

Attorney General Raoul Leads Brief In Support Of States' Authority To Regulate Price Gouging

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Chicago – Attorney General Kwame Raoul led a bipartisan coalition of 31 states in filing an [amicus brief](#) in the U.S. Court of Appeals for the 6th Circuit to support states' authority to enforce price gouging regulations to protect consumers during emergencies, such as the COVID-19 pandemic.

Raoul and the coalition are urging the appellate court to overturn the district court's decision in a lawsuit filed by the Online Merchants Guild in the state of Kentucky. The court entered a preliminary injunction preventing Kentucky from enforcing price gouging regulations against retailers selling products on Amazon. In the brief, Raoul and the coalition state that national and local emergencies, such as the pandemic, create significant shortages for essential items. State price gouging laws are essential to ensuring that goods can be fairly allocated among residents, and to preventing bad actors from profiting off of residents by charging excessively high prices for goods that are scarce.

“Price gouging laws help ensure that residents have equal access to goods and services, and those laws have been absolutely essential during the coronavirus pandemic as millions of Americans face financial uncertainty,” Raoul said. “I filed this brief because state attorneys general have the responsibility of protecting our residents, and the coronavirus emergency has only served to highlight the importance of state price gouging laws.”

During the COVID-19 pandemic, many states have implemented social distancing measures in public places and recommended that residents stay home when possible. As a result, more consumers have turned to online sellers to purchase food, medicine, cleaning supplies and other household essentials. The Online Merchants Guild filed a lawsuit after Kentucky began investigating several Kentucky-based retailers, claiming that price gouging laws should not be applied to retailers selling goods on Amazon.

Raoul and the coalition emphasize that price gouging laws level the playing field and ensure a more equitable distribution of goods to high and low-income consumers. Raoul and the attorneys general also state that price gouging protections have been particularly necessary during the pandemic, which has caused financial instability for millions of Americans and created and threatened shortages of essential goods. Furthermore, regulating price gouging falls under states' responsibility to aid vulnerable consumers during an emergency. Additionally, price gouging laws do not directly control the price of goods for out-of-state sales or create an actual conflict among state regulations.

States have taken action that has been crucial to curbing price gouging during the pandemic, including working toward voluntary compliance, issuing subpoenas, sending cease and desist letters, and filing civil actions. In Illinois, consumers have filed nearly

1,800 complaints regarding instances of alleged price gouging. Attorney General Raoul has investigated complaints of price gouging on essential items, such as personal protective equipment, paper goods and food with the goal of ensuring businesses comply with Illinois law. As a result, Raoul's office has sent approximately 100 letters confirming businesses' compliance with state consumer protection and price gouging laws. Raoul's office also continues to investigate other businesses for possible price gouging violations.

Raoul and the coalition are asking the appellate court to reverse the district court's order granting injunctive relief.

Joining Raoul in filing the amicus brief are the attorneys general of Alaska, Arkansas, California, Colorado, Connecticut, Delaware, the District of Columbia, Hawaii, Idaho, Iowa, Kansas, Maine, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New York, North Carolina, Ohio, Oregon, Pennsylvania, Rhode Island, Tennessee, Texas, Vermont, Virginia, Washington, and Wisconsin?.