

Christie Administration Investigates Complaints of Alleged Storm-Related Price Gouging

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Violators Face Stiff Fines

Trenton, NJ – The Christie Administration announced today that the New Jersey Division of Consumer Affairs has deployed teams of investigators to visit retail establishments in northern and southern New Jersey, in response to approximately 100 calls from consumers alleging that gas stations, sellers of generators, hotels, and other merchants that sell other essential items, have violated state law by engaging in price gouging after the Governor's declared state of emergency.

"We are actively investigating calls from across our state, alleging that gas stations have raised their prices by 20 to 30 percent in one day, that hardware stores have doubled the price they charge for generators overnight, and that hotels have excessively increased the price of rooms for residents who are without electricity or who have been evacuated from their homes," said Governor Christie. "We will not hesitate to impose the strictest penalties on profiteers who, in direct violation of our consumer protection laws, seek to capitalize on the misfortune of others in the midst of a crisis and recovery period."

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. The law defines excessive increases as any more than 10 percent higher than the price at which the merchandise was sold in the usual course of business prior to the state of emergency. If the seller faces additional costs imposed by suppliers or logistical concerns, an excessive increase is any that is 10 percent above the normal markup from cost. 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.

Consumers who suspect price gouging or any other violation of consumer protection laws, particularly as a result of Hurricane Sandy, are urged to call the Division of Consumer Affairs at (800) 242-5846. (NOTE: A different number was provided yesterday, because the Division's normal phone lines were down due to the storm. The normal hotline number has been restored. Please replace any online references to the number given yesterday).

Attorney General Jeffrey S. Chiesa noted that, according to consumer complaints, many businesses have refused to give receipts to commemorate the sale of merchandise. Consumers should protect themselves by demanding a written receipt before paying for any item. The receipt will serve as evidence of the price they paid, and as evidence that the consumer is protected under any applicable refund policy. Consumers should keep their receipts, and be prepared to provide copies to the Division of Consumer Affairs.

"We are receiving an extraordinary volume of calls from consumers who say certain businesses are charging prices excessively higher today than they were before the state of emergency, for merchandise such as gasoline, generators, and hotel rooms -- items that people need as they recover from this unprecedented storm," Attorney General Chiesa said. "Most of the businesses out there are seeking to help their communities and New Jersey's recovery. We will take forceful action against any found to be violating the law at the expense of their fellow New Jerseyans."

Attorney General Chiesa noted that the Division of Consumer Affairs is sending teams of investigators out to businesses that are the subject of complaints, beginning today, and continuing for as long as is necessary. The Division will conduct thorough investigations, including an audit of the merchant's receipts dating back to before the state of emergency, to determine whether price gouging, or any other violation of New Jersey's Consumer Fraud Act, has taken place.

"New Jerseyans who suspect any violation of our consumer protection laws, including the home repair scams and charity scams that have been known to surface during times of disaster, should immediately contact the Division of Consumer Affairs," Eric T. Kanefsky, Director of the Division of Consumer Affairs, said. "We are fully committed to protecting New Jersey's residents as they recover from Hurricane Sandy."

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 or by calling 1-800-242-5846 (toll free within New Jersey) or 973-504-6200.

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