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DEPARTMENT OF LAW & PUBLIC SAFETY

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Gurbir S. Grewal
Attorney General



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Office of The Attorney General

- Gurbir S. Grewal, *Attorney General*

Division of Consumer Affairs

- Paul R. Rodríguez, *Acting Director*

For Further Information:

Media Inquiries-

Gema de las Heras
973-220-7740

Citizen Inquiries-

609-984-5828

AG Grewal: Division of Consumer Affairs Has Taken Over 600 Actions on Price Gouging, Other Consumer Complaints Related to COVID-19

NEWARK – Attorney General Gurbir S. Grewal announced today that the New Jersey Division of Consumer Affairs has issued approximately 514 cease-and-desist letters and 89 subpoenas to businesses reported by consumers to have engaged in price gouging or other consumer protection violations related to the COVID-19 pandemic.

The Division’s open cases include investigations of brick-and-mortar retailers in New Jersey, companies from other States that are accused of increasing prices for New Jersey consumers, and sellers located in New Jersey who have been accused of raising their prices on online marketplaces.

To date, the Division has logged a total of 2,978 complaints related to the COVID-19 emergency against about 1,800 business locations. Approximately 90 percent of the complaints involve price increase on items including surgical masks, hand sanitizers, disinfectant sprays and wipes, food, bottled water, and other items in demand by consumers concerned about protecting their health and maintaining enough supplies for their homes.

“It’s times like these when New Jersey residents need the Division of Consumer Affairs most,” said Attorney General Grewal. “When people are concerned about keeping their families healthy and paying their bills, they shouldn’t have to worry about becoming the victim of unscrupulous market practices. If you’re a business looking to take advantage of New Jersey consumers, we’re coming for you, and don’t bother trying to hide behind an online profile.”

“We will not stand for businesses seeking to take advantage of consumers during this pandemic. The investigation of consumer abuses is always a top priority, but even more so during the COVID-19 health crisis,” said Paul R. Rodríguez, Acting Director of the Division of Consumer Affairs. “We are reviewing thousands of potential violations, and we ask consumers to take advantage of our new online complaint form, which now allows them to submit photo evidence when they report suspected violations.”

New Jersey’s price-gouging law took effect on March 9, when Governor Phil Murphy declared a state of emergency in response to the COVID-19 outbreak.

The law 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.

Price-gouging 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 be subject to injunctive relief. Each sale of merchandise is considered a separate violation. Among consumers' most serious price-gouging complaints are allegations related to personal protective equipment, sanitizers, and disinfectants. Consumers have reported prices on those products tripling at some business locations.

In addition, about 40 merchants based in New Jersey are under investigation by the Division for engaging in price gouging or other consumer protection violations related to COVID-19 through their use of online marketplaces like Amazon, Craigslist, and Facebook Marketplace.

The Division is also investigating other allegations of consumer fraud, including several reports of companies falsely marketing products as effective to prevent the spread of COVID-19, or overstating the effectiveness of their products. One company, for example, is accused of falsely claiming that its sanitizer and disinfectant products are more than 99.9% effective against COVID-19.

Consumers who believe price gouging is occurring 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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