FOR IMMEDIATE RELEASE:
March 25, 2020
Contact: Matt Baca -- (505) 270-7148

Attorney General Balderas Warns Amazon, Facebook, Ebay, Craigslist, Walmart: Online Marketplaces Aren’t Exempt from Price Gouging Laws

Santa Fe, NM— Today, Attorney General Balderas led a coalition of 32 attorneys general, urging Amazon, Facebook, Ebay, Walmart, and Craigslist to more rigorously monitor price gouging practices by online sellers using their services.

“Increasing prices on necessities like medical supplies, hand sanitizer, masks, and other items because people are in fear of the coronavirus is simply unconscionable,” Balderas said. “Businesses must exercise more thorough oversight to stop anyone using their platforms from price gouging, and anyone increasing prices in order to illegally profit from this emergency will be prosecuted.”

In the letter, the attorneys general emphasize: “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.”

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.

The attorneys general recommend several changes 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.

Copies of the letters are attached.

####
March 25, 2020

Jeff Bezos, Founder/CEO
Amazon HQ
410 Terry Ave. N
Seattle WA 98109-5210

Dear Mr. Bezos,

We write in our capacity as the top law enforcement officers for our respective states. 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. 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. That is why we are reaching out to you and other platforms and online retailers directly to address this problem.

As COVID-19 spreads throughout the country, it is especially important unscrupulous sellers do not take advantage of Americans by selling products at unconscionable prices. Unfortunately, independent third-party organizations and journalists have documented many examples of price-gouging of items people need to protect themselves since the World Health Organization declared a global health emergency on January 30. For example:

- On Amazon, U.S. PIRG Education Fund found that more than half of hand sanitizers and facemasks available spiked by at least 50% compared to the average price. One in six products sold directly by Amazon saw similar price spikes.

---

On Craigslist, one seller was selling a two-liter bottle of Purell Advanced hand sanitizer for $250—ten times the normal price.

On Facebook Marketplace, an eight-ounce bottle was being sold for $40.

Other price-gouging reports are coming into our offices daily alleging price gouging online and at bricks and mortar locations.

While many of these items have since been removed, they were available for sale, and consumers are harmed when they purchase heavily marked-up products. Even new protections by your company including heightened monitoring, bans on certain advertisements, and bans on selling certain items, have failed to remove unconscionably priced critical supplies during the COVID-19 pandemic. When consumers cannot get what they need to protect their homes and loved ones—or in this case, help prevent the spread of the virus—consumers suffer not only economic harm, but serious health consequences as well.

With the pandemic expected to continue, your platforms and marketplaces must enact measures to prevent price gouging. We urge you to implement the following measures, or others that your technicians devise, to ensure unscrupulous sellers do not take advantage of consumers who are buying essentials to keep them healthy during emergency situations:

1. **Set policies and enforce restrictions on unconscionable price gouging during emergencies:** Rather than playing whack-a-mole to stop price gouging after it has already occurred, online retail platforms should prevent unconscionable price increases from occurring in the first place by creating and enforcing strong policies that prevent sellers from deviating in any significant way from the price the product was sold at prior to the onset of the emergency. Such policies should look at the prices historically set by the seller in question, as well as other sellers of the same or similar products, to identify and eliminate price gouging. We strongly encourage you to work with our offices so that we can help you create policies that comply with our respective states’ laws and regulations. By adopting strong standards, you can do your part to prevent unconscionable and unjustified price increases that would harm consumers and prevent your platform and its sellers from violating our states’ laws.

2. **Trigger price gouging protections independent of, or prior to an emergency declaration:** Price gouging on a platform often begins prior to official emergency declarations. The above protections should be triggered when your system detects pricing spikes generally (think of scarcity at a time of recession or stock market crash), or conditions that could lead to price gouging like pending weather events or future possible health emergencies.
3. **Create and maintain a “Fair Pricing” Page/Portal** where consumers can report price gouging incidents to you directly. A simple tool requesting the name of the vendor, the item for sale, the alleged unfair price, and the state of residence of the complainant would quickly and efficiently allow you to identify and freeze or remove truly bad actors and facilitate appropriate referrals for enforcement or prosecution. We hope to work with you in developing a system to make these complaints available to our offices.

