## THE CITY OF NEW YORK OFFICE OF THE MAYOR NEW YORK, NY 10007

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## MAYOR DE BLASIO AND COMMISSIONER SALAS PROSECUTE REPEAT PRICE GOUGERS

City files three additional lawsuits against price gouging violators, seeking up to \$101,500 in fines

**NEW YORK**—Mayor Bill de Blasio and Department of Consumer and Worker Protection (DCWP) Commissioner Lorelei Salas today announced the Department has filed three additional cases against repeat price gougers for knowingly increasing prices in violation of DCWP's regulations under the City's Consumer Protection Law. DCWP issued a total of 203 violations to three businesses for selling face masks, hand sanitizer, cough medicine and other products at drastically increased prices. In one particularly egregious example, one business was charging a consumer \$20.00 for one N95 face mask. The cases will be heard at the City's Office of Administrative Trials and Hearings (OATH) where DCWP is seeking a total of up to \$101,500 in fines. On March 25, DCWP <u>filed</u> its first case against a repeat offender of its price gouging regulations.

"Taking advantage of New Yorkers in a crisis is unacceptable," said **Mayor Bill de Blasio**.
"Don't even think about price gouging in our city. We won't stand for it, and we will hold you fully accountable."

"If you continue to knowingly take advantage of consumers, shame on you! We hope the message is loud and clear – we will not tolerate price gouging," said **DCWP Commissioner Lorelei Salas**. "If you have been overcharged, we urge you to file a complaint by calling 311."

## DCWP is filing cases against:

- Burns Pharmacy (68-04 Burns Street, Queens) for 24 violations of price gouging hand sanitizer and face masks. DCWP is seeking up to \$12,000 in fines.
- Hong Kong Supermarket (157 Hester Street, Manhattan) for 139 violations of price gouging face masks, gloves, disinfect wipes and hand sanitizer. DCWP is seeking up to \$69,500 in fines.
- Thomas Drugs (171 Columbus Avenue, Manhattan) for 40 violations of price gouging face masks, gloves and cough medicine. DCWP is seeking up to \$20,000 in fines.

DCWP is actively inspecting stores based on consumer complaints. Businesses found to be overcharging consumers by 10 percent or more for any personal or household good or service that is needed to prevent or limit the spread of or treat COVID-19 will be issued a violation. Examples of covered products include disinfectants, soap, cleaning products, diagnostic products and services, and medicines. Since March 5, DCWP has received more

than 7,200 complaints and issued more than 2,700 violations for price gouging. DCWP encourages consumers who are overcharged to file a complaint at <a href="nyc.gov/dcwp">nyc.gov/dcwp</a> or by contacting 311 and saying "overcharge." Consumers who believe they were victimized by price gouging should keep their receipts and any information about the store where the transaction occurred, and file a complaint with DCWP. If the price gouging occurred while DCWP's regulations were in effect, DCWP can prosecute the illegal activity.

On March 5, the Commissioner declared <u>face masks</u> in short supply and that declaration was <u>extended</u> with the addition of hand sanitizer and disinfectant wipes on March 10. The declarations were made under the Rules of the City of New York (<u>6 RCNY 5-38</u>), which allows the commissioner to declare certain items temporarily in short supply for 30 days during extraordinary circumstances. On March 16, the Agency promulgated an emergency <u>Rule</u> under the City's Consumer Protection Law that makes price gouging illegal for any personal or household good or service that is needed to prevent or limit the spread of or treat COVID-19. The Rule (<u>NYC Administrative Code 20-701(b)</u>) makes it illegal to increase prices by 10 percent or more for a 60 day period. The Rule can be extended once for an additional 60 days. The Rule covers any personal or household good or service—such as disinfectants, soap, and cleaning products, diagnostic products and services, medicines, and tissues—that is needed to prevent or limit the spread of or treat COVID-19. The fine for price gouging is up to \$500 per item or service. If businesses are paying more to obtain these items themselves, they must provide proof to DCWP and any increase must be comparable. If a business paid \$2 more per item, they cannot charge customers \$50 more.

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