



DELAWARE'S STATE OF EMERGENCY
FREQUENTLY ASKED QUESTIONS: PRICE GOUGING



Q: What is price gouging?

- Price gouging is an excessive price increase of goods or services beyond the usual sale price.
- Specifically, price gouging is defined as an increase of more than 10% above the usual cost of a good or service, unless the increase is attributable to increased supplier costs.
- Price gouging only applies for “apples to apples” comparisons. For example, it is not price gouging if the cost of organic milk is higher than the cost of non-organic milk.

Q: Who said price gouging is illegal?

- On March 12, Gov. John Carney declared a [State of Emergency for the State of Delaware](#). Section 9 of the Declaration bans price gouging while the State of Emergency is in effect.

Q: How should I report price gouging if I see it?

- Consumers reporting price gouging activity must complete and submit an [official consumer complaint form](#) and e-mail it to pricegouging@delaware.gov.
- Allegations that are merely emailed or provided over the phone without an official complaint form will not suffice.
- Consumers with additional questions can contact the Consumer Protection Unit (CPU) at (800) 220-5424, or e-mail pricegouging@delaware.gov.

Q: What happens after I submit a gouging complaint?

- Once an official complaint is received, it is immediately sent to the Consumer Protection Unit’s Rapid Response Team (RRT) for investigation.
- The RRT’s objective is to move from initial complaint to business contact within 48 hours, usually in the form an initial letter (a) demanding that any price gouging activity cease immediately and (b) requesting information from the business, including any justification for alleged price increases after the State of Emergency.
- After this initial phase, timing will depend on the circumstances (i.e., if price gouging is confirmed, if a lawsuit is necessary, if additional information is required, etc.).
- If price gouging is confirmed, the RRT will issue a cease and desist letter and, depending on the circumstances, may require the business to enter into a Cease & Desist Order entered by the Director of Consumer Protection or file a lawsuit.
- If CPU determines that the business is not engaging in price gouging, the complaint is closed and the business is promptly notified.



Q: What consequences do businesses face if gouging is confirmed?

- If our Rapid Response Team’s investigation determines that a business or person is engaging in price gouging, the business must immediately adjust its pricing to lawful levels or face an enforcement action for violations of Delaware’s Consumer Fraud Act and/or criminal prosecution.
- Each violation of the Consumer Fraud Act carries penalties of up to \$10,000 per violation.
- Price gougers who agree to stop the price gouging activity immediately (and do so) are handled on a case-by-case basis depending on, among other things, the severity of the offense, the length of time the price gouging activity occurred, and monies wrongfully obtained.
- All price gougers will be warned not to engage in the activity again, and subsequent offenses will be considered when determining whether to file a suit.
- Should we have to bring a lawsuit in any scenario, DOJ will seek injunctive relief (to stop the activity), civil penalties, attorneys’ fees, and costs. Additionally, all violations of the Governor’s Executive Order can be pursued criminally.

Q: What kind of products are being gouged?

- We do not share details of active complaints, and caution that an allegation does not constitute proof of gouging.
- In general, many consumers have contacted our Rapid Response Team with concerns about a range of products, with common examples including hand sanitizer, toilet paper, cleaning products, and some food staples (milk, eggs, meat, etc.).

Q: How long do businesses have to make any changes?

- A business must respond immediately to price gouging allegations, and in no event later than 48 hours of receipt.
- In the event a business does not respond within 48 hours, the Rapid Response Team will take appropriate action under the circumstance, up to and including filing an enforcement action.
- If the Rapid Response Team determines that the business is price gouging, the prices must be immediately adjusted, and the businesses will be dealt with as appropriate under the circumstances, up to and including entry of a Cease & Desist Order, imposition of civil penalties, and or other remedies.



Q: Are there particular kinds of stores that are most commonly subject to complaints?

- We receive complaints against varying people and businesses, but a large portion of the complaints received are about the businesses consumers disproportionately use under the State of Emergency, such as grocery stores, pharmacies, and e-commerce websites.