Your company has created an important online platform with a team of engineers capable of devising solutions to numerous problems. These are just a few potential solutions, and we hope your company will put its considerable technological prowess to work implementing these or other solutions to better protect your customers.

As Attorneys General, we will continue to monitor, investigate, and prosecute sellers who engage in price gouging. We believe you have an ethical obligation and duty to help your fellow citizens in this time of need by doing everything in your power to stop price gouging in real-time. We look forward to your response to this letter, to partnering with you to protect our citizens, and to enforcing the nation’s consumer protection laws.

Sincerely,

JOSH SHAPIRO  
Attorney General of Pennsylvania

WILLIAM TONG  
Attorney General of Connecticut

HECTOR BALDERAS  
Attorney General of New Mexico

THOMAS J. DONOVAN, JR.  
vVermont Attorney General
XAVIER BECERRA  
Attorney General of California

PHIL WEISER  
Attorney General of Colorado

KATHLEEN JENNINGS  
Attorney General of Delaware

KARL RACINE  
Attorney General of the District of Columbia

CLARE CONNORS  
Attorney General of Hawaii

LAWRENCE WASDEN  
Attorney General of Idaho

KWAME RAOUL  
Attorney General of Illinois

TOM MILLER  
Attorney General of Iowa

JEFF LANDRY  
Attorney General of Louisiana

AARON M. FREY  
Attorney General of Maine
BRIAN FROSH
Attorney General of Maryland

MAURA HEALEY
Attorney General of Massachusetts

DANA NESSEL
Attorney General of Michigan

KEITH ELLISON
Attorney General of Minnesota

TIM FOX
Attorney General of Montana

DOUG PETERSON
Attorney General of Nebraska

AARON D. FORD
Attorney General of Nevada

GORDON MACDONALD
Attorney General of New Hampshire

GURBIR S. GREWAL
Attorney General of New Jersey

WAYNE STENEHJEM
Attorney General of North Dakota
DAVE YOST
Attorney General of Ohio

ELLEN F. ROSENBLUM
Attorney General of Oregon

DENNISE LONGO
Puerto Rico Secretary of Justice

PETER NERONHA
Attorney General of Rhode Island

SEAN D. REYES
Attorney General of Utah
Counsel for the Utah Division of Consumer Protection

MARK HERRING
Attorney General of Virginia

BOB FERGUSON
Attorney General of Washington

BRIDGET HILL
Attorney General of Wyoming
March 25, 2020

Jim Buckmaster, CEO
Craigslist
222 Sutter St., 9th Floor
San Francisco, CA 94108

Dear Mr. Buckmaster,

We write in our capacity as the top law enforcement officers for our respective states. 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. 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. That is why we are reaching out to you and other platforms and online retailers directly to address this problem.

As COVID-19 spreads throughout the country, it is especially important that unscrupulous sellers do not take advantage of Americans by selling products at unconscionable prices. Unfortunately, independent third-party organizations and journalists have documented many examples of price-gouging of items people need to protect themselves since the World Health Organization declared a global health emergency on January 30. For example:

- On Amazon, U.S. PIRG Education Fund found that more than half of hand sanitizers and facemasks available spiked by at least 50% compared to the average price. One in six products sold directly by Amazon saw similar price spikes.

---

On Craigslist, one seller was selling a two-liter bottle of Purell Advanced hand sanitizer for $250—ten times the normal price.

On Facebook Marketplace, an eight-ounce bottle was being sold for $40.

Other price-gouging reports are coming into our offices daily alleging price gouging online and at bricks and mortar locations.

While many of these items have since been removed, they were available for sale, and consumers are harmed when they purchase heavily marked-up products. Even new protections by your company including heightened monitoring, bans on certain advertisements, and bans on selling certain items, have failed to remove unconscionably priced critical supplies during the COVID-19 pandemic. When consumers cannot get what they need to protect their homes and loved ones—or in this case, help prevent the spread of the virus—consumers suffer not only economic harm, but serious health consequences as well.

