



Consumer Alerts – Price Gouging and False Advertising Related to COVID-19

California Attorney General Xavier Becerra issued consumer alerts about price gouging and deceptive advertising related to COVID-19 in California.

Price Gouging

Attorney General Becerra reminds all Californians that, under Penal Code Section 396, price gouging is illegal in all California communities during the declared state of emergency.

California's price gouging law protects people impacted by an emergency from illegal price gouging on medical supplies, food, gas, and other essential supplies. California law generally prohibits charging a price that exceeds, by more than 10 percent, the price of an item before a state or local declaration of emergency.

- This law applies to those who sell food, emergency supplies, medical supplies, building materials, and gas.
- The law also applies to repair or reconstruction services, emergency cleanup services, transportation, freight and storage services, hotel accommodations, and rental housing.
- Exceptions to this prohibition exist if, for example, the price of labor, goods, or materials has increased for the business.

Deceptive Advertising

Attorney General Becerra reminds all Californians to be mindful of any products or services that falsely claim to treat, diagnose, prevent, or cure COVID-19. According to the Centers for Disease Control and Prevention and the World Health Organization, there is no vaccine to prevent COVID-19, nor is there a medicine that treats or cures coronavirus.

California's consumer protection laws — including the Unfair Competition Law, False Advertising Law and Consumers Legal Remedies Act — prohibit false, deceptive, or misleading advertising, including any advertising that explicitly claims or implies that a product treats the coronavirus. A statement does not have to be literally false to be illegal; any claim that is likely to mislead a consumer may result in action by the Attorney General's Office. Compliance with federal requirements or industry standards is not a defense to liability under California law.

Violators of the price gouging statute are subject to criminal prosecution that can result in:

- One-year imprisonment in county jail and/or a fine of up to \$10,000.
- Violators are also subject to civil enforcement actions including civil penalties of up to \$2,500 per violation, injunctive relief, and mandatory restitution.

The Attorney General and local district attorneys can enforce the statute.

File a complaint

Please immediately file a complaint on our website at oag.ca.gov/report, if you:

- Have been the victim of price gouging;
- Have information regarding potential price gouging;
- Have been the victim of a scam; or
- Have information about products that are falsely touted as coronavirus treatments, tests, or cures.

For the latest in coronavirus preparedness, information, and response, please visit the websites of the [California Department of Public Health](#), [Office of Governor Gavin Newsom](#), and [Office of Emergency Services](#). If you are a worker or employer who has been affected by COVID-19, you can find guidance and resources on the [California Labor and Workforce Development Agency's website](#).