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Gurbir S. Grewal
Attorney General



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For Immediate Release:

April 24, 2020

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AG Grewal and Division of Consumer Affairs Issue Enforcement Update on Price Increases During COVID-19 Emergency

NEWARK – Attorney General Gurbir S. Grewal and the New Jersey Division of Consumer Affairs today announced that the Division has taken more than 200 actions this week in response to complaints of retailers increasing prices, including on essential items like food, hand sanitizer, and other products used to stay safe and healthy during the COVID-19 pandemic.

Over the past seven days, the Division has sent 217 cease-and-desist letters to merchants statewide. To date, the Division has issued approximately 92 subpoenas and 731 cease-and-desist letters warning retailers about the penalties for violating New Jersey’s price-gouging law and the Consumer Fraud Act’s protections from gross and unreasonable inflation of the price of any product during a state of emergency.

“Price gouging is against the law and intolerable at a time people are doing their best to stay safe during this pandemic,” said Attorney General Grewal. “We want to reassure New Jersey residents that we remain committed to take action against opportunists attempting to profit off the demand for essential items.”

“We will aggressively enforce New Jersey’s consumer protection laws during this state of emergency,” said Paul R. Rodríguez, Acting Director of the Division of Consumer Affairs. “We encourage consumers to remain vigilant and report price gouging and other attempts to take advantage of consumers using our online complaint form, where you can submit photos and screenshots of suspect activity.”

The Division has logged a total of 3,623 complaints related to the COVID-19 emergency against about 2,100 business locations. Approximately 90 percent of the complaints allege unfair price increases on personal protective equipment, sanitizers, disinfectants, food, bottled water and other items in demand by consumers concerned about keeping safe and having enough food and supplies.

Examples of alleged price hikes that consumers have reported to the Division include:

- a convenience store allegedly charging \$6 for a single roll of paper towels;
- a janitorial supply store allegedly charging \$20 for a can of Lysol;
- a convenience store allegedly raising the price of 2-ounce bottles of hand sanitizer to \$4.99 from its \$1 pre-emergency declaration price—an increase of almost 500%;

- a grocery store allegedly charging \$12 for a gallon of milk;
- a deli allegedly charging \$10 for a gallon of water;
- a convenience store allegedly charging \$60 for a small package of toilet paper;
- a dollar store allegedly charging \$9.99 for a gallon of bleach;
- a gas station allegedly selling single-use masks for \$25 each; and
- a supply store allegedly charging \$36 for a gallon of hand sanitizer.

The Division is also reviewing reports of businesses selling homemade hand sanitizers and items not meant for individual sale such as wipes and certain masks. Consumers are urged to beware of poorly labeled merchandise.

New Jersey's price-gouging law, which took effect on March 9 upon Governor Murphy's declaration of a state of emergency, prohibits excessive price increases during a declared state of emergency and for 30 days after its termination. A price increase is considered excessive if the new price is more than 10 percent higher than the price charged during the normal course of business prior to the state of emergency, and the increased price is not attributable to additional costs imposed by the seller's supplier or additional costs of providing the product or service during the state of emergency.

Price-gouging and other consumer fraud violations are punishable by civil penalties of up to \$10,000 for the first violation and \$20,000 for the second and subsequent violations. Violators may also be required to pay consumer restitution, attorney's fees, and investigative fees, and will be subject to injunctive relief. Each sale of merchandise is considered a separate violation.

Consumers who suspect consumer fraud, violations, or believe that businesses have unfairly increased their prices in response to COVID-19, are encouraged to file complaints online to report specific details investigators can follow up on. Photographs of items being sold, receipts and pricing can now be uploaded to our new price gouging complaint form.

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