With the pandemic expected to continue, your platforms and marketplaces must enact measures to prevent price gouging. We urge you to implement the following measures, or others that your technicians devise, to ensure unscrupulous sellers do not take advantage of consumers who are buying essentials to keep them healthy during emergency situations:

1. **Set policies and enforce restrictions on unconscionable price gouging during emergencies:** Rather than playing whack-a-mole to stop price gouging after it has already occurred, online retail platforms should prevent unconscionable price increases from occurring in the first place by creating and enforcing strong policies that prevent sellers from deviating in any significant way from the price the product was sold at prior to the onset of the emergency. Such policies should look at the prices historically set by the seller in question, as well as other sellers of the same or similar products, to identify and eliminate price gouging. We strongly encourage you to work with our offices so that we can help you create policies that comply with our respective states’ laws and regulations. By adopting strong standards, you can do your part to prevent unconscionable and unjustified price increases that would harm consumers and prevent your platform and its sellers from violating our states’ laws.

2. **Trigger price gouging protections independent of, or prior to an emergency declaration:** Price gouging on a platform often begins prior to official emergency declarations. The above protections should be triggered when your system detects pricing spikes generally (think of scarcity at a time of recession or stock market crash), or conditions that could lead to price gouging like pending weather events or future possible health emergencies.
3. **Create and maintain a “Fair Pricing” Page/Portal** where consumers can report price gouging incidents to you directly. A simple tool requesting the name of the vendor, the item for sale, the alleged unfair price, and the state of residence of the complainant would quickly and efficiently allow you to identify and freeze or remove truly bad actors and facilitate appropriate referrals for enforcement or prosecution. We hope to work with you in developing a system to make these complaints available to our offices.

Your company has created an important online platform with a team of engineers capable of devising solutions to numerous problems. These are just a few potential solutions, and we hope your company will put its considerable technological prowess to work implementing these or other solutions to better protect your customers.

As Attorneys General, we will continue to monitor, investigate, and prosecute sellers who engage in price gouging. We believe you have an ethical obligation and duty to help your fellow citizens in this time of need by doing everything in your power to stop price gouging in real-time. We look forward to your response to this letter, to partnering with you to protect our citizens, and to enforcing the nation’s consumer protection laws.

Sincerely,

JOSH SHAPIRO  
Attorney General of Pennsylvania

WILLIAM TONG  
Attorney General of Connecticut

HECTOR BALDERAS  
Attorney General of New Mexico

THOMAS J. DONOVAN, JR.  
Vermont Attorney General
XAVIER BECERRA  
Attorney General of California

PHIL WEISER  
Attorney General of Colorado

KATHLEEN JENNINGS  
Attorney General of Delaware

KARL RACINE  
Attorney General of the District of Columbia

CLARE CONNORS  
Attorney General of Hawaii

LAWRENCE WASDEN  
Attorney General of Idaho

KWAME RAOUUL  
Attorney General of Illinois

TOM MILLER  
Attorney General of Iowa

JEFF LANDRY  
Attorney General of Louisiana

AARON M. FREY  
Attorney General of Maine
BRIAN FROSH
Attorney General of Maryland

MAURA HEALEY
Attorney General of Massachusetts

DANA NESSEL
Attorney General of Michigan

KEITH ELLISON
Attorney General of Minnesota

TIM FOX
Attorney General of Montana

DOUG PETERSON
Attorney General of Nebraska

AARON D. FORD
Attorney General of Nevada

GORDON MACDONALD
Attorney General of New Hampshire

GURBIR S. GREWAL
Attorney General of New Jersey

WAYNE STENEHJEM
Attorney General of North Dakota
DAVE YOST
Attorney General of Ohio

ELLEN F. ROSENBLUM
Attorney General of Oregon

DENNISE LONGO
Puerto Rico Secretary of Justice

PETER NERONHA
Attorney General of Rhode Island

SEAN D. REYES
Attorney General of Utah
Counsel for the Utah Division of Consumer Protection

MARK HERRING
Attorney General of Virginia

BOB FERGUSON
Attorney General of Washington

BRIDGET HILL
Attorney General of Wyoming
March 25, 2020

Scott Schenkel, CEO
eBay
2025 Hamilton Ave.
San Jose, CA 95125

Dear Mr. Schenkel,

We write in our capacity as the top law enforcement officers for our respective states. 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. 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. That is why we are reaching out to you and other platforms and online retailers directly to address this problem.

