Attorney General warns against price gouging

By Jannell McGrew
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As Hurricane Katrina plowed into New Orleans and spawned thunderstorms across parts of Alabama, consumers in the state were warned to watch out for price gouging.

State Attorney General Troy King cautioned residents Monday to be on the look out, to protect themselves and report price gouging.

"It is despicable and against the law to charge outrageous amounts for necessities that people must have in times of emergency," King said in a statement released by his office.

"While this storm may inflict damage on our state, we will not tolerate allowing anyone to take advantage of and inflict further harm on the people of Alabama," he said.

The state’s chief law enforcement officer also warned of unscrupulous contractors and businesses and that he will take action against those who seek to profit illegally at the expense of Alabamians who suffer damage from the killer storm.

Earlier this year, King’s office reported hundreds of complaints of price gouging from Alabamians after Hurricane Ivan.

Investigators had received more than 800 calls from people complaining that some businesses are charging too much for some items in the aftermath of Hurricane Dennis.

The July report showed there were 653 complaints of gas pricing; 42 for generator pricing; 24 for lodging; and 11 for food. Other complaints included battery, water, ice, building material and car rental pricing.

King cautioned consumers Monday to be wary of those who would further victimize them through home repair frauds.

"The good people of Alabama stand together in times of crisis, and we have laws to protect against those who would profiteer and take advantage of their fellow-citizens," King said.

Although what constitutes an unconscionable price is not specifically set forth in state law, a price that is 25 percent or more than the average price charged in the same area within the last 30 days unless the increase can be attributed to a reasonable cost is generally considered a case of unconscionable pricing.

The penalty is a fine of up to $1,000 per violation, and those determined to have willfully and continuously violated the law may be prohibited from doing business in Alabama.