



Government of the Virgin Islands of the United States of America  
**Department of Licensing and Consumer Affairs**

**H. Nathalie Hodge  
Commissioner**

**FY 2026 Budget Testimony Before the  
36<sup>TH</sup> Legislature of the Virgin Islands**

**Honorable Novelle E. Francis, Chair  
Committee on Budget, Appropriations, and Finance**

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**July 23, 2025**

***“Serving Businesses & Assisting, Educating, and Protecting Consumers”***

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## **INTRODUCTION**

Good afternoon, Honorable Novelle E. Francis, Chair, members of the Committee on Budget, Appropriations, and Finance, Senators of the 36th Legislature, Legislative staff, Team DLCA, and the listening and viewing audience. I am Nathalie Hodge, Commissioner of the Department of Licensing and Consumer Affairs. Joining me today are Assistant Commissioner Horace Graham Jr., Deputy Commissioner Myrna George, General Counsel Geraldine Vaval, Director of Enforcement Wilbur Francis, and Acting Director of Administration and Business Management Kasai Rondon Seales.

## **DEPARTMENT OVERVIEW**

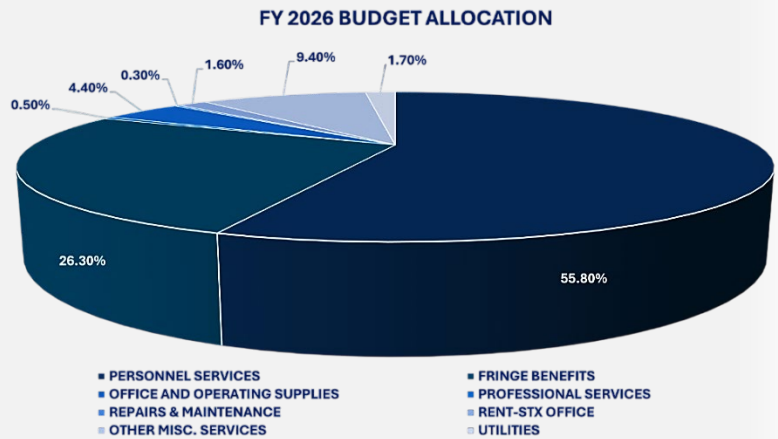
The Department of Licensing and Consumer Affairs (DLCA), established under Title 3, Chapter 16 of the Virgin Islands Code, is responsible for protecting consumers and regulating businesses throughout the Territory. The Department enforces several key statutes, including the Consumer Protection Law of 1973 (Title 12A), the business licensing provisions under Title 27, and the laws governing the sale and distribution of alcoholic beverages under Title 8 of the Virgin Islands Code.

The DLCA is comprised of seven divisions: the Office of the Commissioner; the Office of Boards and Commissions; the Division of Administration and Business Management; the Division of Licensing (which includes the Alcoholic Beverage Control Unit); the Division of Consumer Affairs; the Enforcement; and the Legal Division.

Our mission, “Serving Businesses and Assisting, Educating, and Protecting Consumers”, guides our work. The proposed Fiscal Year 2026 budget reflects that mission, with a continued focus on operational efficiency, regulatory enforcement, modernization, and enhanced support for agencies like the Office of Cannabis Regulation, as well as expanded services for all Virgin Islands consumers and businesses.

## **REVIEW OF THE FISCAL YEAR 2026 BUDGET**

DLCA's Fiscal Year 2026 total budget includes \$5,871,053.00<sup>1</sup> in General Fund appropriations and \$800,000.00 from the Consumer Protection Fund. The General Fund allocation reflects an increase of \$973,073.53 over the revised Fiscal Year 2025 appropriation of \$4,947,979.47.



Of the FY 2026 General Fund budget total, \$3,277,078 is allocated to Personnel Services, and \$1,546,874.00 to Fringe Benefits. The remaining \$1,047,101.00 is earmarked for the following departmental operating expenses: Office and Operating Supplies (\$32,000.00), Professional Services (\$259,680.00), Repairs & Maintenance (\$15,000.00), Rent for the St. Croix Office (\$91,500.00), Other Miscellaneous Services (\$551,921.00); and Utilities (\$97,000.00).

