

NEW YORK CITY  
DEPARTMENT OF CONSUMER AFFAIRS

PUBLIC HEARING ON PROPOSED RULES ON PRICE GOUGING

Teleconference

June 12, 2020

INDEX

WILLIAM JORGENSON

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1 H.O. CARLOS ORTIZ: Great. Okay. Good  
2 afternoon. My name is Carlos Ortiz, and I've been  
3 designated as the hearing officer for the Public  
4 Hearing of the Department of Consumer Affairs on the  
5 Proposed Rule to Declare as Unconscionable the  
6 Practice of Price Gouging Goods and Services that are  
7 essential to health, safety, and welfare, or are  
8 marked or advertised as being essential to the health,  
9 safety, and welfare of consumers. This hearing is  
10 being held by teleconference call. It is now 2:04  
11 p.m. on Friday, June 12, 2020, and I'm hereby  
12 convening the public hearing on this proposed rule.

13 The proposed rule was published in City  
14 record on May 13, 2020. The published notice and  
15 rules are available online on the New York City rules  
16 website and the department's website. The Department  
17 has proposed these rules pursuant to the authority  
18 vested in the Commissioner of Department of Consumer  
19 Affairs by Section 1043 and 2203(f) of the New York  
20 City Charter and Sections 20-701 and 20-702 of the New  
21 York City Administrative Code. This hearing affords  
22 the public the opportunity to comment on all aspects  
23 of the rules the department has proposed. The  
24 Department will carefully review all testimony and  
25 written comments received at this hearing, and will

1 give due weight and consideration to all adequately  
2 substantiated proposals and recommendations that are  
3 submitted for the record.

4 To ensure that everyone seeking to testify  
5 will have the opportunity to do so, I will strictly  
6 follow these rules. During testimony, I ask that all  
7 participants give due respect and consideration to  
8 those who are testifying and to please mute their  
9 lines if they are not speaking. Each witness will  
10 have a maximum of three minutes to testify that I will  
11 strictly apply to -- in order to be fair to everyone  
12 seeking to testify. If your testimony takes longer  
13 than three minutes, you can submit written comments as  
14 well for the record.

15 Unlike the length -- unlike the limit of  
16 time for testimony, there is no limit on the number of  
17 pages you can submit as written comments or as  
18 documents for the record. The written submission will  
19 be made a part of the record as exhibits presented  
20 with your testimony. Before we begin, I will remind  
21 folks again to mute their lines until called upon to  
22 provide testimony.

23 With that, I will now call the first  
24 witness. Mr. Jorgenson whenever you're ready, you can  
25 have three minutes.

1 MR. WILLIAM JORGENSEN: Can you hear me now?

2 H.O. ORTIZ: Yes, I can hear you.

3 MR. JORGENSEN: Okay. Thank you very much.

4 I'm reading the following statement on behalf of  
5 Queens District Attorney Melinda Katz. Good  
6 afternoon. My name is William Jorgenson. I'm  
7 speaking on behalf of Melinda Katz the District  
8 Attorney for Queens County.

9 In recent months, the havoc that COVID-19  
10 has wrought on the people of Queens has been all too  
11 obvious. Families are shut in without any idea of  
12 when, if ever, they will be allowed to resume their  
13 former life. Businesses have been shuttered;  
14 hardworking families often already limited -- living  
15 on limited means have been pushed to the point of  
16 financial ruin. Add to this, the quite understandable  
17 outrage of communities of color and the rest of us who  
18 stand with them over the recent incidents of police  
19 brutality in Minnesota and elsewhere, and it is easy  
20 to despair.

21 One could easily ask, what can a city  
22 government due to address people's fears? One item on  
23 the agenda today which I believe can really make a  
24 difference in dealing with the recent state of  
25 profiteering by a tiny minority of the city's business

1 community is passing the NYC Department of Consumer  
2 and Worker Protection proposed price gouging  
3 regulation into a permanent rule.

