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## DA Warns Businesses, Consumers of Price Gouging Law in Wake of Coronavirus

## Spiking Prices During a State of an Emergency is a Crime

As the state of California and San Diego County continue to respond to the ongoing threat posed by COVID-19, the San Diego County District Attorney's Office issued a warning today to businesses and scammers not to take advantage of consumers by price gouging. During a declared state of emergency, it is illegal for a business to increase its prices for essential goods or services by more than 10 percent, unless they can show their own costs have been increased. Governor Gavin Newsom declared a state of emergency in California on March 4 and the San Diego County Board of Supervisors extended its countywide state of emergency for an additional 30 days on February 19.

"We want county residents to know that we stand ready to protect their consumer rights under the law," District Attorney Summer Stephan said. "We will strictly enforce violations related to price gouging."

Violations of the price gouging statute are subject to criminal prosecution that can result in one-year imprisonment in county jail and/or a fine of up to \$10,000. Violations are also subject to civil enforcement actions including civil penalties of up to \$5,000 per violation, injunctive relief and mandatory restitution.

The law applies to several products and necessities including: food and drink (including food and drink for animals); emergency supplies such as water, flashlights, radios, batteries, candles, blankets, soaps, diapers, toiletries; and medical supplies such as prescription and nonprescription medications, bandages, gauze, isopropyl alcohol, and antibacterial products.

It is also a misdemeanor for a hotel or motel to increase regular rates by more than 10 percent during a declared emergency and for the 30 days following the state of emergency.

In addition to price gouging, consumers should be on alert criminals who may set up fake websites, send emails, texts or post on social media pretending to be from the World Health Organization or the Centers for Disease Control and Prevention in an attempt to profit illegally. Also, be wary of business claiming to have a miracle cure. There is no cure for the coronavirus, yet. Do not respond to anyone



claiming to have the vaccination or a cure. Most businesses are honest and have good intentions, but there are always bad actors waiting to take advantage of fear and anxiety

You can report suspected price gouging to the District Attorney's Consumer Protection Unit at (619) 531-3507 or to the <u>California Attorney General's Office</u>.

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## About the San Diego County District Attorney's Office

The San Diego County DA's Office prosecutes all felony crimes in the county and misdemeanor crimes committed outside the City of San Diego. The office files about 40,000 criminal cases a year and balances prosecution with numerous crime prevention programs. District Attorney Summer Stephan leads the office of more than 1,000 dedicated employees who pursue fair and equal justice, and support victims daily across San Diego County