



TESTIMONY BEFORE THE 36TH LEGISLATURE

GOVERNMENT OF THE VIRGIN ISLANDS
DEPARTMENT OF LICENSING AND
CONSUMER AFFAIRS

SERVING BUSINESSES & ASSISTING, EDUCATING AND PROTECTING CONSUMERS

H. NATHALIE HODGE
COMMISSIONER

HON. HUBERT L. FREDERICK (CHAIR)
COMMITTEE ON ECONOMIC DEVELOPMENT
AND AGRICULTURE

NOVEMBER 10, 2025



1 Good day Honorable Senator Hubert L. Frederick, Chair of the Committee on Economic
2 Development and Agriculture, esteemed members of the 36th Legislature of the Virgin Islands,
3 committee members, non-committee members present, and the listening and viewing audience.

4 My name is H. Nathalie Hodge, Commissioner of the Department of Licensing and
5 Consumer Affairs (DLCA). I am accompanied today by Horace Graham, Assistant Commissioner;
6 Myrna George, Deputy Commissioner; Geraldine Vaval, Esq., General Counsel; Wilbur Francis,
7 Director of Enforcement; Keisha Culpepper-Smith, Director of Administration and Business
8 Management; and Sarah Maynard, Director of the Office of Boards and Commissions.

9 My team and I appear before you to provide testimony on the current status and
10 modernization of the business licensing and permitting system; enforcement of consumer
11 protection laws and monitoring of price regulations; oversight and compliance mechanisms for
12 licensed businesses within the Territory; programs and initiatives designed to support small
13 businesses and entrepreneurs; and operational challenges and legislative support required to
14 enhance our service delivery.

16 **Current Status and Modernization of the DLCA Integrated Management System**

17 Last year, the Department of Property and Procurement (P&P), on behalf of the DLCA,
18 issued a Request for Proposal (RFP) for the development of a comprehensive, web-based
19 application to modernize the agency's holistic digital presence. The response attracted eleven
20 proposals, and after a rigorous and competitive evaluation process, a vendor was selected and
21 awarded.

22 We are now in the final stages of the contracting process, pending legal review by the
23 Department of Justice and the Governor's signature for execution. Work is anticipated to

commence before the end of this calendar year. This modernization effort represents a complete transformation of DLCA's entire scope of operations. The new platform will integrate business and professional licensing, consumer complaints, consumer protection, weights and measures, alcohol violation tracking, enforcement citations, and legal case management into one unified system.

Importantly, this initiative will strengthen the Department's capacity to capture and manage consumer complaints, track citations, and oversee workflow management across critical divisions; including consumer protection, weights and measures, alcohol enforcement, and legal case management, all within a single integrated platform.

Key features include:

- Real-time license verification
- Secure online payments
- Automated renewal reminders
- Voice over Internet Protocol (VoIP) integration
- Advanced reporting dashboards
- A mobile application for field officers

This modernization will deliver faster, more efficient inspections and license processing. End-to-end online applications and renewals will eliminate paper submissions and in-person visits. Automated workflows and real-time verification will streamline processing, while mobile tools will allow staff to update records directly from the field.

With these enhancements, the DLCA expects to meet measurable performance goals: 95 percent of license renewals processed within 24 to 48 hours, and 85 percent of new licenses

processed within 10 business days. Beyond licensing, the system will also improve timeliness, efficiency, and transparency across all the DLCA's services, strengthening consumer protection, enforcement, and overall public trust.

Enforcement of Consumer Protection Laws and Monitoring of Price Regulations

The DLCA remains steadfast in its mission to protect consumers and ensure fair market practices. Through routine inspections, complaint investigations, and targeted enforcement actions, the Department works to ensure that businesses operate within the parameters of the law.

Our authority to control prices derives from Title 11 V.I.C., which activates anti-price gouging measures during an emergency declaration. Outside of such declarations, DLCA monitors prices to promote transparency in the cost of essential goods, including food and fuel.

During Fiscal Year 2025, the DLCA conducted fifty-three (53) fuel surveys and nine (9) grocery store price comparisons. We continue to collaborate with local and federal partners to ensure compliance with all applicable regulations and to safeguard consumer interests. During Fiscal Year 2025, the Department's Consumer Protection Unit inspected 103 stores. Of those stores, 56 were issued citations for various violations. Residents are encouraged to report suspected violations through the Department's Consumer Complaint Portal to help us maintain a fair and transparent marketplace.

