



Office of the Attorney General
Washington, D. C. 20530

March 24, 2020

MEMORANDUM FOR ALL HEADS OF DEPARTMENT COMPONENTS AND LAW
ENFORCEMENT AGENCIES

ALL UNITED STATES ATTORNEYS

FROM:

THE ATTORNEY GENERAL

A handwritten signature in black ink, appearing to read "W Barr", written over the printed name of the Attorney General.

SUBJECT:

Department of Justice COVID-19 Hoarding and Price Gouging Task Force

Thank you again for your tremendous service to our nation during the present crisis. Each week brings new challenges, but I am confident that the Department of Justice will continue to perform its critical mission during these difficult times. Last week, I addressed a number of early reports concerning criminals seeking to exploit the current panic and economic dislocation. I am now issuing this Memorandum to advise you of a recent Executive Order signed by the President that is relevant to our work, and to direct the creation of a task force charged with addressing hoarding and price gouging associated with the Coronavirus (COVID-19) pandemic.

I. AUTHORITIES TO PUNISH WRONGDOING RELATED TO COVID-19

To protect the safety and security of our nation during the current crisis, the Department must remain vigilant in deterring, detecting, investigating, and prosecuting wrongdoing related to the COVID-19 pandemic. While this crisis has brought out the best in most Americans, there appear to be a few unfortunate exceptions. We will not tolerate bad actors who treat the crisis as an opportunity to get rich quick.

We are beginning to receive reports of individuals using the crisis to hoard vital medical items and then make inappropriate, windfall profits at the expense of public safety and the health and welfare of our fellow citizens. Hoarding and price gouging activities inhibit the government, health care professionals, and the public from implementing critical measures to save lives and mitigate the spread of the virus. These practices also make it harder for our healthcare providers and first responders to resist the spread of COVID-19.

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Yesterday, the President gave us another tool to fight misconduct by issuing an Executive Order pursuant to section 102 of the Defense Production Act, which prohibits hoarding of designated items. The order authorizes the Secretary of Health and Human Services (“HHS”) to protect scarce healthcare and medical items by designating particular items as protected under the statute. Once an item is designated, the statute makes it a crime for any person to accumulate that item either (1) in excess of his or her reasonable needs or (2) for the purpose of selling it in excess of prevailing market prices. *See* 50 U.S.C. §§ 4512, 4513. We will work closely with the HHS Secretary as he designates scarce items. And where appropriate, the Department will investigate and prosecute those who acquire vital medical supplies in excess of what they would reasonably use or for the purpose of charging exorbitant prices to the healthcare workers and hospitals who need them. We will also work closely with the Administrator of FEMA in exercising his authority under the Stafford Act to seize necessary healthcare and medical items, where appropriate, and to redeploy them to the people who need them most.

This does not mean that the Department will pursue regular Americans who are stocking up on the necessities of daily life or businesses acquiring materials reasonably needed for their own use. Nor will we take action against the manufacturers or suppliers who are working with the government and with healthcare providers in an effort to combat this crisis. But we will aggressively pursue bad actors who amass critical supplies either far beyond what they could use or for the purpose of profiteering. Scarce medical supplies need to be going to hospitals for immediate use in care, not to warehouses for later overcharging.

II. COVID-19 HOARDING AND PRICE GOUGING TASK FORCE

During this crisis, we must marshal our resources to protect the American people. Accordingly, I am directing the immediate creation of a task force to address COVID-19-related market manipulation, hoarding, and price gouging. The task force will develop effective enforcement measures, best practices, work closely with HHS as they designate particular items and equipment, and coordinate nationwide investigation and prosecution of these illicit activities. The task force will be led by Craig Carpenito, the United States Attorney in the District of New Jersey, with assistance as needed from the Antitrust Division’s Criminal Program. Each United States Attorney’s Office, as well as relevant Department components, are directed to designate an experienced attorney to serve as a member of the task force.

We must do the best we can to protect Americans’ rights and safety in this novel and troubling time. I thank you all for your service to this country.