As COVID-19 spreads throughout the country, it is especially important unscrupulous sellers do not take advantage of Americans by selling products at unconscionable prices. Unfortunately, independent third-party organizations and journalists have documented many examples of price-gouging of items people need to protect themselves since the World Health Organization declared a global health emergency on January 30. For example:

- On Amazon, U.S. PIRG Education Fund found that more than half of hand sanitizers and facemasks available spiked by at least 50% compared to the average price. One in six products sold directly by Amazon saw similar price spikes.

---

On Craigslist, one seller was selling a two-liter bottle of Purell Advanced hand sanitizer for $250—ten times the normal price.

On Facebook Marketplace, an eight-ounce bottle was being sold for $40.

Other price-gouging reports are coming into our offices daily alleging price gouging online and at bricks and mortar locations.

While many of these items have since been removed, they were available for sale, and consumers are harmed when they purchase heavily marked-up products. Even new protections by your company including heightened monitoring, bans on certain advertisements, and bans on selling certain items, have failed to remove unconscionably priced critical supplies during the COVID-19 pandemic. When consumers cannot get what they need to protect their homes and loved ones—or in this case, help prevent the spread of the virus—consumers suffer not only economic harm, but serious health consequences as well.

With the pandemic expected to continue, your platforms and marketplaces must enact measures to prevent price gouging. We urge you to implement the following measures, or others that your technicians devise, to ensure unscrupulous sellers do not take advantage of consumers who are buying essentials to keep them healthy during emergency situations:

1. **Set policies and enforce restrictions on unconscionable price gouging during emergencies:** Rather than playing whack-a-mole to stop price gouging after it has already occurred, online retail platforms should prevent unconscionable price increases from occurring in the first place by creating and enforcing strong policies that prevent sellers from deviating in any significant way from the price the product was sold at prior to the onset of the emergency. Such policies should look at the prices historically set by the seller in question, as well as other sellers of the same or similar products, to identify and eliminate price gouging. We strongly encourage you to work with our offices so that we can help you create policies that comply with our respective states’ laws and regulations. By adopting strong standards, you can do your part to prevent unconscionable and unjustified price increases that would harm consumers and prevent your platform and its sellers from violating our states’ laws.

2. **Trigger price gouging protections independent of, or prior to an emergency declaration:** Price gouging on a platform often begins prior to official emergency declarations. The above protections should be triggered when your system detects pricing spikes generally (think of scarcity at a time of recession or stock market crash), or conditions that could lead to price gouging like pending weather events or future possible health emergencies.
3. **Create and maintain a “Fair Pricing” Page/Portal** where consumers can report price gouging incidents to you directly. A simple tool requesting the name of the vendor, the item for sale, the alleged unfair price, and the state of residence of the complainant would quickly and efficiently allow you to identify and freeze or remove truly bad actors and facilitate appropriate referrals for enforcement or prosecution. We hope to work with you in developing a system to make these complaints available to our offices.

Your company has created an important online platform with a team of engineers capable of devising solutions to numerous problems. These are just a few potential solutions, and we hope your company will put its considerable technological prowess to work implementing these or other solutions to better protect your customers.

As Attorneys General, we will continue to monitor, investigate, and prosecute sellers who engage in price gouging. We believe you have an ethical obligation and duty to help your fellow citizens in this time of need by doing everything in your power to stop price gouging in real-time. We look forward to your response to this letter, to partnering with you to protect our citizens, and to enforcing the nation’s consumer protection laws.

Sincerely,

JOSH SHAPIRO  
Attorney General of Pennsylvania

WILLIAM TONG  
Attorney General of Connecticut

HECTOR BALDERAS  
Attorney General of New Mexico

THOMAS J. DONOVAN, JR.  
Vermont Attorney General
XAVIER BECERRA
Attorney General of California

PHIL WEISER
Attorney General of Colorado

KATHLEEN JENNINGS
Attorney General of Delaware

KARL RACINE
Attorney General of the District of Columbia

CLARE CONNORS
Attorney General of Hawaii

LAWRENCE WASDEN
Attorney General of Idaho

KWAME RAOUL
Attorney General of Illinois

TOM MILLER
Attorney General of Iowa

JEFF LANDRY
Attorney General of Louisiana

AARON M. FREY
Attorney General of Maine
BRIAN FROSH  
Attorney General of Maryland

