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N.J. Landscaping Firm Charged for Selling Unlicensed Gasoline during Sandy

The New Jersey Attorney General said on Monday that the New Jersey Division of Consumer Affairs has filed action against a Monmouth County landscaping company, Stephen's Landscaping or Stephen's Garden Center, for allegedly defrauding consumers in the wake of Superstorm Sandy by charging exorbitant prices for generators and selling gasoline without being a licensed motor fuel retailer.

The company also allegedly sold generators that had been recalled due to potential fire occurring with use of the generators.

"Consumers scrambled to find generators, fuel, and other basic necessities during the chaotic days right before and after Sandy's landfall," Acting Attorney General John J. Hoffman said.

"This company allegedly took advantage by charging unconscionable prices -- and even putting consumers at risk with the sale of generators that had been recalled due to fire hazards," he added.

During the State of Emergency declared on Oct. 27, 2012 in advance of Sandy's landfall, Long Branch-based Stephens's Landscaping allegedly sold 133 generators to consumers at price markups of between approximately 82% and 155%. Within five days, Stephen's Landscaping realized approximately \$176,950 in retail sales for 133 generators.

For 77 of the 133 generators sold during that period, the company also allegedly charged an additional \$100 assembly fee. According to one consumer's account, the "assembly process" consisted of removing the generator from a box and attaching handles and two wheels. Multiple consumers said they were not given a choice about paying the assembly fee. Stephen's Landscaping realized \$7,700 in gross revenues by adding the allegedly unnecessary assembly fee.

Charging exorbitant prices is prohibited under New Jersey's Consumer Fraud Act.

In addition, as set forth in the complaint, during the five days immediately after Superstorm Sandy struck New Jersey, Stephen's Landscaping sold a total of 44 five-gallon gas cans, filled with gasoline, at \$50 per can -- even though the company was not licensed by the New Jersey Division of Taxation to engage in the retail sale of motor fuel.

The unlicensed sale of motor fuel is prohibited under New Jersey's Motor Fuel Tax Act.

As of the date of the complaint, Stephen's Landscaping has failed to produce certain documents as required by a subpoena served by the Division of Consumer Affairs. Specifically, Stephen's Landscaping has failed to provide any documents concerning the prices it paid to suppliers for generators purchased and then sold to consumers prior to the declaration of the Superstorm Sandy state of emergency.

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