



**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**

**Testimony Before the
36th Legislature of the Virgin Islands**

**Hon. Avery L. Lewis, Chair
Committee on Government Operations, Veterans Affairs, and Consumer Protection**

February 24, 2025

Serving Businesses & Assisting, Educating and Protecting Consumers"

1 Good Morning Chairman Lewis, Honorable Senators, Distinguished Members of
2 the 36th Legislature, and the Listening and Viewing Audience. I am Deputy Commissioner
3 Myrna George and I am joined by Matthew Padgett, the Director of Consumer Affairs and
4 General Counsel, Geraldine P. Vaval. Thank you for the opportunity to appear before you
5 today on behalf of the Department of Licensing and Consumer Affairs (DLCA) and
6 Commissioner H. Nathalie Hodge to provide a comprehensive update on the state of
7 DLCA's ability to provide an update on programs that prevent fraudulent, deceptive and
8 unfair business practices and information to help consumers spot, stop and avoid scams
9 and fraud. Specifically, we will focus on fuel price surveys, the frequency of grocery store
10 price analyses and results, and the status of capital projects. As the agency tasked with
11 protecting the interests of consumers and ensuring fair business practices across the U.S.
12 Virgin Islands, our department remains steadfast in its commitment to enforcing consumer
13 protection laws and providing essential services that promote transparency and
14 accountability in the marketplace.

15 Today, I will outline the consumer protection services that DLCA provides to the
16 public and discuss how these efforts contribute to fair commerce and promote consumer
17 confidence throughout our territory.

18
19 **DLCA's Services for Promoting Fair Business Practices and Consumer Protection**
20 **Consumer Complaint Resolution and Mediation Services**

21 One of the core functions of DLCA is to serve as an intermediary between
22 consumers and businesses when disputes arise. Our Consumer Affairs Division handles
23 complaints relating to deceptive business practices, price gouging (during declared

emergencies and price freeze orders), contract disputes, and other unfair trade practices. Through mediation services provided by our small, but talented and experienced team of Consumer Protection Investigators, we work to resolve conflicts in a fair and timely manner, ensuring that consumers receive appropriate redress while fostering a cooperative relationship with businesses.

Over the past year, DLCA has successfully resolved, or forwarded to the appropriate agency, approximately 320 citizen complaints across the territory. In addition to individual case resolutions, we proactively investigate industry-wide concerns regarding business practices and take appropriate regulatory action or make public notifications when necessary.

Enforcement of Consumer Protection Laws

DLCA enforces a variety of laws aimed at safeguarding consumer rights. These include, but are not limited to:

- 1. The Consumer Protection Law.** The Consumer Protection Law serves as a safeguard against unfair and deceptive trade practices that could mislead or harm consumers. It establishes guidelines to ensure businesses operate with transparency and integrity, preventing fraudulent claims, false advertising, and misrepresentations about products or services. Through enforcement actions, consumer education, and legal interventions, DLCA actively identifies and addresses violations. By holding businesses accountable for deceptive practices, this law fosters a fair marketplace where consumers can make informed purchasing decisions with confidence.

47 **2. The Price Control Act.** The Price Control Act is a critical regulation designed to
48 prevent price gouging, particularly during emergencies such as hurricanes. It grants
49 DLCA the authority to monitor and regulate the prices of essential goods and
50 services, ensuring that businesses do not exploit consumers by imposing unjustified
51 price increases during times of crisis. This act covers necessities such as food, fuel,
52 medical supplies, and building materials, and protecting residents from financial
53 exploitation when access to essential products becomes limited. By enforcing price
54 controls and conducting market surveillance, DLCA upholds economic stability
55 and consumer protection during vulnerable periods.

56 **3. Monitoring for Unfair Business Practices.** The Unfair Business Practices Act is
57 designed to protect consumers from fraudulent activities, misrepresentation, and
58 contracts that impose unreasonable burdens. This law prohibits deceptive
59 marketing tactics, hidden fees, and unfair terms that businesses may use to take
60 advantage of customers. DLCA plays a vital role in enforcing these regulations by
61 investigating consumer complaints, by taking action against violators, and
62 promoting fair competition. Ensuring that businesses operate with integrity, this act
63 helps maintain consumer trust and prevents financial harm caused by unethical
64 business practices.

65 **4. Truth in Pricing Law.** The Truth in Pricing Law mandates that businesses provide
66 transparent pricing and uphold their advertised promotions. This regulation ensures
67 that consumers are not misled by hidden costs, unclear labelling, or false
68 advertising. Retailers must display accurate prices on shelves, menus, and
69 promotional materials, allowing consumers to make informed purchasing

70 decisions. DLCA enforces compliance by conducting inspections, reviewing
71 advertisements, and addressing consumer complaints regarding deceptive pricing
72 practices. This law is essential in promoting honesty in commerce and preventing
73 misleading sales tactics.