MAURA HEALEY  
Attorney General of Massachusetts

DANA NESSEL  
Attorney General of Michigan

KEITH ELLISON  
Attorney General of Minnesota

TIM FOX  
Attorney General of Montana

DOUG PETERSON  
Attorney General of Nebraska

AARON D. FORD  
Attorney General of Nevada

GORDON MACDONALD  
Attorney General of New Hampshire

GURBIR S. GREWAL  
Attorney General of New Jersey

WAYNE STENEHJEM  
Attorney General of North Dakota
DAVE YOST
Attorney General of Ohio

ELLEN F. ROSENBLUM
Attorney General of Oregon

DENNISE LONGO
Puerto Rico Secretary of Justice

PETER NERONHA
Attorney General of Rhode Island

SEAN D. REYES
Attorney General of Utah
Counsel for the Utah Division of Consumer Protection

MARK HERRING
Attorney General of Virginia

BRIDGET HILL
Attorney General of Wyoming

BOB FERGUSON
Attorney General of Washington
March 25, 2020

Mark Zuckerberg, Chairman/CEO
Facebook
1 Hacker Way
Menlo Park, CA 94025

Dear Mr. Zuckerberg,

We write in our capacity as the top law enforcement officers for our respective states. 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. 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. That is why we are reaching out to you and other platforms and online retailers directly to address this problem.

As COVID-19 spreads throughout the country, it is especially important unscrupulous sellers do not take advantage of Americans by selling products at unconscionable prices. Unfortunately, independent third-party organizations and journalists have documented many examples of price-gouging of items people need to protect themselves since the World Health Organization declared a global health emergency on January 30. For example:\(^1\)

- On Amazon, U.S. PIRG Education Fund found that more than half of hand sanitizers and facemasks available spiked by at least 50% compared to the average price. One in six products sold directly by Amazon saw similar price spikes.

---

● On Craigslist, one seller was selling a two-liter bottle of Purell Advanced hand sanitizer for $250—ten times the normal price.
● On Facebook Marketplace, an eight-ounce bottle was being sold for $40.
● Other price-gouging reports are coming into our offices daily alleging price gouging online and at bricks and mortar locations.

While many of these items have since been removed, they were available for sale, and consumers are harmed when they purchase heavily marked-up products. Even new protections by your company including heightened monitoring, bans on certain advertisements, and bans on selling certain items, have failed to remove unconscionably priced critical supplies during the COVID-19 pandemic. When consumers cannot get what they need to protect their homes and loved ones—or in this case, help prevent the spread of the virus—consumers suffer not only economic harm, but serious health consequences as well.

With the pandemic expected to continue, your platforms and marketplaces must enact measures to prevent price gouging. We urge you to implement the following measures, or others that your technicians devise, to ensure unscrupulous sellers do not take advantage of consumers who are buying essentials to keep them healthy during emergency situations:

1. **Set policies and enforce restrictions on unconscionable price gouging during emergencies:** Rather than playing whack-a-mole to stop price gouging after it has already occurred, online retail platforms should prevent unconscionable price increases from occurring in the first place by creating and enforcing strong policies that prevent sellers from deviating in any significant way from the price the product was sold at prior to the onset of the emergency. Such policies should look at the prices historically set by the seller in question, as well as other sellers of the same or similar products, to identify and eliminate price gouging. We strongly encourage you to work with our offices so that we can help you create policies that comply with our respective states’ laws and regulations. By adopting strong standards, you can do your part to prevent unconscionable and unjustified price increases that would harm consumers and prevent your platform and its sellers from violating our states’ laws.

2. **Trigger price gouging protections independent of, or prior to an emergency declaration:** Price gouging on a platform often begins prior to official emergency declarations. The above protections should be triggered when your system detects pricing spikes generally (think of scarcity at a time of recession or stock market crash), or conditions that could lead to price gouging like pending weather events or future possible health emergencies.
3. Create and maintain a “Fair Pricing” Page/Portal where consumers can report price gouging incidents to you directly. A simple tool requesting the name of the vendor, the item for sale, the alleged unfair price, and the state of residence of the complainant would quickly and efficiently allow you to identify and freeze or remove truly bad actors and facilitate appropriate referrals for enforcement or prosecution. We hope to work with you in developing a system to make these complaints available to our offices.

