March 25, 2020

Doug McMillon, President/CEO
Walmart
702 SW 8th St.
Bentonville, AR 72716

Dear Mr. McMillon,

We write in our capacity as the top law enforcement officers for our respective states. We want the business community and American consumers to know that we endeavor to balance the twin imperatives of commerce and consumer protection in the marketplace. And, while we appreciate reports of the efforts made by platforms and online retailers to crack down on price gouging as the American community faces an unprecedented public health crisis, we are calling on you to do more at a time that requires national unity. That is why we are reaching out to you and other platforms and online retailers directly to address this problem.

As COVID-19 spreads throughout the country, it is especially important unscrupulous sellers do not take advantage of Americans by selling products at unconscionable prices. Unfortunately, independent third-party organizations and journalists have documented many examples of price-gouging of items people need to protect themselves since the World Health Organization declared a global health emergency on January 30. For example:[1]

- On Amazon, U.S. PIRG Education Fund found that more than half of hand sanitizers and facemasks available spiked by at least 50% compared to the average price. One in six products sold directly by Amazon saw similar price spikes.

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- On Craigslist, one seller was selling a two-liter bottle of Purell Advanced hand sanitizer for $250—ten times the normal price.
- On Facebook Marketplace, an eight-ounce bottle was being sold for $40.
- Other price-gouging reports are coming into our offices daily alleging price gouging online and at bricks and mortar locations.

While many of these items have since been removed, they were available for sale, and consumers are harmed when they purchase heavily marked-up products. Even new protections by your company including heightened monitoring, bans on certain advertisements, and bans on selling certain items, have failed to remove unconscionably priced critical supplies during the COVID-19 pandemic. When consumers cannot get what they need to protect their homes and loved ones—or in this case, help prevent the spread of the virus—consumers suffer not only economic harm, but serious health consequences as well.

With the pandemic expected to continue, your platforms and marketplaces must enact measures to prevent price gouging. We urge you to implement the following measures, or others that your technicians devise, to ensure unscrupulous sellers do not take advantage of consumers who are buying essentials to keep them healthy during emergency situations:

1. **Set policies and enforce restrictions on unconscionable price gouging during emergencies:** Rather than playing whack-a-mole to stop price gouging after it has already occurred, online retail platforms should prevent unconscionable price increases from occurring in the first place by creating and enforcing strong policies that prevent sellers from deviating in any significant way from the price the product was sold at prior to the onset of the emergency. Such policies should look at the prices historically set by the seller in question, as well as other sellers of the same or similar products, to identify and eliminate price gouging. We strongly encourage you to work with our offices so that we can help you create policies that comply with our respective states' laws and regulations. By adopting strong standards, you can do your part to prevent unconscionable and unjustified price increases that would harm consumers and prevent your platform and its sellers from violating our states' laws.

2. **Trigger price gouging protections independent of, or prior to an emergency declaration:** Price gouging on a platform often begins prior to official emergency declarations. The above protections should be triggered when your system detects pricing spikes generally (think of scarcity at a time of recession or stock market crash), or conditions that could lead to price gouging like pending weather events or future possible health emergencies.

3. **Create and maintain a "Fair Pricing" Page/Portal** where consumers can report price gouging incidents to you directly. A simple tool requesting the name of the vendor, the item for sale, the alleged unfair price, and the state of residence of the complainant would quickly and efficiently allow you to identify and freeze or remove truly bad actors and facilitate appropriate referrals for enforcement or prosecution. We hope to work with you in developing a system to make these complaints available to our offices.

Your company has created an important online platform with a team of engineers capable of devising solutions to numerous problems. These are just a few potential solutions, and we hope your company will put its considerable technological prowess to work implementing these or other solutions to better protect your customers.

As Attorneys General, we will continue to monitor, investigate, and prosecute sellers who engage in price gouging. We believe you have an ethical obligation and duty to help your fellow citizens in this time of need by doing everything in your power to stop price gouging in real-time. We look forward to your response to this letter, to partnering with you to protect our citizens, and to enforcing the nation's consumer protection laws.

Sincerely,

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March 25, 2020

Mark Zuckerberg, Chairman/CEO
Facebook
1 Hacker Way
Menlo Park, CA 94025

Dear Mr. Zuckerberg,

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March 25, 2020

Jim Buckmaster, CEO
Craigslist
222 Sutter St., 9th Floor
San Francisco, CA 94108

Dear Mr. Buckmaster,

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March 25, 2020

Scott Schenkel, CEO
eBay
2025 Hamilton Ave.
San Jose, CA 95125

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March 25, 2020

Jeff Bezos, Founder/CEO
Amazon HQ
410 Terry Ave. N
Seattle WA 98109-5210

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While many of these items have since been removed, they were available for sale, and consumers are harmed when they purchase heavily marked-up products. Even new protections by your company including heightened monitoring, bans on certain advertisements, and bans on selling certain items, have failed to remove unconscionably priced critical supplies during the COVID-19 pandemic. When consumers cannot get what they need to protect their homes and loved ones—or in this case, help prevent the spread of the virus—consumers suffer not only economic harm, but serious health consequences as well.

With the pandemic expected to continue, your platforms and marketplaces must enact measures to prevent price gouging. We urge you to implement the following measures, or others that your technicians devise, to ensure unscrupulous sellers do not take advantage of consumers who are buying essentials to keep them healthy during emergency situations:

1. **Set policies and enforce restrictions on unconscionable price gouging during emergencies:** Rather than playing whack-a-mole to stop price gouging after it has already occurred, online retail platforms should prevent unconscionable price increases from occurring in the first place by creating and enforcing strong policies that prevent sellers from deviating in any significant way from the price the product was sold at prior to the onset of the emergency. Such policies should look at the prices historically set by the seller in question, as well as other sellers of the same or similar products, to identify and eliminate price gouging. We strongly encourage you to work with our offices so that we can help you create policies that comply with our respective states' laws and regulations. By adopting strong standards, you can do your part to prevent unconscionable and unjustified price increases that would harm consumers and prevent your platform and its sellers from violating our states' laws.

2. **Trigger price gouging protections independent of, or prior to an emergency declaration:** Price gouging on a platform often begins prior to official emergency declarations. The above protections should be triggered when your system detects pricing spikes generally (think of scarcity at a time of recession or stock market crash), or conditions that could lead to price gouging like pending weather events or future possible health emergencies.

3. **Create and maintain a "Fair Pricing" Page/Portal** where consumers can report price gouging incidents to you directly. A simple tool requesting the name of the vendor, the item for sale, the alleged unfair price, and the state of residence of the complainant would quickly and efficiently allow you to identify and freeze or remove truly bad actors and facilitate appropriate referrals for enforcement or prosecution. We hope to work with you in developing a system to make these complaints available to our offices.

Your company has created an important online platform with a team of engineers capable of devising solutions to numerous problems. These are just a few potential solutions, and we hope your company will put its considerable technological prowess to work implementing these or other solutions to better protect your customers.

As Attorneys General, we will continue to monitor, investigate, and prosecute sellers who engage in price gouging. We believe you have an ethical obligation and duty to help your fellow citizens in this time of need by doing everything in your power to stop price gouging in real-time. We look forward to your response to this letter, to partnering with you to protect our citizens, and to enforcing the nation's consumer protection laws.

Sincerely,

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Attorney General of Connecticut

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