74 Through routine inspections, compliance audits, and investigative operations,
75 DLCA actively monitors the marketplace to detect and deter violations of consumer
76 protection laws. These enforcement actions help identify businesses engaging in fraudulent
77 practices, price manipulation, or non-compliance with regulatory standards. Regular
78 oversight ensures that businesses adhere to fair trade principles, fostering a competitive
79 and ethical economic environment. By taking proactive measures, DLCA not only
80 penalizes violators but also educates businesses and consumers about their rights and
81 responsibilities, strengthening overall consumer confidence in the market.

82

83 **Price Monitoring During Price Freezes and Emergency Preparedness**

84 The Department requires businesses to submit monthly price information on
85 essential goods, including fuel, food, and building materials, to name just a few, to ensure
86 fair pricing across the territory in the event of an emergency order and subsequent price
87 freeze. Once an emergency declaration is issued by the Governor in times of an
88 emergency—such as hurricanes, economic disruptions, or public health crises— DLCA
89 issues a price freeze order and plays a critical role in enforcing price control measures,
90 preventing unscrupulous price hikes or exporting necessary goods that are needed to aide

in recovery or response efforts. If this tedious, but necessary, function did not occur it could result in the exploitation of vulnerable consumers and artificial supply shortages of.

By issuing consumer advisories and maintaining price control regulations during times of disaster or economic uncertainty, our efforts help stabilize market conditions and protect residents from financial exploitation during times of crisis.

Consumer Education and Public Awareness

Education is a fundamental pillar of consumer protection. Though, admittedly, our staffing constraints have been a significant impediment to our ability to conduct these types of community engagement activities as regularly as we'd like. Despite this, the DLCA remains committed to empowering consumers, supporting businesses, and protecting the public from fraudulent activities. Through community engagement, educational initiatives, and strategic partnerships, the Department has worked diligently to enhance consumer awareness, promote fair business practices, and provide essential regulatory support. From public awareness campaigns to interactive webinars and community fairs, these outreach activities have strengthened the Department's role in ensuring transparency, accountability, and consumer protection throughout the Virgin Islands. Over the past two years, the Department of Licensing and Consumer Affairs has actively engaged with the community through a variety of educational initiatives, consumer protection efforts, and business support programs, including, but not limited to the following:

July 2023: National Tape Measure Day Educational Tour. The Department celebrated National Tape Measure Day with an educational tour highlighting the history and significance of the tape measure. Stops included St. Croix Christian Academy Summer

114 Camp and Inner Changes for Girls and Boys Council, Inc. Summer Camp, with the event
115 broadcasted on the Government's Public Access Channel. The initiative culminated in a
116 live broadcast and cash prize giveaway on WJKC Isle 95 FM, engaging the community in
117 a fun and informative way.

118 **August 2023: AARP Live Webinar – Fraud in the Aftermath of a Disaster.** The
119 Department collaborated with AARP State Offices in the Virgin Islands and Puerto Rico
120 to host an interactive webinar aimed at educating residents on fraud prevention following
121 natural disasters. Expert speakers from FEMA, the FBI, and local consumer affairs
122 agencies discussed common post-disaster scams, including fake charities and unlicensed
123 contractor fraud. The webinar provided attendees with practical strategies, local resources,
124 and insights to protect themselves from fraudulent activities during recovery efforts.

125 **September 2023: 2023 Conference on Aging.** During the 2023 Conference on
126 Aging, the Department partnered with Legal Services of the Virgin Islands, Disability
127 Rights Center, Women's Coalition of St. Croix, and other agencies to educate older
128 residents on fraudulent practices, particularly those targeting seniors through unlicensed
129 contractor scams. The presentation emphasized consumer rights and preventive measures
130 to safeguard against financial exploitation.

131 **October 2023: Youth Can Make a Difference – World Food Day.** As part of the
132 annual World Food Day events, the Department partnered with the University of the Virgin
133 Islands' School of Agriculture Cooperative Extension Service to facilitate the official food
134 weigh-in station. A DLCA representative and certified scale were stationed under a large
135 tent at UVI's Albert A. Sheen Campus on St. Croix, ensuring the accurate measurement of
136 locally harvested produce.

