

The Star-Ledger

N.J. tells Amazon, Walmart and Facebook to do more to stop coronavirus price gouging

By Blake Nelson

NJ Advance Media for NJ.com and The Star-Ledger

Published March 25, 2020

New Jersey is joining dozens of other states to demand that Amazon, Walmart and other online marketplaces do more to stop price gouging amid the coronavirus pandemic.

Facebook, eBay and Craigslist also received letters Wednesday from 33 attorneys general about sellers improperly raising prices on in-demand items.

One Craigslist user priced a two-liter bottle of Purell hand sanitizer at \$250, officials wrote, while an eight-ounce bottle on Facebook Marketplace was listed for \$40. Prices for face masks on Amazon have jumped by at least 50%, officials wrote.

“It is essential that online marketplaces that are benefiting from this public health crisis — while our residents and the brick-and-mortar stores in our communities struggle — do everything they can to prevent sellers from preying on consumers,” state Attorney General Gurbir Grewal said in a statement.

While companies have blocked some ads and products, among other reforms, more needed to be done, officials wrote.

Right now, companies are primarily responding only to complaints, officials said. Instead, third-party sellers should be preemptively blocked from hiking prices.

There should also be online portals where consumers can easily report price gouging directly to companies, they said.

A similar kind of reporting is already possible on eBay, a company representative said.

“eBay is taking significant measures to block or quickly remove items on our marketplace that make false health claims,” according to a statement sent by spokesperson Ashley Settle, and the company is working “to ensure that anyone who sells on our platform follows local laws.” eBay already banned health care masks, hand sanitizer and disinfecting wipes earlier this month.

Daniel Roberts, a spokesperson for Facebook, wrote that they’ve removed advertisements and listings for many of the same products. “While enforcement is not perfect, we have put several automated detection mechanisms in place to block or remove this material,” Roberts said.

Amazon has taken down more than half-a-million listings and suspended more than 3,900 accounts because of price gouging and fair price violations, according to a company blog cited by a spokesperson. The company is also auditing its listed products.

Walmart told attorneys general last week that it was actively monitoring and removing many products from its online store, according to a letter provided by a spokesperson, and other companies also said they were already working with law enforcement.

Craigslist did not immediately respond to a request for comment.

As of Monday afternoon, New Jersey had received about 1,500 consumer complaints about approximately 1,000 business locations, according to Grewal's office.

The consumer affairs division and local investigators have conducted around 375 inspections so far, officials said. The state has sent out 167 cease-and-desist letters and issued 32 subpoenas.

If sellers raise their prices more than 10% during an emergency in the state, they face fines up to \$10,000 for their first offense.

Residents can report price gouging, scams and other consumer abuse online.