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Bank Fraud and Money Laundering Charges Added in Woodpile Scandal Case Against Darin Richardson

New allegations against Darin Richardson include misusing a \$200,000 construction loan for property purchases, as the latest indictment brings all three defendants back together in court proceedings

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**Former Chief Operating Officer of the V.I. Housing Finance Authority, Darin Richardson.
By. V.I. LEGISLATURE**

A second superseding indictment in what has become known as the [woodpile scandal](#) lays new charges of bank fraud, money laundering, and false statements on loan and credit applications against Darin Richardson, alleging fraudulent behavior in the construction and purchase of two separate properties on St. Thomas.

The new allegations center around a construction loan issued to Mr. Richardson, the former chief operating officer of the V.I. Housing Finance Authority, in December 2020. In August of that year, he reportedly electronically submitted a loan application to Banco Popular Puerto Rico for the sum of \$200,000. According to the indictment, the loan was for the construction of “a single family-home” in Estate Bordeaux, St. Thomas. The new charging document says that “the loan agreement contained clauses that explicitly stated that the loan proceeds would be used for the completion and construction of the single-family home in Estate Bordeaux, in addition to closing costs.”

The loan also included “a detailed estimate for the construction costs Richardson represented as a basis for the loan amount.” The estimate for \$185,000, was reportedly laid out under the letterhead of a company called Four Star Construction, LLC. However, prosecutors allege that Mr. Richardson created his own estimate, merely asking Four Star to submit the document under its own letterhead to represent the figures as coming from the construction company. Banco Popular allegedly relied on this estimate to approve the requested amount for the loan.

By January 2022, the third and final installment of \$62,150 was drawn from the bank, prosecutors say. As is customary, Mr. Richardson signed a receipt which promised that “the installment of loan proceeds would be used solely for the same purpose, that is, the construction of the single-family home in Estate Bordeaux,” the superseding indictment alleges. Despite assurances to the contrary, prosecutors say Mr. Richardson instead took \$50,500 of the third installment and combined it with an additional \$107,000 obtained from an unnamed individual (which was paid to him in connection with the woodpile contract) to buy a different property — this one in Estate Fortuna, St. Thomas. The \$157,500 was paid to the U.S. Marshal Service, which was facilitating the auction of the property, prosecutors say.

As outlined in [previous indictments](#), the \$107,000 in question was paid to Mr. Richardson by a person referred to in court documents as Individual One. This person is the owner of the company ISG, which had allegedly submitted the inflated and ultimately fraudulent bid on behalf of D&S Trucking, the company owned by Davidson and Sasha Charlemagne. Mr. Richardson awarded ISG the woodpile contract in January 2021, and was reportedly paid by Individual One in February of the following year.

Despite Mr. Richardson having successfully moved to [sever his case](#) from that of the Charlemagnes, this new superseding indictment again groups all three defendants together.