



News Release

Attorney General Robert E. Cooper, Jr.

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ATTORNEY GENERAL ASKS TENNESSEANS TO BE AWARE OF POTENTIAL PRICE GOUGERS

Attorney General Bob Cooper is asking all Tennesseans to be on the lookout for potential price gougers following the Governor's declaration of a State of Emergency in Tennessee in light of the devastating floods in West and Middle Tennessee over the weekend.

Some individuals may take advantage of the terrible acts of nature by unreasonably or excessively raising the prices they charge for goods and services that are essential and vital to the health and welfare of storm ravaged consumers. This illegal practice is called price gouging. Some examples of basic items people need to watch for possible extraordinary rising prices are: hotels and fuel rates; sump pumps; generators; shop vacuums; cleaning products and building supplies.

"This is a time when our thoughts and prayers are rightfully with those affected by the floods and their potential aftermath," Attorney General Bob Cooper said. "While most Tennesseans would never take advantage of anyone in this tragedy, we are prepared to enforce the law against anyone who needlessly raises prices to take advantage of our fellow Tennesseans and visitors."

The Attorney General, in conjunction with the Tennessee Division of Consumer Affairs, reminds consumers and businesses that they will pursue price gougers aggressively as they have done in the past. In the horrific aftermath of Hurricanes Katrina and Ike, the Office of the Attorney General took action against several gas stations and hotels in violation of the Tennessee Consumer Protection Act with inflated gas prices.

The price-gouging act specifically cites that it is illegal to set prices that are grossly in excess of the price generally charged immediately prior to the disaster. The price gouging act is automatically activated when the Governor declares a disaster. Tennessee Gov. Phil Bredesen declared a State of Emergency at 12:30 on May 1.

Another law makes illegal "unreasonably raising prices or unreasonably restricting supplies or essential goods, commodities or services in direct response to a . . . natural disaster," regardless of whether the event occurred in Tennessee.

Penalties for violations of the act are up to \$1,000 per violation and are Class B misdemeanors. Additionally, the Attorney General in conjunction with the Division of Consumer Affairs can request that a court issue injunctions and order civil penalties of up to \$1,000 for each violation. The State can also seek refunds for consumers.

Mary Clement, the Director of the Division of Consumer Affairs, stated "I urge consumers to call the State's consumer hotline at 1-800-342-8385 to report price gouging activities. Please be prepared

to provide the specifics including the location of the business and the price charged so we can take appropriate action.”

For more information, visit the Tennessee Attorney General’s website at <http://www.tn.gov/attorneygeneral/press/2010/story/pr10-17-floodinfosheet.pdf> as well as the Tennessee Division of Consumer Affairs website at <http://tn.gov/consumer/>. The Federal Trade Commission has a link to its general disaster recovery page: http://www.ftc.gov/bcp/edu/microsites/recovery/consumer_info.html. Related information can be accessed regarding disaster preparedness and recovery at: <http://www.ftc.gov/bcp/edu/microsites/recovery/>.

The information is also available in Spanish:
<http://www.ftc.gov/bcp/edu/microsites/recovery/s-index.html>
<http://www.ftc.gov/bcp/edu/microsites/recovery/hurricane/s-index.html>