

Congress of the United States

Washington, DC 20515

April 2, 2020

The Honorable Mark Brnovich
Attorney General
State of Arizona
2005 N. Central Ave.
Phoenix, AZ 85004-2926

Dear General Brnovich.

We write regarding disturbing reports of price gouging on life-saving personal protective equipment (PPE) and other supplies in the State of Arizona due to the COVID-19 pandemic. As Arizona's top law enforcement officer, we believe that you can and should do much more to ensure that nobody profits from this or any other state of emergency.

It has come to our attention that vendors who regularly supply the City of Phoenix with medical supplies are charging the city nearly 600 percent more per N95 mask than they were charging for the same equipment two weeks ago. Further, companies are abusing their leverage during the pandemic to irregularly demand up-front payments while also repeatedly delaying shipments of medical supplies. This leaves the City—and the public safety agencies throughout Maricopa County who depend on these orders—with massive uncertainty and little recourse to prevent this reckless behavior.

The City of Phoenix is not alone—reports of hoarding and price gouging medical supplies have surged both across the state and across the country. In fact, there are reports of New Jersey hospitals paying 50 times the pre-pandemic price for medical supplies.¹ Although we have serious concerns that the Trump Administration has failed to effectively manage and coordinate the medical supply chain during this crisis, we support the efforts of President Trump, Attorney General Barr, and dozens of other State Attorneys General to crack down on hoarding and price gouging.

As you know, Governor Ducey has issued an executive order to address price gouging, “in relation to COVID-19 diagnosis and treatment-related services” and directed the Attorney General to “vigorously prosecute complaints of consumer fraud in relation to COVID-19 diagnoses and treatment-related services under the consumer protection laws.” Unfortunately,

¹ Gouged Prices, Middlemen and Medical Supply Chaos: Why Governors Are So Upset with Trump Drew Harwell - <https://www.washingtonpost.com/business/2020/03/26/gouged-prices-middlemen-medical-supply-chaos-why-governors-are-so-upset-with-trump/>

your office has claimed that. "there is no prohibition in existing statute that would prevent a business or an individual from engaging in price gouging tactics."²

We believe that is a narrow, short-sighted, and frankly dangerous interpretation of Arizona consumer protection laws that prohibit fraud, the scope of which includes coercing health care providers to pay excessively high prices for supplies essential to public health, safety, and wellness during an emergency.

Every day your office refuses to take action on this issue, the situation will only get worse and first responders, health care workers, and the general public will be put at greater risk of harm by the virus and the businesses who intend to profit off of it. Thank you for your attention to this urgent matter.

Sincerely,



Ruben Gallego
Member of Congress



Greg Stanton
Member of Congress

² State Lacks Price Gouging Laws During Crises

Howard Fischer - <https://azcapitoltimes.com/news/2020/03/14/state-lacks-price-gouging-laws-during-crises/>