4 During this pandemic, unscrupulous merchants  
5 have taken advantage of people's inability to  
6 fairly bargain by inflating the price of necessary  
7 supplies such as hand sanitizer, face masks, and  
8 disinfectant. Not only does this endanger hard  
9 working New Yorkers by making it impossible for some  
10 to pay for the overpriced essential goods, but it  
11 makes even harder for other merchants who do play the  
12 rules since they are already struggling to stay in  
13 business. As DCWP took the bold and necessary step to  
14 outlaw this behavior, and it promulgated the emergency  
15 rule under the Rules of the City of New York which  
16 make price gouging of essential goods and services  
17 that if necessary to treat, diagnosis, and prevent the  
18 spread of COVID-19 illegal. Since then, numerous  
19 merchants who have taken advantage of their customer's  
20 desperation in the face of this pandemic have been  
21 held accountable. Any of these cases were dealt with  
22 quickly and effectively by investigators from the  
23 DCWP, and they have been doing a great job in  
24 investigating consumer complaints and issuing  
25 violations for those offenders. However, in a few

1 instances, it has become necessary for my office to  
2 step in. In one case, a merchant was summoned for  
3 raising the price of all COVID related items by a  
4 minimum of 50 percent. Even more outrageous, another  
5 merchant had the temerity to sell 1,000 R-95 face  
6 masks , the same masks so desperately needed by our  
7 frontline health line workers for ten times their  
8 regular price. Each of these individuals have been  
9 charged with violations of the New York City  
10 Administrative Code and received des- desk appearance  
11 tickets, and they will have to address these charges  
12 in court in the coming weeks.

13 In order to ensure that this behavior will  
14 not be tolerated by the City, the people of the City,  
15 I urge the consulate to adopt or to permanently outlaw  
16 price gouging in New York City. Our office agrees  
17 with the DCWP that price gouging should continue to be  
18 illegal, and that this permanent rule should be  
19 passed. [Unintelligible] [00:05:27] to further than  
20 that. Unscrupulous merchants are willing to accept  
21 the risks of being caught price gouging when they know  
22 the ugly penalties are violation of nominal fine. I  
23 propose we join other states around the country that  
24 quantify price gouging by penal law so that we can go  
25 after those merchants who are willing to write out the

1 risk of being caught price gouging as a cost of doing  
2 business. By making price gouging a misdemeanor,  
3 wrongdoers would be exposed to more than the  
4 inconvenience of the fine. It would expose them to  
5 jail time and a criminal record which I believe would  
6 make them think twice --

7 H.O. ORTIZ: That's your time, Mr.  
8 Jorgenson.

9 MR. JORGENSON: -- workers in a statement of  
10 emergency.

11 One more paragraph?

12 H.O. ORTIZ: Yes, if you can synthesize  
13 quickly please.

14 MR. JORGENSON: Thank you. We understand  
15 that the need of these running -- those running  
16 legitimate businesses make a, make a profit and we  
17 stick with you; however, when there is a declared  
18 state of emergency in New York City and certain  
19 merchants choose to use that emergency to line their  
20 own pockets by taking advantage of New Yorkers  
21 inability to bargain shop certain goods and pric-,  
22 services we say this unacceptable and we will hold you  
23 accountable. Let's make price gouging a crime. Thank  
24 you.

25 H.O. ORTIZ: Thank you very much for your

1 testimony, sir.

2 Is anybody else on the call to -- on the  
3 teleconference right now wish to testify? Seeing that  
4 no one is present to offer more testimony, I'll  
5 adjourn the hearing until someone appears to offer  
6 testimony or until 3:00 p.m. whichever comes first.

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CERTIFICATE OF ACCURACY

I, Claudia Marques, certify that the foregoing transcript of Public Hearing on Price Gouging on June 12, 2020 was prepared using the required transcription equipment and is a true and accurate record of the proceedings.

Certified By

*Claudia Marques*

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Date: July 1, 2020

GENEVAWORLDWIDE, INC

256 West 38th Street - 10th Floor

New York, NY 10018