



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

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**H. Nathalie Hodge
Commissioner Nominee**

**Testimony
before the
35th Legislature of the Virgin Islands**

**Diane Capehart, Chairperson
Committee on Rules and Judiciary**

**Confirmation Hearing
Commissioner
of the
Department of Licensing and Consumer Affairs**

December 7, 2023

"Serving Businesses & Assisting, Educating and Protecting Consumers"

Good afternoon to the Honorable Diane Capehart, Chair of the Thirty-Fifth Virgin Islands Legislature's Committee on Rules and Judiciary, Honorable Committee Members of the Rules and Judiciary, Non-Committee Members Present, the hardworking staff of the Department of Licensing and Consumer Affairs, and the listening and viewing audience.

INTRODUCTION

My name is Harriet Nathalie Hodge, better known as "Nathalie," and I stand before you today humbled and honored to have been nominated for the position of Commissioner for the Department of Licensing and Consumer Affairs. If confirmed, I look forward to continuing to work cooperatively with the Legislature on matters under this department's purview that impact the business and consumer sectors of the Virgin Islands.

First and foremost, I give God thanks today for bestowing on me His grace and strength to persevere thus far. Heartfelt gratitude and appreciation is extended to the Honorable Governor Albert Bryan, Jr., and the Honorable Lieutenant Governor Tregenza Roach for their vote of confidence in my ability to lead the Department of Licensing and Consumer Affairs. I come before you today, not only as Nathalie Hodge, Commissioner Nominee, a Native Virgin Islander, Crucian out of Frederiksted, and not just a dedicated servant leader, but also as the daughter of the late Eva Hodge, and Harold Hodge, who recently passed in May of this year. I know they, along with my late brother Harold N. Hodge Jr., are my angels watching my nomination process from the heavens. I take this opportunity to especially thank my son, Jaden Smith, my sister Stacey Hodge-Bellille, my brothers Melvin and Nathaniel Hodge, and our family matriarch, Aunty Teresita Fleming. My family is my rock and greatest source of support. They give me a reason to always strive for greater and better, working daily to make our home, the United States Virgin Islands the best place to reside, visit, and of course, do business. To my incredible circle of family and loved ones, thank you for all that you do. You have played an integral part in the molding of the woman who stands here before you today.

My early education took place at St. Patrick's Catholic School, followed by St. Joseph's Catholic High School. Upon completing high school, I pursued higher education at Point Park College, now known as Point Park University in Pittsburgh, PA., earning a Bachelor of Science degree in Business Management and a minor in Accounting in May 1993.

My parents instilled in me a deep love, pride, and connection to the Virgin Islands. These lessons, not forgotten, were the driving force in my decision to return home after graduation rather than contribute to the brain drain being experienced. With my new degree in hand, for the next five years following graduation, I honed my accounting skills and served as a staff accountant with the Bonnie Priess Accounting Firm, and as a bookkeeper for my late father's businesses—Harold “Harry” Hodge Trucking and Heavy Equipment Rentals, Harry Hodge II Water Delivery, and HAP Construction, Inc.

My commitment to the community was further realized during the aftermath of Hurricane Marilyn in 1995. I worked alongside my father and my brothers at the Bovoni Landfill and the Body Slob Debris Management sites, dedicating countless hours to calculating and preparing bid packages for the local government and the Army Corps of Engineers. This experience piqued my interest in contract management, leading me to pursue additional education and training in asbestos and hazardous waste removal. Continuing my educational journey, I earned a Master of Science Degree in Management with concentrations in Acquisition & Contract Management and Human Resources Management from the Florida Institute of Technology in Melbourne, FL, in April 2004.

My career journey with the Department of Licensing and Consumer Affairs began on December 7, 1998, when I applied for what I thought was a temporary position to oversee the FDA Tobacco Investigations Program. In this position, I supervised staff and oversaw the implementation of the Tobacco Investigations Program. The program was tasked with enforcing federal and local laws pertaining to the sale of tobacco to minors in the territory.

Two years later, following the expiration of the FDA Tobacco Investigations Program, I was offered the opportunity to continue working with the DLCA, serving as the Executive Secretary to former Commissioner Andrew Rutnik. Impressed by my unwavering work ethic, in 2002, Commissioner Rutnik further promoted me to the position of Assistant Director of Licensing. In this capacity, I collaborated with the Director in the development and administration of the territory's business licensing program and in the formulation and justification of the Division's annual budget. Additionally, I served as the super user of the GVI Enterprise Resource Planning (ERP) system.