The DLCA remains vigilant in its monitoring efforts to prevent exploitative practices, particularly during times of economic strain when price gouging can occur. In keeping with our commitment to data-driven oversight and consumer transparency, the Department formally requested that all gas retailers in the Territory produce verified records of their operational and pricing costs. This includes Bills of Lading, invoices, and contracts relating to the importation, retail, and transportation of conventional regular, premium, and diesel gasoline for the period

beginning May 1, 2020, to the present. I am pleased to report that the majority of gas retailers have submitted the required documentation for review. Those who have not complied have been referred to the Department of Justice for further action.

Status Update: Gas, Food, and Housing Market Analysis Contract. The information collected from these fuel retailers will be provided to the Analysis Group, Inc., the firm contracted by the Department of Property and Procurement, on behalf of the DLCA, to conduct a comprehensive cost-of-living study to include gas, food, and housing market analyses. This contract was executed on October 17, 2025, and represents a significant step forward in our ongoing efforts to better understand price behavior and market forces within the Territory. The goal of the analysis is to deliver an in-depth evaluation of price trends, market competitiveness, and affordability across the essential goods and housing sectors. Once completed, the findings will serve as a vital tool in guiding the DLCA's consumer protection policies, informing price monitoring practices, and shaping future legislative and regulatory reforms aimed at promoting market fairness, consumer confidence, and economic stability.

Oversight and Compliance Mechanisms

Making sure that businesses follow the law and operate responsibly is a core part of DLCA's mission. Our Enforcement Division, Consumer Protection Unit, Weights and Measures Unit, Alcohol and Tobacco Unit, and the Boards and Commissions work together to make sure businesses and professionals are properly licensed and in good standing. Through regular inspections and compliance checks across all districts, we verify that licenses are valid and that businesses meet all legal requirements. When violations are found, we are authorized to issue citations, notices of violation, cease-and-desist orders, or administrative fines. However, our main

goal is to help businesses maintain compliance. In most cases, we reach out to owners, explain the issue, and work with them to correct it.

The DLCA also partners with other government agencies, including the Bureau of Internal Revenue, Department of Labor, Division of Corporations and Trademarks, Virgin Islands Department of Health, Department of Planning and Natural Resources and the Virgin Islands Police Department to share data and quickly identify noncompliant or delinquent businesses.

When a business becomes delinquent, whether for failing to renew a license or pay required fees, the DLCA follows a clear process to bring businesses back into compliance:

- *Notice:* A written reminder is sent, giving the business time to fix the issue.
- *Penalties:* If there's no response, late fees and penalties apply.
- *Inspection:* Enforcement officers visit the location to confirm if the business is still operating.
- *Escalation:* Ongoing violations are referred to the DLCA's Legal Division for due process hearings, and ultimately to the Department of Justice for further action if no compliance is met. Additionally, where violators have willfully disobeyed an order of the Commissioner after attempts have been made to ensure compliance, the DLCA may effectuate an arrest.

To strengthen follow-up and collections efforts, the DLCA has established an in-house dedicated collections team to track outstanding fines, payment plans, and delinquent accounts. This team works alongside the Legal Division and ensures penalties are collected, agreements are honored, and cases are resolved quickly and fairly. DLCA's Integrated Management System will make collections more efficient. It will allow us to track compliance in real time, flag delinquent accounts automatically, and link directly with the collection teams for faster updates and reporting.

Through outreach, strong partnerships, technology, and our new Collections Unit, the DLCA continues to make sure businesses operate fairly, consumers are protected, and the Virgin Islands marketplace remains transparent and accountable.

Programs and Initiatives

The DLCA is committed to fostering a thriving small business ecosystem. We offer a variety of programs and services designed to support entrepreneurs, including:

- The publishing of *The Regulatory Roundup* newsletter as a means of fostering communication, sharing valuable information, and celebrating the vital work we do to protect and serve consumers and businesses alike. The most recent issue was released earlier this month.
- Published press releases on matters affecting consumers:
 - The DLCA Reminds Businesses of Required Payment Options Under VI Law.
 - The DLCA Warns Against Illegal Credit Card Processing Surcharges on Debit, Prepaid and Gift Cards.
 - The DLCA Clarifies Fuel Pricing Disparities.
 - Hurricane Price Lists are due June 1, 2025.
- *DLCA Goes to the Fair*: For the first time ever, the DLCA participated in Agrifest 2025. The initiative gave the DLCA an opportunity to directly engage with the public, share consumer protection resources, highlight licensing services, and promote educational campaigns in a community setting. The initiative combined public education, community presence, and consumer outreach, positioning the DLCA as

approachable and proactive in meeting residents where they are, rather than only in formal office settings.

