



# ***NEWS RELEASE***

OFFICE OF ATTORNEY GENERAL HENRY MCMASTER  
STATE OF SOUTH CAROLINA

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## **Attorney General McMaster: South Carolina Price Gouging Law In Effect**

**Columbia, S.C.** – As of noon today, September 12, 2008, Attorney General McMaster has invoked the state's price gouging prohibition statute and issued the following statement:

“President Bush has declared a state of emergency in Louisiana and Texas due to Hurricane Ike. Pursuant to SC Code Section 39-5-145, the attorney general now gives notice of an “abnormal disruption of the market” for gasoline and other petroleum products in South Carolina.

Therefore, as of this notice, price gouging for gasoline and other commodities constitutes an unfair trade practice and a criminal misdemeanor. “Price gouging” requires the charging of an “unconscionable price” not attributed to additional costs or market fluctuations. An unfair trade practice violation carries a civil penalty of up to \$5,000 per violation 39-5-110. In addition, the criminal penalty is a fine of up to \$1,000 and imprisonment of no more than 30 days 39-5-145(K).

Citizens should report inordinate and suspected violations immediately to local law enforcement. This office has also established a special email address -- [GasPrices@SCAttorneyGeneral.com](mailto:GasPrices@SCAttorneyGeneral.com), and an information line at (803) 734-3970.”

In most cases, the criminal prohibition against price gouging takes immediate effect upon the Governor's declaration of a state of emergency, or a similar declaration by the President of the United States, and only within the area for which the state of emergency has been declared. The prohibition remains in effect until the declaration expires or is terminated.

South Carolina law also provides for the State Attorney General to identify an “abnormal disruption of the market” in another part of the country that affects the market for a commodity in South Carolina. This abnormal condition in another state must follow a declaration of a State of Emergency by the President of the United States. The Attorney General can declare such a condition for fifteen (15) day periods, and may renew or cancel them.

During such declared period of market abnormality, it is illegal to rent or sell or offer to rent or sell a commodity at an “unconscionable price” within the state or other recognized area within the state.

Those commodities are defined as goods, services, materials, merchandise, supplies, equipment, resources, or other articles of commerce, and includes, without limitation, food, water, ice, chemicals, petroleum products, and lumber essential for consumption or use as a direct result of a declared state of emergency.

“Unconscionable price” means an amount charged, which either represents a “gross disparity” or “grossly exceeds” the average price available for those items and services in the same area thirty (30) days immediately before a declaration of a state of emergency.

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