Your company has created an important online platform with a team of engineers capable of devising solutions to numerous problems. These are just a few potential solutions, and we hope your company will put its considerable technological prowess to work implementing these or other solutions to better protect your customers.

As Attorneys General, we will continue to monitor, investigate, and prosecute sellers who engage in price gouging. We believe you have an ethical obligation and duty to help your fellow citizens in this time of need by doing everything in your power to stop price gouging in real-time. We look forward to your response to this letter, to partnering with you to protect our citizens, and to enforcing the nation’s consumer protection laws.

Sincerely,

JOSH SHAPIRO
Attorney General of Pennsylvania

WILLIAM TONG
Attorney General of Connecticut

HECTOR BALDERAS
Attorney General of New Mexico

THOMAS J. DONOVAN, JR.
Vermont Attorney General
XAVIER BECERRA
Attorney General of California

PHIL WEISER
Attorney General of Colorado

KATHLEEN JENNINGS
Attorney General of Delaware

KARL RACINE
Attorney General of the District of Columbia

CLARE CONNORS
Attorney General of Hawaii

LAWRENCE WASDEN
Attorney General of Idaho

KWAME RAOUL
Attorney General of Illinois

TOM MILLER
Attorney General of Iowa

JEFF LANDRY
Attorney General of Louisiana

AARON M. FREY
Attorney General of Maine
BRIAN FROSH  
Attorney General of Maryland

MAURA HEALEY  
Attorney General of Massachusetts

DANA NESSEl  
Attorney General of Michigan

KEITH ELLISON  
Attorney General of Minnesota

TIM FOX  
Attorney General of Montana

DOUG PETERSON  
Attorney General of Nebraska

AARON D. FORD  
Attorney General of Nevada

GORDON MACDONALD  
Attorney General of New Hampshire

GURBIR S. GREWAL  
Attorney General of New Jersey

WAYNE STENEHJEM  
Attorney General of North Dakota
DAVE YOST
Attorney General of Ohio

ELLEN F. ROSENBLUM
Attorney General of Oregon

DENNISE LONGO
Puerto Rico Secretary of Justice

PETER NERONHA
Attorney General of Rhode Island

SEAN D. REYES
Attorney General of Utah
Counsel for the Utah Division of Consumer Protection

MARK HERRING
Attorney General of Virginia

BOB FERGUSON
Attorney General of Washington

BRIDGET HILL
Attorney General of Wyoming
March 25, 2020

Doug McMillon, President/CEO
Walmart
702 SW 8th St.
Bentonville, AR 72716

Dear Mr. McMillon,

We write in our capacity as the top law enforcement officers for our respective states. 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. 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. That is why we are reaching out to you and other platforms and online retailers directly to address this problem.

As COVID-19 spreads throughout the country, it is especially important unscrupulous sellers do not take advantage of Americans by selling products at unconscionable prices. Unfortunately, independent third-party organizations and journalists have documented many examples of price-gouging of items people need to protect themselves since the World Health Organization declared a global health emergency on January 30. For example:¹

- On Amazon, U.S. PIRG Education Fund found that more than half of hand sanitizers and facemasks available spiked by at least 50% compared to the average price. One in six products sold directly by Amazon saw similar price spikes.

On Craigslist, one seller was selling a two-liter bottle of Purell Advanced hand sanitizer for $250—ten times the normal price.

On Facebook Marketplace, an eight-ounce bottle was being sold for $40.

Other price-gouging reports are coming into our offices daily alleging price gouging online and at bricks and mortar locations.

While many of these items have since been removed, they were available for sale, and consumers are harmed when they purchase heavily marked-up products. Even new protections by your company including heightened monitoring, bans on certain advertisements, and bans on selling certain items, have failed to remove unconscionably priced critical supplies during the COVID-19 pandemic. When consumers cannot get what they need to protect their homes and loved ones—or in this case, help prevent the spread of the virus—consumers suffer not only economic harm, but serious health consequences as well.

