

Dept. of Justice: AG Kaul files brief in support of states' authority to regulate price gouging

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MADISON, Wis. – Attorney General Josh Kaul joined a bipartisan coalition of 31 states in filing an amicus brief in the U.S. Court of Appeals for the 6th Circuit to support states' authority to enforce price gouging regulations to protect consumers during emergencies, such as the COVID-19 pandemic.

"Wisconsin and other states must be able to effectively enforce laws that protect people from price gouging during emergencies. I'm joining a bipartisan group of AGs arguing that these important consumer protections shouldn't be watered down," said Attorney General Kaul.

The coalition is urging the appellate court to overturn the district court's decision in *Online Merchants Guild v. Cameron*. The court entered a preliminary injunction preventing Kentucky Attorney General Daniel Cameron from enforcing price gouging regulations against retailers selling products on Amazon. In the brief, the coalition states that national and local emergencies, such as the pandemic, create significant shortages for essential items. State price gouging laws are essential to ensuring that goods can be fairly allocated among residents, and to preventing bad actors from profiting off of residents by charging excessively high prices for goods that are scarce.

During the COVID-19 pandemic, many states have implemented social distancing measures in public places and recommended that residents stay home when possible. As a result, more consumers have turned to online sellers to purchase food, medicine, cleaning supplies and other household essentials. The Online Merchants Guild, claiming that price gouging laws should not be applied to retailers selling goods on Amazon, filed a lawsuit after the Kentucky Attorney General's office began investigating several Kentucky-based retailers.

The coalition emphasizes that price gouging laws level the playing field and ensure a more equitable distribution of goods to high- and low-income consumers. The attorneys general state that price gouging protections have been particularly necessary during the pandemic, which has caused financial instability for millions of Americans and created and threatened shortages of essential goods. Furthermore, regulating price gouging falls under states' responsibility to aid vulnerable consumers during an emergency. Additionally, price gouging laws do not directly control the price of goods for out-of-state sales or create an actual conflict among state regulations.

States have taken action that has been crucial to curbing price gouging during the pandemic, including working toward voluntary compliance, issuing subpoenas, sending cease and desist letters, and filing civil actions.

The coalition is asking the appellate court to reverse the district court's order granting injunctive relief. Joining Attorney General Kaul in filing the amicus brief are the attorneys general of Alaska, Arkansas, California, Colorado, Connecticut, Delaware, the District of Columbia, Hawaii, Idaho, Illinois, Iowa, Kansas, Maine, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New York, North Carolina, Ohio, Oregon, Pennsylvania, Rhode Island, Tennessee, Texas, Vermont, Virginia, and Washington.

Read the brief [here](#).