

Boulder County Fires:

Be wary of price gouging



Disaster emergencies, like the Boulder County fires, can present opportunities for dishonest vendors to raise their prices on critical supplies and materials (also known as “price gouging”). Consumers who observe price gouging or have fallen victim to such practices should report the seller to Stop Fraud Colorado.

What is price gouging?



Price gouging occurs when a seller charges an excessive price for essential products, goods, or services during a declared disaster emergency. Price gouging during a declared disaster emergency constitutes a deceptive trade practice under the Colorado Consumer Protection Act.

What products may be subject to price gouging?



During a disaster period, the prohibition on price gouging covers the sale or offer for sale of: building materials, consumer food items, emergency supplies, fuel, medical supplies, or other necessities. It may also include the provision of or offer to provide repair or reconstruction services; transportation, freight, or storage services; or services used in an emergency cleanup.

Is price gouging illegal?



If a court determines that a seller of certain products, goods, or services charged an excessive price, that seller may be subject to civil penalties of up to \$20,000 per violation, the return of ill-gotten funds, and restitution to affected consumers. The Attorney General, district attorneys, and individual consumers who believe they have been the victim of price gouging may bring a claim for price gouging. Some relief available to the Attorney General and district attorneys may not be pursued by consumers.

Do all price increases during a declaration of a disaster constitute price gouging?



No— this is determined on a case by-case-basis. If a seller can demonstrate that price increases were directly attributable to additional costs imposed by the seller's suppliers or other market conditions beyond the seller's control, that seller may not have engaged in price gouging.

What can consumers do to protect themselves from price gouging?



- Do not let price gougers profit off a disaster emergency!
- Remember that not all price increases constitute price gouging, and some products are not covered by Colorado's price gouging law. There may be legitimate reasons why a seller may impose a small price increase.
- Take appropriate precautions to protect yourself personally and financially.
- Immediately report price gouging practices to the Attorney General's Office at 800-222-4444 or StopFraudColorado.gov.