The Consumer Protection Fund (CPF) is a revolving fund derived from the collection of license penalties and citation fines. This special fund is designated to address the costs associated with investigating/resolving consumer disputes/complaints and consumer education. Due to the General Fund Expenditure ceiling imposed by the Office of Management and Budget on the Department of Licensing and Consumer Affairs via correspondence dated January 1, 2025, the CPF has been utilized to defray costs for professional contracts, equipment, communication, and supplies. CPF expenses include but are not limited to Board Member Stipends, Uniform Allowances, Supplies, Professional Services, and Other Miscellaneous Charges.

The DLCA is not a recipient of any federal funding.

<sup>1</sup> A difference of \$1,639,917.00 is reflected in the budget book. This difference is an allocation for the Office of Cannabis Regulations (OCR) from Project M1803 (\$1,439,917.00) and the Tourism Advertising Revolving Fund (\$200,000.00).

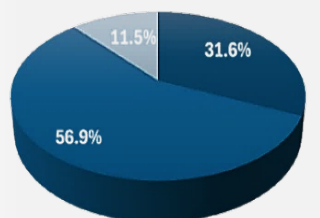
## **FISCAL YEAR 2025 STATISTICAL OVERVIEW**

### **Division of Licensing**

The Division of Licensing plays a central role in regulating commerce in the U.S. Virgin Islands by receiving, reviewing, and approving new and renewal business license applications. Using a digitized platform, the Division streamlines payments and coordinates required clearances from key agencies, including the Office of the Lieutenant Governor, Virgin Islands Police Department, Department of Planning and Natural Resources, Virgin Islands Fire and Emergency Medical Services, and the Department of Health. The Division continues to refine its operations to meet the statutory mandate of issuing business licenses within ten business days, using process improvements, staff training, and performance tracking to maintain timely turnaround.

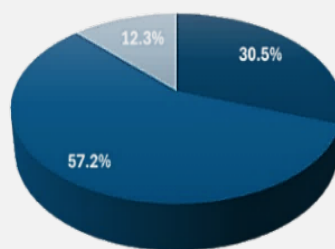
Throughout Fiscal Year 2025, the Division approved licenses for 8,223 businesses, showing a 1.1% decrease from 8,314 during the same period in FY 2024. These businesses represented 14,079 activity categories, a marginal 0.1% decrease from 14,099 in the prior year. The following charts illustrate the distribution of licenses issued, business entities, and license fees collected across the Territory. St. Thomas leads in all categories: licenses issued (56.9%), business entities (57.0%), and license fees collected (57.1%). St. Croix follows with around 31%, while St. John accounts for 11–12% across the board, highlighting St. Thomas as the territory’s main economic Center.

**DISTRIBUTION OF LICENSES ISSUED**



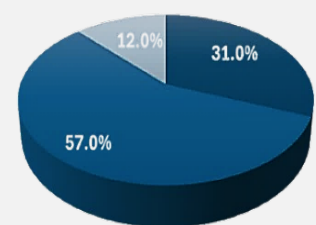
■ ST. CROIX ■ ST. THOMAS ■ ST. JOHN

**DISTRIBUTION OF LICENSES FEES COLLECTED**



■ ST. CROIX ■ ST. THOMAS ■ ST. JOHN

**DISTRIBUTION OF BUSINESS ENTITIES**



■ ST. CROIX ■ ST. THOMAS ■ ST. JOHN

Business activity across the territory fluctuated slightly, but the Division of Licensing continues to improve processing speed, data integrity, and revenue collection. Ongoing tech upgrades, staff training, and compliance efforts support its commitment to statutory obligations and better service delivery.

#### *Revenue Collection and District-Level Trends*

Total license fee collections rose slightly by 0.74%, from \$3,085,417.12 in FY 2024 to \$3,108,274.53 in FY 2025. This occurred despite modest declines in volume, indicating an increase in high-value license categories.

