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Attorney General James Recovers \$100,000 From Wholesaler For Price Gouging Lysol Products During Pandemic

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Quality King Increased Prices of Lysol Products by More Than 50 Percent During Pandemic's Early Days

May 22, 2023

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Nearly 1,500 New Yorkers Who Reported High Prices to OAG Will Receive Reimbursement

NEW YORK – New York Attorney General Letitia James recovered \$100,000 from a wholesale grocery and drug distributor, Quality King Distributors, Inc. (Quality King), for price gouging Lysol products at the beginning of the COVID-19 pandemic. In the early days of the pandemic, the Office of the Attorney General (OAG) received complaints from consumers of abnormally high prices for Lysol products, including Lysol Spray and Lysol Wipes. An OAG investigation found that Quality King, which distributes to retailers, drug stores, and local grocery stores in New York City and Long Island, increased prices of Lysol by more than 50 percent. New York's price gouging statute prevents companies throughout the supply chain from increasing prices on essential goods and services during emergencies. This agreement resolves an earlier lawsuit against Quality King and

requires the company to pay \$100,000 to the state. Nearly 1,500 New Yorkers who reported high prices to OAG will receive reimbursement checks.

"As we were grappling with fear and uncertainty during the early days of the pandemic, Quality King took advantage of New Yorkers and jacked up prices on these essential products," said **Attorney General James**. "Price gouging hurts consumers and small businesses and prevents people from getting critical goods in a time of crisis. We are putting money back into consumers' pockets and requiring Quality King to clean up its act. I thank the New Yorkers who raised these concerns to my office and enabled us to investigate, uncover the price gouging, and take action to hold Quality King accountable."

The OAG received complaints from consumers in New York City and Long Island about excessive prices for Lysol products at their local stores, including drug and grocery stores, dollar stores, and bodegas. The OAG investigated local retailers and found that many of these small businesses were increasing the price of Lysol because they incurred significantly higher prices from the wholesaler, Quality King.

The OAG found that Quality King raised its prices on Lysol products dramatically in the early months of 2020. For example, in February 2020, Quality King sold 19-ounce cans of Lysol Spray for \$5.20 per can. Just five weeks later, Quality King increased the price to \$8 per can, a 54 percent increase. In another example, in February 2020, Quality King sold 12-can Lysol cases to a dollar store in the Lower East Side for about \$5 per can. When the store purchased Lysol from Quality King again in early April 2020, the price shot up to \$9.08, nearly double the price.

Quality King will pay \$100,000 to New York within 30 days, of which \$20,000 will be paid in penalties. Nearly 1,500 New Yorkers who filed complaints with OAG will each receive checks for approximately \$10 in the mail for buying Lysol that was subject to price gouging.

Today's announcement continues Attorney General James' work to stop price gouging and protect New York consumers. In March, Attorney General James announced price gouging rules to protect consumers and small businesses from corporate profiteering. The rules would strengthen enforcement of New York's price gouging law. In December 2022, Attorney General James cautioned against price gouging ahead of a snowstorm that hit Western New York. In May 2022, Attorney General James issued warnings to more

than 30 retailers across the state to stop overcharging for baby formula after consumers reported unreasonably high prices. In April 2021, Attorney General James secured an agreement with the nation's largest egg producers for price gouging eggs in the early months of the pandemic. As a result of that agreement, Attorney General James delivered 1.2 million eggs to food pantries throughout the state to feed vulnerable New Yorkers.

New Yorkers should report potential concerns about price gouging to OAG by filing a complaint online or calling 800-771-7755.

This matter was handled before the trial court by Assistant Attorney General John P. Figura, under the supervision of Bureau Chief Jane M. Azia and Deputy Bureau Chief Laura J. Levine — all of the Bureau of Consumer Frauds & Protection. The matter was handled on appeal by Assistant Solicitor General Philip Levitz, under the supervision of Solicitor General Barbara D. Underwood and Deputy Solicitor General Ester Murdukhayeva — all of the Division of Appeals & Opinions. Data Scientist Gautam Sisodia also assisted in this matter, under the supervision of Director of Research and Analytics Jonathan Werberg and Deputy Director Megan Thorsfeldt. The Bureau of Consumer Frauds and Protection is a part of the Division for Economic Justice, which is led by Chief Deputy Attorney General Chris D'Angelo and overseen by First Deputy Attorney General Jennifer Levy.

Letitia James

New York State Attorney General



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