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AG Nessel Reminds Consumers to Remain Alert for Scams, Price-gouging During COVID-19 Pandemic

LANSDING – As Michigan continues to move through the COVID-19 pandemic, Attorney General Dana Nessel remains steadfast in her commitment to protect consumers from businesses and retailers charging excessively high prices for products and warning people of scammers that could potentially steal their personal information.

Since COVID-19 concerns became known in Michigan in early March, Nessel’s office has received around 4,400 price-gouging complaints. Most complaints relate to grocery items, face masks and sanitizers.

Throughout the pandemic, Nessel’s office has taken multiple actions against both brick-and-mortar and online retailers seeking to take advantage of consumers during the public emergency. The rate at which consumer complaints of price-gouging being reported to the Attorney General’s office has appeared to slow down in recent weeks.

“This pandemic has proved to be an opportunity for bad actors to take advantage of people, and from the onset, I have been committed to protecting Michiganders and ensuring predatory businesses don’t exploit public fears during this time of uncertainty,” Nessel said. “My office has remained vigilant throughout this public health emergency in an effort to protect consumers, and we hope the decrease in the number of complaints being filed is a result of that hard work. We will continue to evaluate the many complaints reported to my office and take action on as many targets as possible.”

For the month of June, there was only an increase of about 2.6 percent in complaints filed with the office, from a total of 4,279 on June 1 to 4,391 on June 30. On May 1, the total was 3,756, while April 1’s total was 2,506. However, an undetermined number of duplicate complaints were discovered in late April that caused the total number to decrease as staffers removed them from the system.

While the rate at which complaints are filed appears to be decreasing, the total number of complaints received is substantially higher than last year. In 2019, the Attorney General’s office
received a total of 80 price-gouging complaints. More than half of these were against either gas stations or propane suppliers.

Action to follow up on the complaints is taken when possible, though some of the complaints filed this year do not warrant further investigation and, unfortunately, many do not contain enough information to verify the complaints as legitimate.

As a result, consumers are encouraged to file a complaint online with the Attorney General’s office so that the complaint contains as much information as needed to properly evaluate a response.

Some of the actions the Attorney General’s office took to address price-gouging include the following:

- Sent a cease and desist letter in mid-March to Menards after the Attorney General’s office received 18 complaints from consumers about face masks, bleach and other products being sold at high prices.
- Took action against several businesses based in Michigan and others operating in online marketplaces that were offering products like face masks and hand sanitizer at high prices to consumers.
- Supported a bipartisan package of legislation introduced in the Michigan Legislature that would add price-gouging protections during an emergency declaration or a market disruption.

Scams

In addition, Nessel’s office has worked to keep Michiganders aware of several scams arising from the COVID-19 pandemic through consumer alerts and other information, including:

- COVID-19 Medicare/Medicaid: Nessel warned of scammers claiming to be from at least two local public health departments who were calling residents to offer medication and at-home COVID-19 tests while asking for Medicaid and Medicare numbers for billing purposes. Incoming calls were jamming local health departments’ phone lines, delaying important responses to COVID-19.
- Door-to-Door Scammers: In an effort to be proactive, Nessel warned residents of door-to-door scammers who may have tried to pose as government officials offering information on stimulus checks, unemployment benefits or other programs and services in place during the pandemic.
- Stimulus Check Scam: A consumer alert and press release were issued urging Michiganders to be on high alert for bad actors aiming to coerce them out of their personal information in a federal stimulus payment scam. To steal personal information, scammers were using the news that the federal government would be sending one-time payments to millions of people across the country as part of an economic relief response to COVID-19.

Multistate Efforts
The Attorney General’s office has also joined or led a number of multistate efforts to protect consumers across the country during the pandemic.

- Nessel signed on to a letter to Google and Apple June 16 calling for the companies to ensure all contact tracing and exposure notification apps related to COVID-19 adequately protect consumers’ personal information.
- In a letter sent to the Consumer Financial Protection Bureau on April 13, Nessel and a coalition of attorneys general argued that consumers need to be fully protected during the pandemic, and that the CFPB needs to step up enforcement, not back down, as banks and reporting agencies implement the CARES Act (Coronavirus Aid, Relief and Economic Security Act) and otherwise tend to consumers’ credit reports. A follow-up letter was sent in late April to the nation’s three Consumer Reporting Agencies warning those organizations that the attorneys general will not hesitate to enforce safeguards set in place to ensure consumers’ credit is properly protected and accurately reported.
- Nessel led a coalition of attorneys general from across the country in sending a letter to Congress on April 22 asking lawmakers to temporarily control the prices of medical equipment during the COVID-19 pandemic. The spread of COVID-19 had resulted in widespread shortages of ventilators and personal protective equipment (PPE) like face masks, gloves and gowns for not only hospitals and health care providers, but also federal, state, local and tribal governments.

These are only a few of the actions Attorney General Nessel has taken to help Michiganders during the COVID-19 pandemic. Click here to view more information on Nessel’s consumer protection efforts and other actions taken by the Attorney General.