



State of California
Office of the Attorney General

ROB BONTA
ATTORNEY GENERAL

March 18, 2022

Dear Chief Executive Officer:

As we all are experiencing first-hand, gas prices are rising across the United States, in large part in recent weeks due to Russia's invasion of Ukraine – an attack on a free, democratic country and a U.S. ally. As California's Attorney General, part of my responsibility is to ensure that bad actors do not use this global crisis to take advantage of California consumers at the pump. Indeed, the California Department of Justice has fought to protect consumers for years from price gouging during emergencies, on everything from goods and services during natural disasters to COVID-19 supplies during the pandemic.

While gas prices reflect a number of factors, it is unacceptable for hardworking Californians to pay more because of illegal market manipulation. California has strong laws on the books that prohibit deceptive pricing, price fixing, and other anticompetitive behavior. Too often, market disruptions like what we are experiencing right now create opportunities for market manipulation. I write today to remind you of your obligations under state law. Both the industry and government share a collective responsibility to ensure Californians are not taken advantage of during this time of market disruption.

My office is actively monitoring the market dynamics concerning gasoline supply, demand, prices, profit margins, and the impact of these on consumers and the California economy. We are vigorously pursuing multinational gas trading firms, Vitol and SK Energy Americas, in court for manipulating California's gas prices. Earlier this week, we were at California's First District Court of Appeals defending a win on jurisdiction over one of the defendants in this case. In 2017, my office also successfully challenged oil giant Valero's planned acquisition of the last remaining independent petroleum storage facility in Northern California, which could have led to increased prices at the pump across the state. We also are in close communication with the California Energy Commission and its Petroleum Market Advisory Committee, which also engages in ongoing market monitoring.

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In this time of market disruption, I call on you and your colleagues across the market to join me in keeping a close eye out for manipulation and to immediately report any anticompetitive behavior. We will investigate every report and will take action against anyone taking advantage of Californians during this crisis.

Sincerely,

A handwritten signature in blue ink that reads "Rob Bonta". The signature is fluid and cursive, with the first letters of "Rob" and "Bonta" being capitalized and prominent.

ROB BONTA
Attorney General