DISTRICT	FY 2025 LICENSES	CHANGE	BUSINESSES	CHANGE	LICENSE FEES	CHANGE
STT	8,004	+0.6%	4,688	-1.2%	\$1,775,718.24	+6.3%
STX	4,456	-11.5%	2,547	-21.9%	\$949,321.71	-6.2%
STJ	1,619	+6.3%	988	+3.7%	\$383,234.58	-4.9%

#### *Alcohol Control Unit*

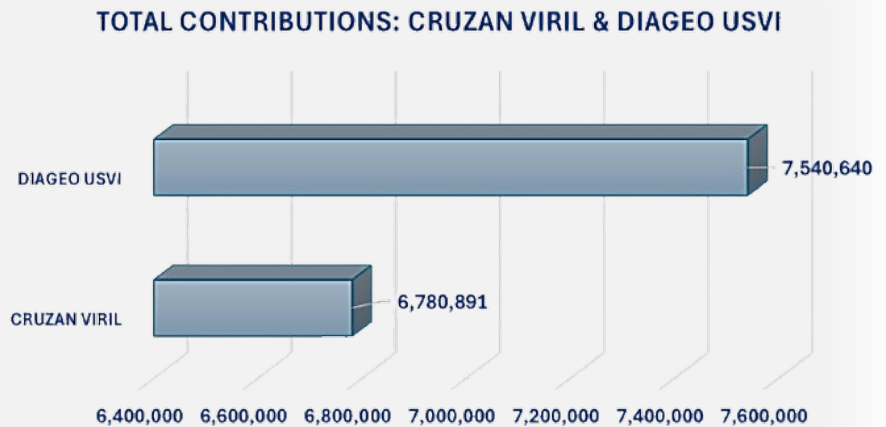
A subdivision of the Division of Licensing, the Alcohol Unit enhances regulatory oversight by conducting compliance inspections, approving alcohol-related licenses, monitoring labeling and operations of alcohol establishments, and tracking alcohol imports and exports in the Territory.

ALCOHOL RELATED LICENSES	STT	STX	STJ
Tavernkeeper A	205	113	62
Tavernkeeper B	53	35	14
Liquor Wholesaler	22	7	2
Importers Liquor License	6	4	0
Hotel Keeper Liquor License	6	3	1
Night Club	44	29	1
Tavernkeeper Storekeeper Liquor	1	8	1
<b>TOTAL</b>	<b>337</b>	<b>199</b>	<b>81</b>

Twenty-two Notices of Violation were issued for violations including but not limited to operating without an alcohol license and failure to register alcohol products. During Fiscal Year 2025, the DLCA issued a total of **617 alcohol-related licenses** across the territory.

The unit is also responsible for reporting the monthly rum export volumes from both Cruzan VIRIL and Diageo USVI factories. As of June 2025, **14,321,531 gallons of rum** were exported, and the breakdown is as follows:

MONTH	CRUZAN	DIAGEO
OCT 2024	763,686	1,086,280
NOV 2024	714,475	294,811
DEC 2024	693,514	737,029
JAN 2025	497,892	660,429
FEB 2025	941,652	964,455
MAR 2025	1,159,839	1,067,154
APR 2025	857,951	830,502
MAY 2025	1,116,088	1,080,387
JUNE 2025	1,083,009	1,000,837
<b>TOTAL</b>	<b>6,780,891</b>	<b>7,540,640</b>



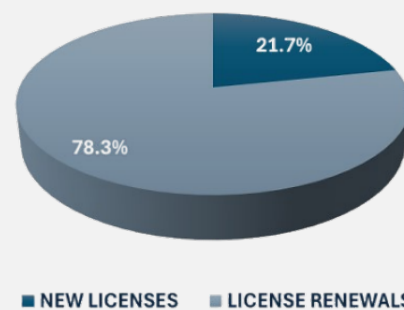
## Office of Boards and Commissions

The Office of Boards and Commissions oversees the regulation, certification, and licensing of various professions and trades, ensuring individuals meet required education, experience, and examination standards for legal practice in the territory.