In 2008, I was provided with another opportunity for career growth within the Department. Ms. Lisa Davis, in announcing her retirement as Administrator for Boards and Commissions, recommended me to be her successor. I accepted the challenge and assumed responsibility for overseeing the administration, management, budget, and direction of eight (8) Professional Boards and Commissions, which include the V.I. Board of Architects Engineers and Land Surveyors, V.I. Board of Barbering and Cosmetology, V.I. Board of Counselors, V.I. Board of General Construction Contractors and Trades, V.I. Board of Public Accountancy, V.I. Board of Real Estate Appraisers, the V.I. Real Estate Commission, and the V.I. Board of Social Workers.

During my tenure, I ushered in a digital transformation initiative, converting all board administrative files into an easy-to-access online repository. Furthermore, I modernized the examination process by eliminating the traditional paper-and-pencil format, transitioning all examinations for each profession to a computer-based system accessible at any designated psi test site.

In 2015, I advanced to the position of Assistant Commissioner and assumed the role of Chief Operating Officer. In this capacity, I continued to provide oversight for Boards and Commissions, while concurrently supervising the daily operations of the Department in

key areas such as Business Management Administration, Procurement, Property, Human Resources, Communication, and Information Technology. I provided critical oversight and led the efforts of managing, directing, and prioritizing major projects and work plans to ensure the synchronized achievement of departmental goals and objectives were met.

I occasionally teach a course on “Working with Councils, Boards and Commissions” for the UVI Certified Public Managers Program. I am an active member of the Society for Human Resource Management (SHRM), and the National Association of African Americans in Human Resources and I currently serve on the Virgin Islands Public Broadcasting System Board. Additionally, I currently serve as the Assistant Financial Secretary for the St. Croix Alumnae Chapter of Delta Sigma Theta Sorority Inc.

Collectively, each position I have has provided a solid base and enhanced my intimate knowledge of the DLCA. My leadership style and vision for the future have benefitted from my intricate knowledge of the department having worked in these varied positions. Before sharing my vision for the department, I first want to ensure that those listening today have a firm understanding of the Department’s responsibilities and jurisdiction.

ABOUT THE DEPARTMENT

As some of you may know, the Department of Licensing and Consumer Affairs (DLCA) began as a division of the Department of Public Works many years ago. Today, the department is a regulatory and revenue-generating agency established under the Virgin Islands Code Title 3 Chapter 16 (§270 et seq). It provides and administers consumer services and programs pursuant to the Consumer Protection Law of 1973 as set forth in the Code (V.I.C. Title 12A Consumer Code §101 et seq). DLCA establishes, administers, coordinates, and supervises the regulation and licensing of private businesses and professions (as provided for in V.I.C. Title 27 Professions and Occupations §301 et seq). More concisely, the mission of the Department is to issue business and professional licenses, to ensure compliance with the Territory's licensing laws; and to protect the health,

safety, and rights of the consumer through assistance, education, and enforcement of the Virgin Islands consumer protection laws.

There are seven separate divisions within the Department which include:

Office of the Commissioner

The Office of the Commissioner is, responsible for the overall leadership, management, planning, and supervision of the Department so that it may effectively carry out its mission. The Office of the Commissioner is key to the effective and successful fulfillment of the department's mission.

Administration and Business Management

This Division is responsible for the budgeting, accounting, payroll, procurement, and personnel operations of the Department. The Division provides all resources for the staff to perform their duties in an efficient and professional manner.

Legal

This Division is responsible for providing "in-house" legal advice to the Commissioner and the Department, promulgating, and implementing rules and regulations, prosecuting violators via hearings, and representing the Department and consumers on legal matters.

Licensing

This Division is responsible for receiving, reviewing, and approving applications for business licenses. Upon receipt of a completed license application which includes all the documentation from other Departments (Bureau of Internal Revenue, Virgin Island Police Department, Department of Planning and Natural Resources, Virgin Islands Fire Services, and Department of Health), license fees are collected, and the license is issued.

Located within the Licensing Division is the Alcohol Board, which is responsible for enforcing the Virgin Islands' alcohol laws.

Enforcement

This Division enforces consumer laws by inspecting all businesses to ensure compliance with Virgin Islands licensing laws. This division is critical in ensuring that the safety and well-being of consumers are met.

Boards and Commissions

This Office of Boards and Commissions has oversight responsibility for professions and trades, including the licensing of individuals in each area. There are distinct requirements for each of the following eight (8) professional boards and commissions:

- 1) Architects, Engineers, and Land Surveyors
- 2) Barbers, Beauticians, & Manicurists
- 3) Certified Public Accountants
- 4) Counselors
- 5) General Construction Contractors & Trades
- 6) Real Estate Appraisers
- 7) Real Estate Brokers and Salespersons
- 8) Social Workers

Consumer Affairs

The Consumer Affairs Division is responsible for assisting, educating, and protecting consumers against unfair and deceptive trade practices.