137 **November 2023: DLCA Discusses Water Price Freeze on Isle 95's Big Fat**
138 **Morning Show.** In a continued effort to protect consumers, the Virgin Islands Department
139 of Licensing and Consumer Affairs (DLCA) joined *The Big Fat Morning Show* on Isle 95
140 to discuss its response to the water contamination crisis. During the segment, DLCA
141 representatives highlighted the price freeze on bottled water and water-related products
142 issued in October 2023. This emergency measure was implemented following Governor
143 Albert Bryan Jr.'s declaration of a state of emergency due to reports of contaminated water
144 from the Virgin Islands Water and Power Authority (WAPA). The price freeze aimed to
145 prevent price gouging and ensure that residents had access to affordable, clean water during
146 the crisis. DLCA urged consumers to report any violations and reaffirmed its commitment
147 to enforcing fair pricing and protecting the community.

148 **March 2024: Consumer Protection Week (March 3 – 9, 2024).** The Department
149 led National Consumer Protection Week with multiple outreach events aimed at educating
150 the community on consumer rights and fraud prevention. St. Joseph High School's 12th-
151 grade class participated in an informative seminar, while residents of Flamboyant Gardens
152 and Sunny Isle Housing attended Fraud Protection workshops to learn about common
153 scams. The week concluded with a dynamic Zoom webinar, where industry experts shared
154 insights on safeguarding consumer rights.

155 **April 2024: Consumer Education Workshop at Flamboyant Gardens for the**
156 **Elderly.** In April 2024, the Consumer Protection Unit returned to Flamboyant Gardens for
157 the Elderly to engage residents in an informative discussion on pricing transparency and
158 store policies. During the session, the team provided insights into fair pricing practices,
159 common retail policies, and consumer rights when making purchases. Attendees had the

160 opportunity to ask questions about price matching, refund and return policies, and how to
161 identify potential overcharges. The presentation aimed to equip seniors with the knowledge
162 needed to make informed purchasing decisions and confidently navigate the marketplace.

163 **October 2024: FTC Webinar – Fighting Consumer Fraud & Identity Theft.**

164 The Department joined the Federal Trade Commission (FTC), AARP, Social Security
165 Administration (SSA), and Better Business Bureau (BBB) for a webinar on consumer fraud
166 and identity theft in the Virgin Islands. The presentation covered unlicensed construction
167 contractor scams, identity theft, data breaches, and credit freezes, equipping attendees with
168 tools to recognize and prevent fraudulent activities.

169 **February 2025: The DLCA Goes to the Fair – Agrifest 2025** For the first time,
170 the Department had an official presence at Agrifest 2025, engaging directly with the
171 community. The team provided business licensing assistance, consumer protection
172 education, and regulatory guidance to attendees. The event allowed local entrepreneurs and
173 consumers to learn more about DLCA’s role in supporting businesses and protecting
174 consumer rights in the Virgin Islands.

175 The Department is actively planning its Consumer Protection Week 2025 (March
176 2–8) and Older Americans Month (May 2025) outreach initiatives, aiming to provide
177 valuable consumer education and community engagement opportunities to empower and
178 protect residents across the Virgin Islands. Through these initiatives, the Department has
179 reaffirmed its commitment to consumer empowerment, fair business practices, and
180 regulatory excellence across the Virgin Islands.

181 We continue to aim to be more engaging with the public, to host workshops and
182 town hall meetings that allow us to educate consumers on these very important topics such

as identifying fraudulent business practices, understanding warranties, consumer contracts, and refund policies and the process for filing consumer complaints and seeking legal recourse when necessary. By empowering consumers with this knowledge, we will enhance their ability to make informed decisions and protect themselves from unfair practices.

Business Compliance and Licensing Regulations

Consumer protection is intrinsically tied to business compliance. DLCA ensures that all businesses operating in the U.S. Virgin Islands adhere to licensing and regulatory requirements. Additionally, our Consumer Protection and Weights & Measures Divisions conduct regular compliance checks to verify that businesses are following established laws regarding product pricing, advertising, and contractual obligations. This creates a business environment that is both fair and competitive while protecting consumers from unscrupulous actors.

Weights and Measures

The Weights and Measures regulations under Title 12A of the U.S. Virgin Islands Code serve as a fundamental consumer protection mechanism to ensure fairness, accuracy, and transparency in commercial transactions. These laws establish standardized measurement practices for goods sold by weight, volume, or count, safeguarding both consumers and businesses from fraud, errors, or misrepresentation.

