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City Attorney Sues over COVID-19 Price Gouging

United Site Services more than doubled price of critical equipment for homeless shelter

City Attorney Mara W. Elliott filed suit on behalf of the People of the State of California against United Site Services of California for illegally raising the price of services it provided to the City when the San Diego Convention Center was converted into the country's largest homeless shelter during the height of the COVID pandemic.

United Site Services overcharged taxpayers by hundreds of thousands of dollars for showers used at the Convention Center.

As the pandemic began, the City Attorney warned businesses that she would aggressively prosecute violations of a California law that prohibits raising prices by more than 10 percent on goods and services needed for emergency response and disaster recovery. The City Attorney said San Diegans shouldn't have to worry about being cheated when taking precautions necessary to stay healthy.

Investigators with the City Attorney's Office confirmed that United Site Services increased the cost of its shower trailers by more than 100 percent. Its final quote for the six-stall shower trailer was \$19,320 per month and an additional \$500 fee for delivery, set-up, and removal.

“This price gouging by United Site Services was calculated and unconscionable,” City Attorney Mara W. Elliott said. **“They knew that homeless shelters cannot function without shower facilities. They knew about the COVID health and safety issues. And they knew the City had no other options to acquire these necessary supplies.”**

As the pandemic grew in early 2020, the City sought to relocate bridge shelter residents to Golden Hall in downtown San Diego. To prepare Golden Hall for these homeless residents, the City needed to obtain enormous numbers of emergency supplies in short order. Fundamental to shelter operations and essential to COVID health and safety requirements, portable shower trailers were among the most urgently needed emergency supplies.

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On March 20, 2020, United Site Services committed to deliver one six-stall shower trailer to Golden Hall. Despite pre-pandemic pricing of between \$8,000 and \$9,500 per month, United's quote was for \$19,320 per month and an additional \$500 fee for delivery, set-up, and removal. The company provided no explanation for its inflated price.

The pandemic emergency was growing with such speed that by March 21, the City and the County decided to refocus emergency homeless relocation and shelter efforts to the Convention Center.

The City sought more and larger shower trailers and was again presented with vastly inflated prices. The City questioned United Site Services' new post-pandemic pricing, but company representatives said that the trailers were in high demand because of the pandemic. They also made it clear they would rent the trailers to other customers if the City did not rent them.

The price gouging occurred after the pandemic had been declared a local health emergency by the County Board of Supervisors, and Governor Gavin Newsom and San Diego Mayor Kevin Faulconer had declared States of Emergency, triggering the price-gouging law.

The lawsuit seeks restitution for the City of San Diego in the amount United Site Services overcharged the City for the seven portable shower trailers, and civil penalties against the defendant's unfair and unlawful practices.

This lawsuit was filed on behalf of the People of the State of California by Senior Chief Deputy City Attorney Mark Ankorn and Deputy City Attorney Julie Rau of the City Attorney's Affirmative Civil Enforcement Unit.

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