



DEPARTMENT OF THE ATTORNEY GENERAL

DAVID Y. IGE
GOVERNOR

CLARE E. CONNORS
ATTORNEY GENERAL

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33 Attorneys General Warn Amazon, Facebook, Ebay, Craigslist, Walmart: Online Marketplaces Aren't Exempt from Price Gouging Laws

HONOLULU – Today, Attorney General Clare E. Connors joined a letter signed by 32 Attorneys General, led by Pennsylvania, Connecticut, New Mexico, and Vermont, urging Amazon, Facebook, Ebay, Walmart, and Craigslist to more rigorously monitor price gouging practices by online sellers using their services.

“We want the business community and American consumers to know that we endeavor to balance the twin imperatives of commerce and consumer protection in the marketplace,” said the Attorneys General in their letter. “And, while we appreciate reports of the efforts made by platforms and online retailers to crack down on price gouging as the American community faces an unprecedented public health crisis, we are calling on you to do more at a time that requires national unity.”

According to Attorney General Connors, “While our state focuses its efforts on preventing the spread of COVID-19 in our community, the online marketplaces needs to ensure that these kinds of unconscionable acts are stopped immediately.”

The letter lists several examples of price-gouging on these marketplace platforms, all of which took place only in March: on Craigslist, a two-liter bottle of hand sanitizer was being sold for \$250; on Facebook Marketplace, an eight-ounce bottle was being sold for \$40; and on Ebay, packs of face masks were being sold for \$40 and \$50.

Several changes are recommended to protect consumers from price gouging:

- **Set policies and enforce restrictions on unconscionable price gouging during emergencies:** Online retail platforms should prevent unconscionable price increases from occurring by creating and enforcing strong policies that prevent sellers from deviating in any significant way from the product's price before an emergency. Such policies should examine historical

seller prices, and the price offered by other sellers of the same or similar products, to identify and eliminate price gouging.

- **Trigger price gouging protections prior to an emergency declaration**, such as when your systems detect conditions like pending weather events or future possible health risks.
- **Implement a complaint portal** for consumers to report potential price gouging.

This letter was co-led with the Offices of Attorneys General from Connecticut, New Mexico, and Vermont, in addition to signatures from the Offices of Attorneys General in California, Colorado, Delaware, District of Columbia, Idaho, Illinois, Iowa, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New York, North Dakota, Ohio, Oregon, Pennsylvania, Rhode Island, Utah, Virginia, Washington, Wyoming, and Puerto Rico.

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For more information, contact:

Krishna F. Jayaram
Special Assistant to the Attorney General
(808) 586-1284
Email: atg.pio@hawaii.gov
Web: <http://ag.hawaii.gov>
Twitter: @ATGHlGov