Within the Consumer Affairs Division is a separate **Consumer Protection Services Unit** responsible for the development and implementation of consumer education programs and activities, addressing consumer complaints, and monitoring business practices throughout the Territory for compliance of consumer laws.

The **Weights and Measures Unit** is also within this Division. It is responsible for ensuring that all commercial weighing and measuring standards used in the Territory are accurate. The Unit also enforces all laws and regulations pertaining to food freshness, net contents of packaged goods, and unit pricing.

DLCA TODAY & IN THE FUTURE

Over the past ninety (90) days as the Acting Commissioner, I have engaged with the staff, become further acquainted with our internal processes and systems, and scrutinized budgets to conduct a thorough assessment of the Department. My evaluation indicates that the Department has been effective in fulfilling its mandate and mission of serving businesses and ensuring consumer protection. There are, however, areas that would benefit the consumer positively if improvements were made.

The Department of Licensing and Consumer Affairs (DLCA) is home to a dedicated and knowledgeable staff, many of whom have devoted their entire careers to serving the community. Employee morale, however, appears to be affected by a lack of team spirit, inadequate training, and insufficient recognition of upward mobility potential.

The Department has a functional online presence providing for the electronic application of licenses. The website is currently in need of an upgrade, including the development of a comprehensive case management system. The absence of a comprehensive case management system leads to isolated operations and hinders the seamless integration between divisions.

Internal controls, while generally sufficient, could benefit from some improvements. Enhancements would lead to heightened operational efficiency, precise financial reporting, and greater accountability. Improving internal controls is essential as it not only ensures compliance, mitigates risks, and bolsters efficiency, but also strengthens the department's ability to protect consumer interests. It's key for preserving the integrity and effectiveness of the department's operations.

Lastly, the community's perception underscores a previously perceived bureaucratic nature. While there has been significant progress, there is still room for improvement. Incorporating the use of videos or interactive online tools can make information easily accessible and digestible. Addressing these concerns is not just about boosting the Department's overall improvement and efficiency; but also, a deliberate effort to further enhance the community's perception of the licensing process.

Should I be favorably confirmed, I will work side by side with the Administration and DLCA's employees on the following short and long-term goals:

SHORT-TERM GOALS

1. Improved internal and external customer morale

The Department must place a renewed emphasis on effectively communicating with its customers as communication, transparency, and morale are inextricably linked. By prioritizing communication and fostering a culture of openness, I am confident that we will not only create a positive work environment for the Department's 43 employees but also engender trust and loyalty with the public.

To achieve my goal of boosting internal morale and recognizing that knowledge is power, I plan to institute annual training requirements for new and existing staff. I plan to conduct regular training sessions for staff on the latest consumer protection laws and licensing procedures and cross-train all employees to broaden their skills and promote a collaborative work environment. The development of specialized training for each division will be conducted in partnership with UVICELL and other service providers. 100% of all employees completing mandatory training within my first year as Commissioner is the established benchmark.

In an endeavor to work more closely with the public, I plan to launch aggressive public awareness campaigns - reaching out via traditional and social media forums. We will reinstate bi-annual town hall meetings to allow DLCA to hear from business owners and

community members alike. The town halls will also serve as a platform to update and educate the community and improve public awareness of consumer rights and protections.

2. Reorganize divisions within the agency:

Reorganizing DLCA's divisions is critical to our organizational health. It will ensure that we are operating optimally and as effectively and efficiently as possible. I have initiated a comprehensive evaluation of each division and its current functions, including a detailed identification of workforce needs. With the valuable support of the Division of Personnel's knowledgeable staff, we successfully secured the necessary approval to reorganize the Consumer Affairs Division.

This will allow the agency to attract and hire qualified persons to fill critical vacant positions and commensurate education with salaries.

3. Update DLCA's Website Page:

For many individuals, their initial encounter with the Department, and sometimes even with the Government of the Virgin Islands, occurs when they navigate to DLCA's website while establishing a business. A major priority of mine will be to update DLCA's website to look more attractive, be more user-friendly, and easier to navigate. This will improve user experience and engagement and provide a better overall experience for website visitors. The DLCA's website should also serve as a platform for public outreach and education, helping consumers better understand their rights and responsibilities in areas related to licensing and consumer protection.

