from cost, compared with the markup normally applied.

As a reminder of the penalties, Governor Christie pointed out the case of a Sussex County gas station accused of raising fuel prices more than 16 percent during the August 2011 Tropical Storm Irene state of emergency. To settle an enforcement action by the Division of Consumer Affairs, that business recently agreed to pay \$50,000. (See press release: <http://www.njconsumeraffairs.gov/press/09262012.htm>).

"Retailers should know we will conduct a thorough investigation, including an audit of the merchant's receipts dating back to before the State of Emergency, to examine each and every complaint," Attorney General Jeffrey S. Chiesa said. "Anyone violating the law will find the penalties they face, far outweigh the profits of taking unfair advantage of their fellow New Jerseyans during a time of great need."

"We are reminding consumers to watch out not just for price gouging, but for the home repair scams and charity scams that often lie in wait when residents seek to recover from storm damage," Eric T. Kanefsky, Acting Director of the New Jersey Division of Consumer Affairs, said. "Disasters unfortunately attract their share of dishonest and shady opportunists. Any consumer who has a complaint about price gouging or any emergency-related scams should call the Division of Consumer Affairs at 862-209-0130 or 973-220-3474. Investigators are checking this phone line throughout the day."

Violations of the price-gouging law 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.

The Division of Consumer Affairs provides tips for consumers on "How To Avoid Disaster-Related Scams (English (http://www.njconsumeraffairs.gov/disaster/floodtipsflyer_1.pdf)) (Spanish (http://www.njconsumeraffairs.gov/disaster/floodtipsflyerSP_1.pdf)))," including information on price gouging and on the home-repair scams and charity scams that have been known to arise during times of emergency.

Last year, during and after the State of Emergency declared in the wake of Tropical Storm Irene, the Division of Consumer Affairs sent investigators out to all affected counties in order to provide information to consumers about price gouging, home repair scams, and charity scams; and to investigate and mediate consumer complaints related to the emergency.

Consumers who believe they have been cheated or scammed by a business, or suspect any other form of consumer abuse, can file a complaint with the State Division of Consumer Affairs by visiting its website (<http://www.nj.gov/oag/ca/index.htm>) or by calling 862-209-0130 or 973-220-3474.

Follow the Division of Consumer Affairs on Facebook (<http://www.facebook.com/pages/NJ-Division-of-Consumer-Affairs/112957465445651>), and check our online calendar of upcoming Consumer Outreach (<http://www.NJConsumerAffairs.gov/outreach/>) events.

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