With the pandemic expected to continue, your platforms and marketplaces must enact measures to prevent price gouging. We urge you to implement the following measures, or others that your technicians devise, to ensure unscrupulous sellers do not take advantage of consumers who are buying essentials to keep them healthy during emergency situations:

1. **Set policies and enforce restrictions on unconscionable price gouging during emergencies**: Rather than playing whack-a-mole to stop price gouging after it has already occurred, online retail platforms should prevent unconscionable price increases from occurring in the first place by creating and enforcing strong policies that prevent sellers from deviating in any significant way from the price the product was sold at prior to the onset of the emergency. Such policies should look at the prices historically set by the seller in question, as well as other sellers of the same or similar products, to identify and eliminate price gouging. We strongly encourage you to work with our offices so that we can help you create policies that comply with our respective states’ laws and regulations. By adopting strong standards, you can do your part to prevent unconscionable and unjustified price increases that would harm consumers and prevent your platform and its sellers from violating our states’ laws.

2. **Trigger price gouging protections independent of, or prior to an emergency declaration**: Price gouging on a platform often begins prior to official emergency declarations. The above protections should be triggered when your system detects pricing spikes generally (think of scarcity at a time of recession or stock market crash), or conditions that could lead to price gouging like pending weather events or future possible health emergencies.
3. **Create and maintain a “Fair Pricing” Page/Portal** where consumers can report price gouging incidents to you directly. A simple tool requesting the name of the vendor, the item for sale, the alleged unfair price, and the state of residence of the complainant would quickly and efficiently allow you to identify and freeze or remove truly bad actors and facilitate appropriate referrals for enforcement or prosecution. We hope to work with you in developing a system to make these complaints available to our offices.

Your company has created an important online platform with a team of engineers capable of devising solutions to numerous problems. These are just a few potential solutions, and we hope your company will put its considerable technological prowess to work implementing these or other solutions to better protect your customers.

As Attorneys General, we will continue to monitor, investigate, and prosecute sellers who engage in price gouging. We believe you have an ethical obligation and duty to help your fellow citizens in this time of need by doing everything in your power to stop price gouging in real-time. We look forward to your response to this letter, to partnering with you to protect our citizens, and to enforcing the nation’s consumer protection laws.

Sincerely,

JOSH SHAPIRO
Attorney General of Pennsylvania

WILLIAM TONG
Attorney General of Connecticut

HECTOR BALDERAS
Attorney General of New Mexico

THOMAS J. DONOVAN, JR.
Vermont Attorney General
XAVIER BECERRA
Attorney General of California

PHIL WEISER
Attorney General of Colorado

KATHLEEN JENNINGS
Attorney General of Delaware

KARL RACINE
Attorney General of the District of Columbia

CLARE CONNORS
Attorney General of Hawaii

LAWRENCE WASDEN
Attorney General of Idaho

KWAME RAOUl
Attorney General of Illinois

TOM MILLER
Attorney General of Iowa

JEFF LANDRY
Attorney General of Louisiana

AARON M. FREY
Attorney General of Maine
BRIAN FROSH
Attorney General of Maryland

MAURA HEALEY
Attorney General of Massachusetts

DANA NESSEL
Attorney General of Michigan

KEITH ELLISON
Attorney General of Minnesota

TIM FOX
Attorney General of Montana

DOUG PETERSON
Attorney General of Nebraska

AARON D. FORD
Attorney General of Nevada

GORDON MACDONALD
Attorney General of New Hampshire

GURBIR S. GREWAL
Attorney General of New Jersey

WAYNE STENEHJEM
Attorney General of North Dakota
DAVE YOST  
Attorney General of Ohio

ELLEN F. ROSENBLUM  
Attorney General of Oregon

DENNISE LONGO  
Puerto Rico Secretary of Justice

PETER NERONHA  
Attorney General of Rhode Island

SEAN D. REYES  
Attorney General of Utah  
Counsel for the Utah Division of Consumer Protection

MARK HERRING  
Attorney General of Virginia

BOB FERGUSON  
Attorney General of Washington

BRIDGET HILL  
Attorney General of Wyoming