



NEWS RELEASE

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AG Nessel's Office Sends Cease and Desist Letters to Online Sellers for Price-gouging *Amazon Storefronts Taking Advantage of Consumers' COVID-19 Fears*

LANSING, MICH. Four online sellers conducting business through Amazon were told to stop taking advantage of consumers by Michigan Attorney General Dana Nessel after her office found credible reports of price-gouging in violation of the Michigan Consumer Protection Act (MCPA).

The Attorney General's office on Monday sent cease and desist letters to the Amazon storefronts operating under the usernames: Dealz N-KY, Happy Small Hands, HotDealz73, and ZXL Distribution Group.

These actions show the two different ways the Attorney General will seek to protect consumers making purchases in the Amazon marketplace. When a seller in a different state is involved, the Attorney General can employ the Michigan Consumer Protection Act to vindicate the rights of Michiganders who have been exploited. And, when the seller is in Michigan, the Attorney General can proceed to protect consumers everywhere.

The Dealz N-KY notice was issued to an out-of-state seller who sold to a Michigan consumer at a grossly excessive price. That consumer filed a complaint with the Attorney General's office, and supplied documentation evidencing her allegations. The other three notices were issued to third-party sellers located in Michigan. Through enforcing its own Marketplace Fair Pricing Policy, Amazon identified a group of third-party sellers who have grossly inflated the prices of products consumers are likely to seek during the coronavirus disease 2019 (COVID-19) outbreak. The company provided the Attorney General's office with a list of sellers based in Michigan, including these three targets, to assist the office with enforcing the MCPA. Though Amazon already suspended these sellers, the Attorney General will seek to ensure these sellers do not retain profits from their alleged wrongdoing, and to prevent them from simply moving their misconduct to other online marketplaces.

Meanwhile, the Attorney General's office has 3,096 complaints of COVID-19-related price-gouging as of 7 a.m. today. That includes 1,491 complaints submitted online through the Attorney General's website and 1,605 taken by phone through the Consumer Protection tip line. Many complaints focus on price-gouging of face masks, hand sanitizer and various food items. Complaints are

reviewed by attorneys in the Corporate Oversight Division and, where appropriate, assigned to investigators. Business owners may also be contacted for additional information.

“As we continue to work through this COVID-19 pandemic together, my office will keep protecting consumers from price-gougers – and that includes online retailers,” Nessel said. “This public health emergency is not an excuse for businesses to take advantage of people and profit from fear, and those who try will be held accountable.”

The online sellers operating storefronts through Amazon significantly increased the prices of products like face masks, hand sanitizer and disinfectant spray, as well as the cost of shipping those products to consumers.

Dealz N-KY: This storefront operator sold a two-pack of hand sanitizer for \$89, plus shipping. The same product typically sells for \$8.85 at other online retailers. [Click here to see the Attorney General's letter to Dealz N-KY.](#)

Happy Small Hands: On Feb. 21, the storefront sold a 10-pack of N95 masks for \$38 plus \$21.95 for shipping. The next day, the same product was sold for \$42 plus \$46.95 in shipping. The 30-day average sales price for all Amazon sales of that product as of Jan. 19 was \$13.67. Additionally, the seller sold a two-pack of N95 masks for \$25.95 plus \$52.95 shipping. That usually sells for \$5.13 on Amazon. The storefront also charged \$45.99 plus \$9.95 for shipping for a three-pack of hand sanitizer. That product usually sells for \$13.63. [Click here to see the Attorney General's letter to Happy Small Hands.](#)

HotDealz73: Sold a 20-pack of N95 Drywall Sand Respirators for \$59.75. The average price on Amazon for that product was \$19.92. The seller also charged nearly \$400 plus \$31.58 in shipping for a 12-pack of 8-ounce bottles of hand sanitizer. That product generally sells for \$39.72. [Click here to see the Attorney General's letter to HotDealz73.](#)

ZXL Distribution: Sold a 10-pack of N95 masks for \$59.95 (normally sells for \$13.67), and a 40-pack for \$229 (\$83.44). Among other offenses, the storefront also charged a consumer \$119 for a six-pack of 32-ounce bottles of disinfectant spray, which typically sell for about \$41. [Click here to see the Attorney General's letter to ZXL Distribution.](#)

The sellers are likely in violation of the MCPA for:

- Charging the consumer a price that is grossly in excess of the price at which similar property or services are sold.
- Causing coercion and duress as the result of the time and nature of a sales presentation.

The sellers have 10 days to respond to the Attorney General's office, otherwise additional action could include the launch of a formal investigation through court subpoenas. The sellers could also agree to an assurance of voluntary compliance.

Consumers can [file a complaint online](#) or by calling the Consumer Protection tip line, 877-765-8388. Hours of operation are between 8:30 a.m. and 4:30 p.m. Monday through Friday.

Information around this outbreak is changing rapidly. The latest information is available at [Michigan.gov/Coronavirus](#) and [CDC.gov/Coronavirus](#).

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