

Price Gouging Weekly Round Up - November 23, 2020

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Price gouging enforcement and litigation is front and center for company counsel and business managers nationwide. Our weekly round up highlights some of the most relevant news and information for our clients and friends.

[New York Attorney General Settles Price Gouging Allegations with Online Retailers](#)

On November 17, 2020, New York Attorney General Letitia James announced that her office had entered into settlements with three online sellers for price gouging claims related to sales of hand sanitizer. According to Attorney General James, “[p]rice gouging on necessary consumer supplies during an unprecedented public health emergency is absolutely unconscionable and will not be tolerated. . . . My office will continue to clean up this unlawful practice by using all of the tools at our disposal to prevent price gouging during this pandemic.” Attorney General James also reminded “sellers of goods and services vital to and necessary for the health, safety, and welfare of consumers or the general public that New York’s price gouging statute is still applicable and in effect as the coronavirus pandemic remains ongoing. Sellers should be aware that New York revised its price gouging statute, effective June 6, 2020, to impose increased penalties against those who price gouge essential items during a pandemic.”

[Oregon Attorney General Settles Multiple Price Gouging Allegations](#)

On November 17, 2020, the Oregon Department of Justice announced that it had entered into settlements with five Oregon companies for COVID-19 related consumer protection violations. Among the settlements was with a company accused of selling face masks between May and June for nearly double the price at which they purchased the masks. A similar settlement was entered into with several 7-Eleven stores allegedly charging excessive prices for individual face masks. In connection with the settlements, Oregon Attorney General Ellen Rosenblum stated, “[a]s Oregonians continue to navigate the COVID-19 pandemic, these actions are a reminder that as your Attorney General, I will not tolerate price gouging and other unconscionable trade practices. Most businesses are following the law. Those that are not should take note: the Oregon Department of Justice will investigate, and we will hold you accountable. The penalties for violations are significant.”

Iowa Company Responsible for 40% of Price Gouging Complaints Following August Derecho

Lynn Hicks, a spokesperson for the Iowa Attorney General's Office, recently reported that 40% of the complaints it received following the August derecho that swept the state were related to one electric company. According to Hicks, the investigation into the complaints is still ongoing and it is unusual to see such a high number of complaints against one company. Iowa's price gouging law prohibits sellers from charging "excessive prices for merchandise needed by victims of disasters." The law defines an "excessive price" as one that is "not justified by the seller's actual costs of acquiring, producing, selling, transporting, and delivering the actual product sold, plus a reasonable profit. In calculating the seller's actual costs, no allowance shall be made for the replacement costs of merchandise if the seller is reasonably assured of recouping the replacement costs as a part of the price of subsequent sales of the merchandise."

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