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DA Co-Sponsors Price Gouging Legislation in Response to COVID-19 Pandemic

Senate Bill 1196 Updates Law to include New Sellers, Online Purchases

As Californians struggle to adapt to the havoc created by the COVID-19 pandemic, they shouldn't have to also worry about being gouged when buying essential items. In an effort to update existing laws and combat illegal price spikes happening in San Diego and across the state, DA Summer Stephan has joined Senator Thomas J. Umberg (D-Santa Ana) and Orange County DA Todd Spitzer in debuting new legislation, Senate Bill 1196, that will tighten California law to assist law enforcement officials in prosecuting instances of price gouging that are committed by new sellers during an emergency.

"Emergencies like the COVID-19 pandemic bring out the best in most Californians, but some businesses take advantage of emergency conditions to gouge consumers with extreme prices for essential goods and services," **San Diego County District Attorney Summer Stephan** said. "This bill will help close loopholes that allow greedy actors to escape accountability and ensures that California businesses don't charge abusive prices for health and consumer essentials during this national emergency."

Currently, under [California Penal Code Section 396](#), price gouging is illegal and punishable by law during a declared state of emergency. However, the code hasn't been changed since 1992. For example, current law dictates that a seller has committed price gouging when they charge "a price of more than 10 percent greater than the price charged by that person for those goods or services immediately prior to the proclamation or declaration of emergency." This section clearly prevents established sellers of specified goods from committing price gouging, but is silent to new sellers in a market place. This amendment clarifies existing law to ensure that the safeguard applies to online purchases.

The San Diego County District Attorney's Office has received more than 280 reports of potential price gouging, is investigating each complaint and has contacted 60 businesses.

"We are committed to protect Californians from those that prey on our community during the trying times of national or global emergencies. We will continue to use all of the tools at our disposal to

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prevent price gouging during this, and any future disaster” said **Senator Umberg**. “There are brave men and women in the health and public safety sectors of our community whose lives are on the line every day. It is immoral and unacceptable to allow some to take advantage of this crisis when so many are fighting to help.

You can also report price gouging to the DA’s Consumer Hotline at 619-531-3507.

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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.