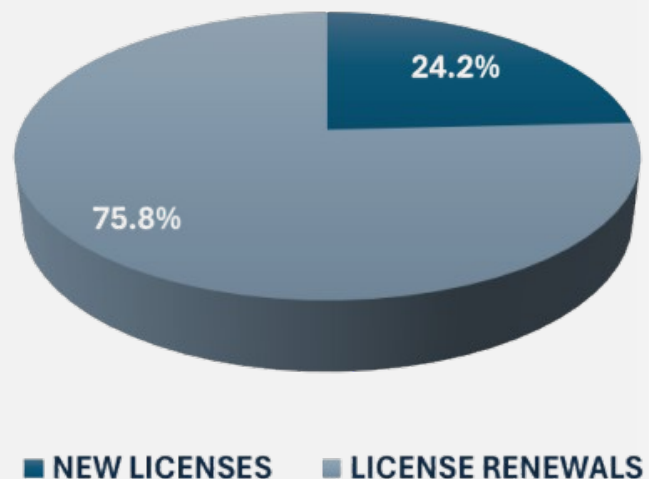
During FY 2024, the Office of Boards and Commissions administered examinations to 128 candidates and issued 1,868 licenses (405 new licenses and 1,868 renewals). During FY 2025, the Office administered examinations to 115 candidates and issued 1,238 licenses (300 were initial licenses and 938 were renewals).

The Office of Boards and Commissions continues to demonstrate efficiency in processing license renewals and is actively pursuing legislative

**FY 2024 LICENSE ISSUANCE**  
(1,868 LICENSES ISSUED)



**FY 2025 LICENSE ISSUANCE**  
(1,238 LICENSES ISSUED)



updates to align with Governor Bryan’s mandate and evolving industry standards. These updates are vital to maintaining effective, up-to-date licensure and examination processes.

Notable progress has been made in filling vacancies on key boards, including Contractors, Trades and Crafts, Licensed Counselors, and VI Real Estate Appraisers. DLCA thanks the Office of the Governor and the 33rd through 36th Legislatures for their efforts in this area, despite challenges in securing commitments from some trades professionals. We also extend sincere appreciation to the dedicated board members whose service is vital to the integrity of the Territory’s professional licensing system. A full list of appointments and vacancies follows:

NAME OF BOARD / COMMISSIONS	BOARD COMPLEMENT	ACTIVE MEMBERS	VACANCIES
<b>Architects, Engineers &amp; Land Surveyors</b> Authority: Title 27, Chapter 8, Section 282a	7	7	0
<b>VI Board of Barbering and Cosmetology</b> Authority: Title 27, Chapter 17, Section 451	7	5	2
<b>VI Board of Contractors, Trades and Crafts</b> Authority: Title 27 Chapter 10, Section 330	9	4	5
<b>VI Board of Public Accountancy</b> Authority: Title 27 Chapter 5A, Section 250a,	5	5	0
<b>VI Board of Real Estate Appraisers</b> Authority: Title 27, Chapter 16, Section 434	7	5	2
<b>VI Real Estate Commission</b> Authority: Title 27, Chapter 15, Section 421a(b)	7	6	1
<b>VI Board of Social Work Licensure</b> Authority: Title 27, Chapter 20, Section 538	5	5	0
<b>VI Board of Counselors</b> Authority: Title 27, Chapter 4A, Section 202	7	4	3

## Division of Consumer Affairs

DLCA’s Consumer Affairs Division safeguards the public through two specialized units that tackle consumer issues from different angles: the Weights and Measures Unit and the Consumer Protection Unit. This division is responsible for assisting, educating, and protecting consumers against unfair and deceptive trade practices.

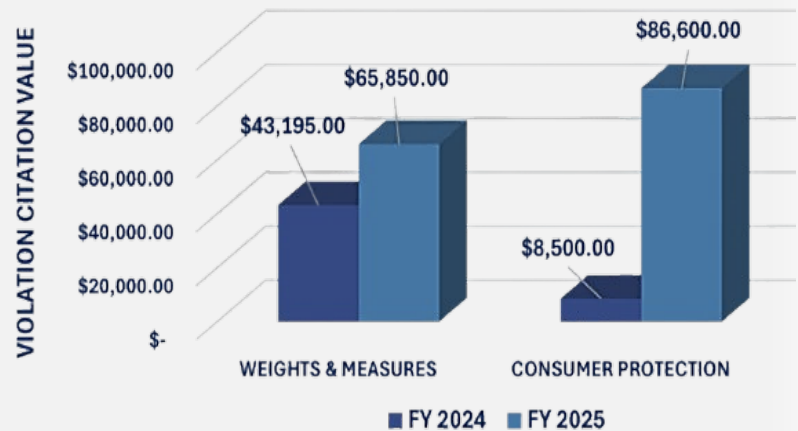
The Consumer Protection Unit mediates disputes and enforces trade-practice laws. Between October and May, the Unit inspected 53 point-of-sale scanners, issuing 16 citations totaling \$86,600.00 for non-compliance. During the same period, the Unit received 184 consumer complaints, successfully

resolving 168 cases, and securing over \$16,800.00 in restitution for consumers. The average time to close a case is under 10 days, reflecting the Unit's commitment to resolving cases promptly. Additionally, the Unit conducts a monthly Super Market Shopping Comparison, comparing staple grocery prices across major retailers to help consumers make informed decisions.

