

CONSUMER'S NOTEBOOK

Price Gouging

How to Avoid One Disaster After Another

When disaster strikes, some people might take advantage of you by unreasonably raising prices on the goods and services you need. They also might promise construction work which turns out to be shoddy or incomplete. Consumer fraud which occurs after a disaster is "one disaster after another" and the following tips are designed to help you avoid that fraud.

What is Price Gouging?

During a declared state of emergency, a merchant is prohibited from selling goods or services at values which exceed the prices normally charged for comparable goods and services in the same market area at or immediately before the time of the state of the emergency. Businesses may raise prices on items for which they incur additional costs, however, these price increases should not be excessive. Price gouging is a misdemeanor and can result in a \$500 fine or six months in jail! During an emergency, keep these suggestions in mind to prevent becoming a victim of price gouging:

- **REPORT SUSPECTED GOUGERS:** Report any vendors whose prices unreasonably exceed those ordinarily charged for comparable goods and services in the same market area both before and at the time of a declared emergency.
- **KEEP RECORDS:** If you suspect price gouging, keep your receipts and call the police immediately.

Beware When Hiring Repairmen

- Select contractors who are known in the community and are recognized for their competence.
- Attempt to obtain work estimates from more than one source, and always ask for references.
- Make sure the contractor carries general liability and workers' compensation insurance.
- Only sign contracts and work orders which completely identify the work to be performed, estimated cost of work and warranty on work.
- Ask for a written guarantee stating who is responsible for equipment and materials.

- Pay by check, if possible.
- Inspect work such as sewers or basement walls before it is hidden from view.
- All signed agreements should include some form of procedure for changes to original work orders.