The law mandates that all weighing and measuring devices used in trade—such as fuel pumps, grocery counter scales, and scales used for packaging labels, such as the scales

used in most deli or meat packing applications—must be calibrated and certified to provide accurate readings. This prevents consumers from being overcharged due to faulty or tampered with equipment. The law is particularly crucial in industries such as grocery and fuel, where discrepancies in weight and volume measurements can have significant financial and safety implications. For example, inaccurately measured fuel at gas stations or produce at a grocery store can lead to substantial economic losses for consumers. By using territory specific standards that can be traced back to the National Institute of Standards and Technology, we ensure a consistent quantity, either volume or weight, is being dispensed or sold no matter who is making a purchase or where the purchase is made.

In summary, the enforcement of standard weights and measures helps combat fraudulent business practices, such as short weighting, where customers receive less product than they paid for. Regular inspections by DLCA help detect and correct such violations. Through routine inspections and compliance monitoring, the Division of Weights & Measures conducts routine inspections of businesses and their weighing/measuring devices to ensure compliance with Title 12A. Violators can face penalties, fines, and corrective actions to prevent repeat offenses. These inspections serve as a deterrent against fraudulent practices and should give consumers confidence that the products they are purchasing by weight or volume are accurate to an acceptable degree and consistent across every business under our jurisdiction.

Clearing Up the Misconceptions

It is important to clarify that while DLCA does enforce consumer protection laws, its role is limited to regulatory enforcement related to licensed business compliance, and

229 fair-trade practices. DLCA's authority includes addressing consumer complaints related to
230 mispricing items, business malpractice, and regulatory violations, but it does not extend to
231 prosecuting criminal offenses such as fraud. The department remains committed to
232 ensuring a fair and transparent marketplace but does not possess the resources or mandate
233 to conduct criminal fraud investigations.

234 DLCA's Division of Consumer Protection does not conduct investigations or
235 provide advisement in cases involving fraud as fraud is classified as a criminal offense, and
236 complaints or reports concerning fraudulent activities fall outside of DLCA's limited
237 jurisdiction. Instead, complainants who wish to report fraud are directed to the appropriate
238 enforcement authorities, primarily the Federal Trade Commission (FTC) or, in some
239 instances, the White-Collar Crimes Unit of the Virgin Islands Police Department (VIPD).
240 This distinction is important, as DLCA's primary role focuses on regulatory oversight and
241 consumer protection within the framework of business compliance, rather than criminal
242 investigations.

243 When a consumer submits a complaint to DLCA that appears to involve fraudulent
244 activities—such as identity theft, credit card fraud, or any form of willful misrepresentation
245 aimed at securing unlawful gains, the Department refers the complainant to the FTC or
246 other local resources that have the jurisdiction and authority to investigate, pursue and
247 prosecute these criminal allegations. The FTC specializes in addressing fraud-related
248 consumer issues and has the authority to investigate deceptive trade practices on a federal
249 level. The FTC provides consumers with the necessary resources to report fraud, conduct
250 inquiries, and take appropriate legal actions against perpetrators. DLCA does not have

251 investigative authority or enforcement capabilities in these matters, making the FTC the
252 most appropriate agency to handle such cases.

253 In situations where fraud appears to have been committed within the Virgin Islands
254 and has a criminal element that requires local law enforcement intervention, complainants
255 are instead directed to the White-Collar Crimes Unit of the VIPD. This unit is equipped to
256 handle financial crimes, including embezzlement, wire fraud, and other forms of economic
257 deception that require forensic analysis and legal prosecution. Since fraud cases often
258 involve criminal intent and potential prosecution under Virgin Islands law, DLCA ensures
259 that these matters are promptly forwarded to the relevant law enforcement authorities for
260 further investigation.

261 In addition to clarifying DLCA's stance on fraud investigations, it is also necessary
262 to address public misconceptions regarding DLCA's role in price monitoring and market
263 analysis. While DLCA provides a "Shopping Basket" that reflects current pricing of goods
264 at a given time, it does not conduct a "Market Basket Survey" intended for long-term
265 economic analysis. The Shopping Basket is designed to offer consumers insight into the
266 cost of selected goods at specific points in time, but it is not structured for month-over-
267 month or year-over-year comparative analysis.

268 The purpose of the DLCA's Shopping Basket is to provide transparency in pricing
269 and to inform consumers of the cost of everyday essential goods at various retailers.
270 However, the items included in the Shopping Basket are rotated and changed regularly,
271 which means that the data collected does not allow for direct price comparison across
272 different time periods. This flexibility in selection is intentional, as it enables DLCA to

273 highlight a diverse range of consumer goods and ensure that pricing information remains
274 relevant to current market conditions.

275 For those seeking Consumer Price Index (CPI) information or a formal Market
276 Basket Survey that tracks economic trends over time, the Bureau of Economic Research
277 (BER) is the designated agency responsible for compiling such data. BER conducts
278 structured analyses that account for inflation, cost-of-living changes, and other economic
279 indicators that impact the financial well-being of consumers in the Virgin Islands. These
280 reports provide an official measurement of economic trends and are the appropriate
281 resource for individuals or organizations interested in understanding long-term pricing
282 fluctuations.