Whereas, the Weights & Measures Unit assures price accuracy at the point of sale, ensuring that consumers receive the correct quantity of goods and that products meet proper shelf-life standards for safe sale. During Fiscal Year 2025, the Weights and Measures Unit conducted pull date

inspections at 102 businesses throughout the Territory. Of the 102 businesses, 51 were found to be in violation of expired product laws (21 on St. Croix, 21 on St. Thomas, and 9 on St. John). A total of \$65,850.00 in citations have been issued, of which \$6,450.00 has been paid to date. The Unit also completed thirty commercial-scale inspections during this period (16 on St. Croix and 14 on St. Thomas/St. John). Each week, our inspectors visit every fuel station in the Territory to collect and publish fuel price surveys. This includes fifty-five gas stations, seven marinas, and four propane providers. Additionally, air pumps at each location are inspected to ensure public access and safety. Together, these units bolster consumer confidence by tackling deceptive practices, correcting pricing and quantity errors, and making marketplace information transparent across the Territory.

**VIOLATION CITATIONS BY TYPE & FISCAL YEAR**



### Division of Enforcement

The Division of Enforcement upholds the Territory's licensing laws by conducting compliance checks and ensuring businesses meet regulatory requirements. Officers also serve legal documents, provide secure bank escorts, and support interagency task forces.

On average, the Division of Enforcement conducts more than **two hundred compliance checks each month** on existing businesses throughout the Territory. During Fiscal Year 2025, the Division issued one hundred seventy-four citations, totaling \$100,550.00 in fines. Additionally, two arrests were made in connection with violations of the Territory's licensing laws.

Common violations include operating without proper licensure, noncompliance with payment method requirements, deceptive trade practices, failure to display business licenses or required alcohol signage, and breaches of the Territory's sunscreen ban. These enforcement actions underscore the Division's commitment to protecting consumers, promoting public safety, and ensuring business compliance with all applicable laws and regulations.

## **Legal Division**

The Legal Division of DLCA plays a critical role in enforcing regulatory compliance, managing legal proceedings, issuing enforcement notices, and representing the Department in administrative hearings, while coordinating with other government agencies to uphold licensing laws in the Virgin Islands.

During Fiscal Year 2025, the Legal Division processed ninety-one summonses related to outstanding citations issued totaling \$65,426.00. These summonses were issued to licensees who failed to pay previously assessed fines. Once served, 46 of those licensees paid a total of \$29,090.00 in citations to avoid being scheduled for the Department's monthly enforcement calendar call before the Hearing Officer.

At the request of the Virgin Islands Bureau of Internal Revenue (VIBIR), the Legal Division also processed 214 Notices<sup>2</sup> of Intent to Revoke Licenses for Non-Payment of Taxes, pursuant to Title 27, Section 304(k) of the Virgin Islands Code. Following notification, fifty-seven cases were closed after

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<sup>2</sup> These notices were served by the Division of Enforcement.

VIBIR confirmed that licensees had either paid their outstanding taxes or entered approved payment plans. As a direct result of this initiative, twenty business licenses were revoked for continued non-compliance.

Additionally, the Legal Division proactively reviewed licensee statuses with the Office of the Lieutenant Governor (LGO) when citations were issued for non-compliance with the Virgin Islands Code or DLCA regulations. This review resulted in the issuance of 11 Notices of Intent to Revoke Licenses to businesses found to be in violation or administratively dissolved with LGO, also under the authority of Title 27, Section 304(k).

Further, the Division filed seven Petitions to Revoke Licenses with the Department's Hearing Officer. Of these, one matter was closed without an administrative hearing, three proceeded to a hearing (resulting in two license revocations), and three cases remain open.