Additionally, I aim to reduce licensing application processing times significantly over the next year. I intend to implement automatic renewal of business licenses. This can be done through process optimization and technology upgrades.

4. Increase Enforcement Presence:

Over the next year, I intend to enhance the frequency of compliance checks conducted by the enforcement division on brick-and-mortar businesses throughout the territory. This will involve heightened monitoring, with adjustments as necessary throughout the year to closely track compliance. Additionally, we plan to supplement these efforts with random compliance checks to verify that businesses are operating within the confines of their license categories.

We have already initiated discussions with the Department of Health to facilitate the prevention of the sale of alcohol and tobacco products to minors. Furthermore, we are in the process of drafting Public Service Announcements (PSAs) for the festival season, aiming to remind the public about the importance of adhering to our licensing requirements.

LONG TERM GOALS

1. Technological Enhancements

I have drafted a request for a proposal (RFP) to be advertised tasking a reputable firm to overhaul DLCA's Website and Online Services. The RFP includes the transformation of our current system to a sophisticated case management system to ensure that each division is not working in silos. These strategic upgrades will reduce in-person requests and answer common questions, thereby reducing the number of inquiries and support requests, and saving critical time and resources.

Integral to the RFP is the incorporation of a mobile application, a pivotal step to guaranteeing DLCA's website compatibility with a spectrum of personal electronic devices. This is considerably important in today's digital landscape.

Furthermore, given our role as the Department entrusted with consumer protection, the RFP encompasses provisions for cybersecurity measures. This strategic investment is

geared towards safeguarding sensitive consumer and business data, thereby fortifying our commitment to unwavering security standards over the next decade.

2. Enhance Consumer Protection:

My vision to enhance consumer protection is twofold – a continuous assessment and surveying of prices as well as ensuring clear mechanisms for customers to register concerns and request DLCA support. This will be done through the development and implementation of policies and regulations designed to strengthen consumer rights and protections.

With additional staff, DLCA will reinstate monthly food basket surveys and scanner surveys throughout the United States Virgin Islands and publish the results. With this knowledge, DLCA will ensure that every single consumer gets the best value for their hard-earned dollar.

3. Increase Compliance:

Compliance and enforcement are the bedrock of consumer protection and a thriving business community in our beloved Territory. Recognizing the potential for continued growth within DLCA, my objective is to lead the department in striving for a 15% increase in business compliance with licensing and consumer protection regulations over the next five years through a strategic blend of education and enforcement. With the proliferation of thriving online markets, we must ensure that we protect locally-based businesses and consumers by ensuring compliance with our consumer protection laws.

By leveraging an improved website and mobile app, we will not only expedite the process of obtaining licenses to make it more accessible and attractive to businesses, but also make it easier for consumers to report unlicensed businesses.

A necessary complement to this is a strong public awareness campaign to inform consumers about the risks associated with unlicensed businesses. While I too am an

advocate for entrepreneurship, we must ensure that business owners are appropriately credentialed and licensed.

CONCLUSION

We all play a critical role in creating a Virgin Islands that we are all proud of – one that will continue to endure and, more importantly, thrive for many generations to come. Through the opportunities provided to me in my professional career, I have become a lifelong public servant in the Territory. However, I firmly believe that the role of the DLCA Commissioner is paramount to a strong economy and by extension a healthy community.

As Commissioner I pledge to be a resolute and equitable leader, aspiring to be among the Department's most accomplished. Influenced by the wisdom of my late father, a successful self-made entrepreneur, I commit to confronting challenges with a creative, solution-oriented, and collaborative mindset. Guided by the principles instilled by my esteemed mother, I vow to uphold persistence and justice in all endeavors. As a committed team player, I promise to foster an environment of open and honest communication, cultivating a transparent dialogue that, I believe, will afford consumers unprecedented opportunities and propel DLCA into a limitless future.

While I cannot guarantee universal satisfaction, I pledge my steadfastness in treating everyone fairly and ensuring that each voice has the opportunity to be heard. I approach my nomination with a deep sense of responsibility, seeking strength from God to consistently give my best effort.

I express heartfelt gratitude to my extended family at the Department of Licensing and Consumer Affairs. To my family, friends, colleagues, Sorors of the St. Croix Alumnae Chapter of Delta Sigma Theta Sorority, Inc., and the entire community who have shown support through calls, emails, texts, and messages, I sincerely thank you. To my extensive

network of extended family, sisters, brothers, employers, supervisors, and former colleagues, I am forever grateful to all of you.

Again, thank you for the opportunity to appear before you today. I look forward to further discussing my passion and commitment to the Department of Licensing and Consumer Affairs with you, and answering any questions that you may have.