- *DLCA Walk, Talk, & Connect*: A community engagement program where the DLCA senior leadership intends to meet with business owners at their respective locations, to assess concerns and needs, and to provide real-time support. By walking through communities, holding conversations, and acting on feedback, the initiative is designed to strengthen partnerships, improve the DLCA's services, and empower the local economy with smarter, business-driven solutions.
- *Boards and Commissions Townhall Appearances*. The Office of Boards and Commissions has been hosting a series of town hall sessions to connect directly with professionals across the Territory. These sessions give participants the opportunity to learn more about the application and renewal process, ask questions, and receive updates on recent changes in the laws and regulations that govern their respective boards.

Looking ahead, the DLCA will continue to enhance its outreach and support to the business community through new initiatives:

- *Empower & Launch: Your Path to Entrepreneurship*: Scheduled for rollout during Fiscal Year 2026, this symposium will inspire and equip aspiring entrepreneurs with the knowledge and tools needed to start and successfully license their businesses. The program will feature keynote speakers, panel discussions, breakout sessions, and on-site licensing assistance, making it a one-stop resource for anyone looking to launch or expand a business in the Virgin Islands.

- *Expanded Public Awareness and Marketing Campaigns:* The Department will strengthen its marketing and public education efforts through a series of public service announcements, press features, and community events to ensure that consumers and businesses alike understand their rights and responsibilities under the law.
- *Festival Compliance Partnership:* As the Crucian Festival approaches, the DLCA will partner with the Virgin Islands Police Department and the VI Department of Tourism to conduct radio rounds and community discussions focused on compliance during the festival season. These sessions will provide an opportunity for the public to ask questions, raise concerns, and ensure that business operations during the festivities remain lawful and fair.

Operational Challenges and Legislative Support

While the Department continues to make meaningful progress, we also recognize that our ability to deliver on our mission depends heavily on the tools and authority available to us under law. Strengthening our enforcement powers and modernizing the Virgin Islands Code are essential to improving operational efficiency and public service delivery.

Adequate staffing continues to pose an operational challenge for the Department. On the island of St. Croix, the Department's Enforcement Division and Weights and Measures Unit experience significant challenges due to insufficient staffing. These teams perform essential consumer protection and compliance functions but are frequently unable to proficiently meet inspection demands across the district. Additional staffing is critical to strengthening territorial coverage and inspection frequency; ensuring that the Department fulfills its mandate to protect consumers.

In mid of 2024, the DLCA participated in a Legislative Symposium aimed at expediting key amendments to sections of the Virgin Islands Code that directly impact the Department's work. These proposed amendments are designed to align our authority with best practices, enhance enforcement, and streamline administrative processes. Among the proposed changes are the following:

- *Expanding the Commissioner's Authority*: Enhancing the Commissioner's ability to issue civil (administrative) citations and enforce penalties, aligning our enforcement powers with those in other jurisdictions.
- *Fines and Fees*: Empowering the DLCA to adjust licensing fees annually and impose stricter administrative fines for violations, including the ability to issue both civil and criminal citations for the same offense.
- *Terminology and Structural Updates*: Updating references to the Consumer Services Administration and the Alcohol Control Board, integrating these functions into the DLCA's structure for greater clarity and efficiency.
- *Board-related Amendments*: Revising existing amendments related to the DLCA's licensing boards for better operational alignment.

We continue to collaborate closely with the senators who have oversight into these legislative areas to advance the proposed amendments and align them with the Department's operational priorities and statutory mandate.

Conclusion

In closing, I thank the Committee for the opportunity to share updates on the DLCA's Integrated Management System, our enforcement of consumer protection laws, business

206 oversight and compliance efforts, ongoing initiatives, and the legislative support needed to
207 strengthen and improve our service to the people of the Virgin Islands. We extend our gratitude to
208 the Honorable Governor Albert Bryan, Jr., the Honorable Lieutenant Governor Tregenza Roach,
209 Esq., and the Bryan-Roach Administration for their steadfast support. We also thank the
210 hardworking men and women of the Department of Licensing and Consumer Affairs for their
211 dedication. We welcome any questions this Committee may have.