### **Office of Cannabis Regulations**

While the Office of Cannabis Regulation (OCR) will present its own testimony later today, it is important to highlight DLCA's ongoing support and close partnership with the agency. Since its inception, OCR has been housed within DLCA, which has provided critical operational support, including HR, payroll, and covering facility-related expenses. Over the past year, DLCA has helped OCR grow from a one-person office to a developing team of six.

For Fiscal Year 2025, DLCA remains committed to supporting OCR's responsible fund management and continued growth through shared training and development initiatives. As DLCA maintains enforcement authority over hemp retail operations, our collaboration with OCR has helped clarify regulatory overlap, reduce redundancy, and improve enforcement across both programs. We remain dedicated to supporting OCR's transition into a fully independent and self-sustaining regulatory body.

## STAFFING

The Department's FY 2025 staffing includes 53 General Fund positions, all of which are filled or in the process of being filled: 26 in the St. Croix district and 27 in St. Thomas/St. John.

DIVISION	STX	STTJ	VACANT	TOTAL
Office of the Commissioner	4	2	0	6
Management & Business Admin	1	2	2	5
Legal	1	2	2	5
Licensing/Alcohol Control Unit	5	9	0	14
Consumer Affairs	5	4	0	9
Boards and Commissions	3	2	1	6
Enforcement	4	3	1	8
<b>TOTAL</b>	<b>23</b>	<b>24</b>	<b>6</b>	<b>53</b>

There are six vacancies and two new positions for Fiscal Year 2026:

QTY	VACANCY	DIST
1	Paralegal Researcher	STT/J
1	Legal Administrator	STX
1	Special Investigator B&C	STX
1	Enforcement Officer	STT/J
1	Administrative Assistant	STT/J
1	Receptionist	STX

QTY	NEW POSITION	DIST
1	Network Administrator	STX
1	Public Information Officer	STX

The Enforcement Division is currently staffed with two Enforcement Officers on St. Croix, and one Chief Enforcement Officer, along with two Enforcement Officers in the St. Thomas/St. John District. The Weights and Measures Unit is similarly structured, with one Weights and Measures Inspector and one Chief Inspector assigned to St. Croix, and one Senior Weights and Measures Inspector and one Weights and Measures Inspector assigned to St. Thomas/St. John. A stronger field presence of inspectors and investigators is essential to boosting public confidence in the DLCA and deterring unlicensed or non-compliant business practices.

Given the volume and diversity of businesses across the territory, including retail stores, gas stations, bars, nightclubs, fishermen, and farmers, current staffing levels are insufficient to ensure consistent enforcement and regulatory coverage. To address this, we propose the addition of one

Enforcement Officer in the St. Thomas/St. John District and one Weights and Measures Inspector in the St. Croix District. These additions will help balance resources between districts and improve our ability to meet the Department's enforcement responsibilities effectively.

For Fiscal Year 2026, the DLCA received approval for two critical new positions: a Public Information Officer and a Network Administrator. These roles were requested to strengthen the Department's public outreach and technological infrastructure. The absence of a dedicated PIO has limited the agency's ability to effectively manage media relations, public education campaigns, and crisis communications. As the DLCA continues to modernize through digital tools for licensing, enforcement, and complaint tracking, a Network Administrator is essential to ensure secure, reliable systems. This position will also enhance mobile capabilities and help fully integrate technology into field operations and public services.

Lastly, we are also requesting an allocation of \$50,000.00 for overtime and night differential, which is crucial to launching enforcement initiatives after hours. These initiatives will allow the Department to proactively monitor and inspect bars, nightclubs, and similar late-night establishments during their peak hours of operation. This enhanced field presence not only improves public safety but ensures compliance with licensing requirements, detect and prevent unlicensed activity. These additional resources will significantly strengthen DLCA's ability to protect consumers, support compliant businesses, and operate efficiently and transparently across the territory.

## **ACCOMPLISHMENTS, INITIATIVES, AND GOALS**

### **Key Performance Indicators (KPIs)**

The Department of Licensing and Consumer Affairs (DLCA) continues to demonstrate strong performance across its divisions, with key performance indicators reflecting consistent progress, accountability, and a customer-first approach. Across all units, DLCA is meeting or exceeding many targets while proactively addressing areas for improvement. Ongoing efforts include automation, digital

enhancements, and strategic recruitment to ensure sustained service excellence and operational resilience in the year ahead.

