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## Christie Administration Subpoenas 65 Businesses in Investigations Into Post-Hurricane Price Gouging

Friday, November 2, 2012

Tags: Hurricane Sandy

**Trenton, NJ** - Governor Chris Christie, Attorney General Jeffrey S. Chiesa, and the New Jersey Division of Consumer Affairs today announced that the Division has issued subpoenas to 65 businesses across the State, intensifying its investigation into more than 500 consumer complaints about alleged price gouging.

"Having visited some of the hardest-hit areas of our state, and having seen firsthand the suffering people are experiencing, I assure New Jersey's residents and retailers that we are taking a zero-tolerance approach to price gouging," said Governor Christie. "Fuel, electricity, food, and a place to sleep are not luxuries, certainly not for individuals who have been displaced from their homes and in many cases have limited resources at their disposal. We are not asking businesses to function as charities. We require that they obey New Jersey's laws - or pay significant penalties."

Attorney General Chiesa noted that the Division has received allegations of price gouging from all regions of the state, with complaints particularly prominent in Bergen, Essex, Middlesex, Monmouth, Ocean, and Passaic counties. The top complaint categories are:

Gasoline, with gas prices in some cases allegedly rising by \$1 or more per gallon immediately following the storm, in some cases allegedly exceeding \$5 per gallon. The Division has also received complaints about gas stations charging more to fill up hand-held canisters than to fill car gas tanks, in apparent violation of state Motor Fuels Act protections related to fuel prices.

Generators, Batteries and Non-Gasoline Fuels such as propane; with generator prices allegedly doubling from prestorm prices.

Food, including reports of unexpectedly high prices at convenience stores and restaurants in certain areas, affecting consumers who are unable to cook a hot meal at home due to power outages.

Lodging, including complaints about hotels and motels significantly raising their prices, allegedly for rooms that were rented at much lower rates before the storm.

"We have deployed 45 investigators into the field, and our investigative teams will continue to take consumers' calls and investigate complaints through the weekend," Attorney General Chiesa said. "We expect that, by the end of the weekend, we will have issued 100 subpoenas to gas stations, requiring them to provide their receipts and other information to demonstrate their prices, and the costs they faced, both before and during the state of emergency."

Eric T. Kanefsky, Acting Director of the New Jersey Division of Consumer Affairs, said, "One of the most important steps a consumer can take to protect himself or herself is to demand a written receipt. Some businesses reportedly refused to issue receipts, or stated that their cash registers were unable to provide automated receipts due to power failures. You are still entitled to demand a written receipt that indicates the business sold you a given item for a given price on a given day. If it becomes necessary to file a complaint with the Division of Consumer Affairs, you will want to provide copies of receipts and any other documentation that may be available."

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.

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 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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