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

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Serving Businesses & Assisting, Educating and Protecting Consumers"

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

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

DLCA's Services for Promoting Fair Business Practices and Consumer Protection

Consumer Complaint Resolution and Mediation Services

One of the core functions of DLCA is to serve as an intermediary between consumers and businesses when disputes arise. Our Consumer Affairs Division handles 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.

2. **The Price Control Act.** The Price Control Act is a critical regulation designed to prevent price gouging, particularly during emergencies such as hurricanes. It grants DLCA the authority to monitor and regulate the prices of essential goods and services, ensuring that businesses do not exploit consumers by imposing unjustified price increases during times of crisis. This act covers necessities such as food, fuel, medical supplies, and building materials, and protecting residents from financial exploitation when access to essential products becomes limited. By enforcing price controls and conducting market surveillance, DLCA upholds economic stability and consumer protection during vulnerable periods.
3. **Monitoring for Unfair Business Practices.** The Unfair Business Practices Act is designed to protect consumers from fraudulent activities, misrepresentation, and contracts that impose unreasonable burdens. This law prohibits deceptive marketing tactics, hidden fees, and unfair terms that businesses may use to take advantage of customers. DLCA plays a vital role in enforcing these regulations by investigating consumer complaints, by taking action against violators, and promoting fair competition. Ensuring that businesses operate with integrity, this act helps maintain consumer trust and prevents financial harm caused by unethical business practices.
4. **Truth in Pricing Law.** The Truth in Pricing Law mandates that businesses provide transparent pricing and uphold their advertised promotions. This regulation ensures that consumers are not misled by hidden costs, unclear labelling, or false advertising. Retailers must display accurate prices on shelves, menus, and promotional materials, allowing consumers to make informed purchasing

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

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

Price Monitoring During Price Freezes and Emergency Preparedness

The Department requires businesses to submit monthly price information on essential goods, including fuel, food, and building materials, to name just a few, to ensure fair pricing across the territory in the event of an emergency order and subsequent price freeze. Once an emergency declaration is issued by the Governor in times of an emergency—such as hurricanes, economic disruptions, or public health crises— DLCA issues a price freeze order and plays a critical role in enforcing price control measures, 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, DLCA actively engages with the public through outreach programs at local schools and assisted living facilities, social media campaigns, and public service announcements to inform consumers about their rights and responsibilities as often as possible.

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. From celebrating National Tape Measure Day with interactive educational tours to participating in fraud prevention efforts through webinars and public awareness campaigns, the Department has prioritized empowering residents with valuable information. Collaborative efforts with AARP, FEMA, the FTC, and local advocacy organizations have strengthened consumer awareness, particularly in protecting seniors and disaster-affected communities. Additionally, the Department played a vital role in events such as the 2023 Conference on Aging, World Food Day, and National Consumer Protection Week, ensuring that consumers and business owners alike are always equipped with the tools to safeguard their rights. The Department also marked a milestone with its first-ever presence at Agrifest 2025, directly connecting with the community to provide hands-on licensing and regulatory assistance. Currently, the Department is actively planning its Consumer Protection Week 2025 (March 2–8) and Older Americans Month (May 2025) outreach initiatives, aiming to provide valuable consumer education and community engagement opportunities to empower and protect residents across the Virgin Islands. Through these initiatives, the Department has reaffirmed its commitment to consumer empowerment, fair business practices, and regulatory excellence across the Virgin Islands.

One of the primary goals for this year is to be more engaging with the public, to host workshops and 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 fair-trade practices. DLCA's authority includes addressing consumer complaints related to mispricing items, business malpractice, and regulatory violations, but it does not extend to prosecuting criminal offenses such as fraud. The department remains committed to

ensuring a fair and transparent marketplace but does not possess the resources or mandate to conduct criminal fraud investigations.

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

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

In situations where fraud appears to have been committed within the Virgin Islands and has a criminal element that requires local law enforcement intervention, complainants

are instead directed to the White-Collar Crimes Unit of the VIPD. This unit is equipped to handle financial crimes, including embezzlement, wire fraud, and other forms of economic deception that require forensic analysis and legal prosecution. Since fraud cases often involve criminal intent and potential prosecution under Virgin Islands law, DLCA ensures that these matters are promptly forwarded to the relevant law enforcement authorities for further investigation.

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

The purpose of the DLCA's Shopping Basket is to provide transparency in pricing and to inform consumers of the cost of everyday essential goods at various retailers. However, the items included in the Shopping Basket are rotated and changed regularly, which means that the data collected does not allow for direct price comparison across different time periods. This flexibility in selection is intentional, as it enables DLCA to highlight a diverse range of consumer goods and ensure that pricing information remains relevant to current market conditions.

For those seeking Consumer Price Index (CPI) information or a formal Market Basket Survey that tracks economic trends over time, the Bureau of Economic Research (BER) is the designated agency responsible for compiling such data. BER conducts

structured analyses that account for inflation, cost-of-living changes, and other economic indicators that impact the financial well-being of consumers in the Virgin Islands. These reports provide an official measurement of economic trends and are the appropriate resource for individuals or organizations interested in understanding long-term pricing fluctuations.

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

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

Status of Capital Projects and Upcoming Initiatives

In addition to our enforcement and consumer protection initiatives, the DLCA remains committed to improving its infrastructure and operational capabilities through strategic capital projects and initiatives. These efforts are essential to enhancing service

delivery, increasing efficiency, and ensuring that our facilities and technology meet the needs of our employees, businesses and consumers across the U.S. Virgin Islands.

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

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

Food, Fuel, and Housing Study: Cost of Living Analysis. As part of the Department of Licensing and Consumer Affairs' (DLCA) commitment to consumer protection and economic transparency, we are actively engaged in research efforts to analyze market conditions affecting the affordability of essential goods and services. One such initiative is the Food, Fuel, and Housing Cost Analysis, which aims to provide a comprehensive 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 in violation of the laws of the US Virgin Islands. DLCA remains committed to working alongside the Legislature to enhance our existing laws and improve enforcement mechanisms. As we look ahead, we welcome discussions on strengthening consumer

protection policies, increasing funding for enforcement initiatives, and leveraging technology to streamline complaint processing and market monitoring.

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