### Summary of FY 2025 Key Accomplishments

The Department of Licensing and Consumer Affairs (DLCA) made significant strides in operational efficiency, public engagement, consumer protection, and digital modernization. Highlights include:

- *Operational Improvements:* DLCA cut invoice processing time by 50%, digitized personnel files, reconciled outstanding accounts, and secured a \$64,530.88 LEPC grant for safety and equipment upgrades. Internal policies are constantly being updated, and workplace culture is improved through staff appreciation efforts and fleet maintenance.
- *Professional Development:* DLCA launched Empower DLCA 360: Cross-Training for Excellence, a first-of-its-kind program focused on professional development and interdivisional collaboration.
- *Employee Advancement:* As part of my initiative to create upward mobility within the Department, the DLCA has reorganized our internal structures, and we have created pathways for promotions. I am proud of the recent promotions of seven staff members and pleased to share that five more are currently in the pipeline.
- *Public Engagement:* DLCA co-hosted a major consumer protection webinar with federal partners, debuted at AGRIFEST 2025 with a full-service booth. In March, the Department participated in two Community Engagement Sessions hosted by the 36th Legislature's Committee on Homeland Security, Justice, and Public Safety in collaboration with WTJX. At both sessions, the DLCA engaged directly with residents to address issues relevant to the Committee's purview.
- *Consumer Education & Communications:* New initiatives included the Caribbean American Heritage Month consumer education campaign, in-house production of educational materials, and a territory-wide campaign on illegal debit card fees.

- *Digital Modernization:* Website and application processing enhancements are underway, including a vendor-selected RFP for a new case management system to streamline inter-divisional operations.
- *Cost of Living Study & Fuel Market Oversight:* DLCA is expanding its food and housing cost analysis to include fuel prices, with a study period from December 2024 to December 2026. While the Department awaits execution of the contract with the Analysis Group, it has already exercised its subpoena authority (May 2025) to collect detailed pricing records from all gas retailers and wholesalers dating back to 2020. Responses are due by July 31, 2025, with some extensions granted due to the scope of the request. The data will be shared with The Analysis Group once the contract is finalized. DLCA is also evaluating mandatory fuel pricing data reporting but will defer implementation until the study results are available.

DLCA has met with the Bureau of Economic Research (BER) and agreed to collaborate on this initiative, recognizing their expertise in economic analysis. Going forward, BER is expected to take the lead in analyzing and publishing market trends, allowing DLCA to concentrate on regulatory enforcement guided by those findings.

### **Looking Ahead: Fiscal Year 2026 Goals**

The DLCA has identified key strategic goals for Fiscal Year 2026 to strengthen consumer protection, modernize regulatory frameworks, and support economic development. These goals include proposing an increase in license fees to reflect current market conditions and support operational sustainability (to include the implementation of a tiered-licensing system), finalizing and implementing rules and regulations specific to short-term rentals such as Airbnb properties, and completing the long-anticipated Food Study Grant to inform future policy and program development around food pricing and access in the Territory. As part of our ongoing commitment to proactive service and community engagement, the DLCA plans to host more town hall meetings, increase its presence on radio programs,

and organize a greater number of outreach activities, workshops, and seminars across the Territory. These efforts are intended to educate consumers and businesses not only on how to apply for and obtain a business license but also on their rights, responsibilities, and available resources, shifting the focus from punitive action to preventive education.

### **CONCLUSION**

In closing, the DLCA is proud to be powered by a dedicated team committed to serving the business and consumer public with professionalism and care. I thank all of you for your hard work and dedication. I would also like to express my appreciation to the DLCA's Employees of the Year: Kasai Rondon Seales (St. Croix District) and Dion Van Holten (St. Thomas/St. John District). I extend a special thank you to the DLCA's Executive Team for your continued leadership, commitment, and collaborative spirit that drive the Department forward each day.

Finally, I extend my sincere thanks to Governor Albert Bryan, Jr., and this Administration for their support of the DLCA. This concludes the Fiscal Year 2026 budget testimony. Thank you for your time; my team and I are available to answer any questions.