283 It is crucial for consumers and businesses alike to understand the distinction
284 between DLCA's Shopping Basket and BER's Market Basket Survey. While DLCA
285 remains committed to consumer advocacy and price transparency, its role does not extend
286 to producing long-term economic data or CPI reports. Misinterpretation of DLCA's
287 Shopping Basket as an economic indicator can lead to misunderstandings about price
288 trends and market stability. For precise statistical analysis and comprehensive price
289 comparisons, BER's data should be referenced.

290 DLCA remains committed to its mission of ensuring fair business practices,
291 consumer protection, and pricing transparency. However, its functions are clearly defined,
292 and any inquiries or concerns that fall outside its jurisdiction, including fraud investigations
293 and long-term economic analysis, are appropriately redirected to the relevant agencies.
294 Consumers who require assistance in these areas are strongly encouraged to contact the
295 appropriate authorities to obtain accurate information and proper resolutions.

296 **Status of Capital Projects and Upcoming Initiatives**

297 In addition to our enforcement and consumer protection initiatives, the DLCA
298 remains committed to improving its infrastructure and operational capabilities through
299 strategic capital projects and initiatives. These efforts are essential to enhancing service
300 delivery, increasing efficiency, and ensuring that our facilities and technology meet the
301 needs of our employees, businesses and consumers across the U.S. Virgin Islands.

302 **Facility Upgrades and Expansion** – DLCA is exploring opportunities to expand its
303 office footprint to improve operational efficiency and accommodate growing service
304 demands. The modernization of office spaces will support increased staffing needs and
305 facilitate more effective consumer engagement, particularly for the DLCA and the Office
306 of Cannabis Regulation (OCR) staff.

307 **Digital Transformation & IT Infrastructure Enhancement.** The DLCA recently
308 selected a vendor to redesign its website and implement an upgraded Business Licensing
309 Portal. This enhanced system will streamline application processing, improve turnaround
310 times, and expand the consumer complaint tracking system to provide real-time updates
311 and faster resolution of disputes.

312 **Food, Fuel, and Housing Study: Cost of Living Analysis.** As part of the Department
313 of Licensing and Consumer Affairs' (DLCA) commitment to consumer protection and
314 economic transparency, we are actively engaged in research efforts to analyze market
315 conditions affecting the affordability of essential goods and services. One such initiative is
316 the Food, Fuel, and Housing Cost Analysis, which aims to provide a comprehensive
317 assessment of cost trends in these critical areas.

A Food and Housing Cost Analysis began in the Virgin Islands in April 2017, but the "First Report" lacked thoroughness due to the unavailability of certain data. Recently, funding has been secured to resume the analysis, with a new performance period beginning on December 31, 2024, and concluding on December 31, 2026.

This renewed analysis will not only focus on the cost of food and construction materials but will also delve into the fuel price trends and costs of other essential goods and services that impact the cost of living, such as labor and energy costs in the territory. By expanding the scope and ensuring the availability of necessary data, the analysis aims to provide a comprehensive understanding of the factors influencing the cost of living in the Virgin Islands.

Conclusion and Legislative Considerations

I want to thank you for allowing our team to clear up these common misunderstandings, by maintaining a clear distinction between its regulatory functions and the responsibilities of other agencies, DLCA ensures that consumers receive accurate guidance, and that fraud cases or economic research inquiries are handled by the appropriate organizations. This approach helps prevent misinformation and ensures that consumers can access the right resources for their specific needs.

I'd like to close with the following, we understand that effective consumer protection is a shared responsibility, not only with the legislature and the executive branches of government, but with every individual consumer throughout the Territory. Whether you reside here or are here on business or leisure, we all share in the responsibility of understanding our rights as consumers and reporting any activity that you feel may be

341 in violation of the laws of the US Virgin Islands. DLCA remains committed to working
342 alongside the Legislature to enhance our existing laws and improve enforcement
343 mechanisms. As we look ahead, we welcome discussions on strengthening consumer
344 protection policies, increasing funding for enforcement initiatives, and leveraging
345 technology to streamline complaint processing and market monitoring.

346 We appreciate the support of Governor Albert Bryan Jr., the Bryan/Roach
347 Administration and the Legislature in these efforts and stand ready to provide any
348 additional information necessary to advance consumer rights in the U.S. Virgin Islands.
349 Thank you for the opportunity to testify today. We are happy to answer any questions you
350 may have.