



FOR IMMEDIATE RELEASE

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CONSUMER ALERT: Post-Storm Rebuilding Scams and Price Gouging

Griffin: 'Price gouging will not be tolerated as Arkansas recovers'

LITTLE ROCK – Attorney General Tim Griffin today issued the following statement alerting Arkansans of post-storm rebuilding scams and informing businesses that the prohibitions on price gouging in Act 376 of 1997 are now in effect after Governor Sarah Huckabee Sanders’s declaration of a state of emergency in Executive Order 24-07 issued on May 26:

“My prayers continue for everyone affected by this weekend's storms, especially those who lost loved ones. Arkansans always show kindness and compassion to others when storms strike our state. Yet there are unscrupulous people who will try take advantage of our neighbors in their desperate time of need.

"Those with storm damage should call their insurance company before paying any company or individual a deposit. Post-storm scammers will offer quick repair jobs for an immediate deposit and may even claim that insurance will reimburse the purchaser. I encourage Arkansans not to feel pressured into immediate solutions that appear too good to be true.

"Furthermore, the Governor's emergency declaration has triggered the state's anti-price gouging law, prohibiting businesses from charging more than 10 percent above the pre-disaster price of

goods or services. Price gouging will not be tolerated as Arkansas recovers, and I will bring the full power of my office to bear on anyone who violates our law."

Griffin reminds homeowners that:

- Insurers will honor their home policies.
- There is no need to rush into or be pressured to sign a contracting agreement.

He also offered these tips for repairing damaged property:

- Get more than one estimate.
- Demand references and check them out.
- Never let a contractor pressure you into hiring them.
- Never sign a contract with blanks "to be filled in later."
- Never pay a contractor in full until the work is finished.
- Never let a contractor discourage you from contacting your insurance company.
- Make sure you review and understand all documents sent to your insurance company.

Act 376 of 1997 is triggered whenever a state of emergency is declared by federal, state, or local governments. A violation of Act 376 is also a violation of the Deceptive Trade Practices Act, which carries a fine of up to \$10,000. The law prohibits businesses from charging more than 10 percent above the pre-disaster price of goods or services, such as:

- Food and water;
- Fuel;
- Blankets, medicine, and bandages; and
- Flashlights, batteries, and construction materials.

The ban on price gouging remains in effect for at least 30 days and can be extended another 30 days if necessary to protect Arkansans' lives, property, or welfare. For home repairs, the law remains in effect for 180 days.

Arkansans who wish to report concerns about the subject of this Consumer Alert or desire more information should contact the Arkansas Attorney General's Office by calling (501) 682-2007, emailing consumer@arkansasag.gov, or visiting www.ArkansasAG.gov.

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