

logo not found or type unknown

'My Client is Honest': Federal Trial Unfolds Against Former VIHFA COO Amid Bank Fraud and Laundering Allegations

Government lays out allegations that Richardson improperly benefited from VIHFA contracts, received \$107,000 from ISG's owner, and misused a Banco Popular loan to purchase personal property.

Federal / **Published On February 20, 2025 06:55 PM /**

Ernice Gilbert **February 20, 2025**

Image not found or type unknown



Darin Richardson, center, leaving the District Court on St. Croix today during a lunch break. By. ERNICE GILBERT, V.I. CONSORTIUM

ST. CROIX — Former V.I. Housing Finance Authority Chief Operating Officer, Darin Richardson, made his initial appearance at the V.I. District Court on St. Croix today, facing multiple charges connected to what has been dubbed the “woodpile scandal.”

He is charged with criminal conflict of interest and making materially false statements in relation to the woodpile contract, as well as bank fraud, money laundering, and false statements on loan and credit applications tied to a separate matter involving Banco Popular.

During the proceedings, the defense suggested that testimony from Morris Anselmi, who was not present, would be required for the government to build its case. Defense attorneys also argued for the exclusion of any mention of Island Services Group (ISG) Florida, including a \$107,000 wire transfer made by the company to the defendant, claiming that the ISG referenced was not the one operating in the U.S. Virgin Islands. The court, however, asserted it has substantial evidence, both circumstantial and otherwise, linking ISG Florida to ISG U.S. Virgin Islands, and denied the request.

Another motion involved the exclusion of summary exhibits, with the defense contending that 50 transactions and “hundreds of records” do not constitute sufficiently voluminous evidence to require summary charts. The court also denied this request.

Further contentions included the defense’s attempt to dismiss government evidence as hearsay. However, the court found that the evidence, which includes bank records, are in this case not hearsay, and therefore admissible. The court also rejected a motion suggesting the government’s evidence was irrelevant.

In light of these arguments—ranging from hearsay, structural matters, and voluminous data—the court, presided over by Judge Wilma Lewis, denied the motions without prejudice.

During the hearing, it emerged that notes taken by federal Special Agent Davis, who had interviewed Mr. Richardson, were misplaced and could not be replaced. According to the record, Mr. Richardson told the special agent that he had recused himself from VIHFA matters related to ISG USVI. The precise timing of that recusal remains central to the dispute.

The court determined that the defendant did not fulfill the burden of proving the missing notes were exculpatory.

Additionally, the court emphasized that the testimony of witnesses was credible and found no bad faith in the notes’ disappearance. Consequently, the court denied the relevant motion addressing Brady and exculpation matters, also without prejudice.

A separate defense contention claimed the defendant’s Sixth Amendment right to confront a witness would be violated if Mr. [Morris Anselmi](#) was absent from the proceedings. The court clarified there was no intention to call Mr. Anselmi as a witness, deeming the motion moot and denying it on those grounds.

Opening Statements: Prosecution’s Position

Assistant United States Attorney Cherrisse R. Woods began opening statements with a stark portrayal, declaring:

“Greed & misconduct—words that come to mind when we think of Gov’t employees who use their position to enrich themselves. Darren Richardson is no different—And that’s why he is here today.”

According to the government, in May 2020, VIHFA issued a public request for warehouse management & logistics related to the woodpile. Two companies, Infrastructure & Recovery Group and ISG Virgin Islands, submitted bids, which were assessed by an evaluation committee. At that time, Mr. Richardson was second-in-command at VIHFA, serving as Chief Operating Officer.

The government detailed how, in June 2020, the evaluation committee met and awarded ISG a contract worth over \$2 million to store lumber sent to the U.S. Virgin Islands after the 2017 hurricanes. The formal award was reportedly executed in January 2021, and by February 1, 2021, the contract commenced.

Between February 2021 and February 2022, the prosecution alleges Mr. Richardson approached ISG's owner about becoming a partner. After the arrangement was made, he purportedly [accepted \\$107,000 from Mr. Morris Anselmi, a co-owner of ISG alongside Ms. Kimberly McCollum](#). That money was transferred to a Bank of America account belonging to Mr. Richardson.

A week after receiving the funds, Mr. Richardson emailed his boss at VIHFA, announcing he was recusing himself from all matters related to ISG, according to the government. However, the government contends that after sending his recusal email, Mr. Richardson continued signing checks to ISG—four checks totaling over \$356,000. It is further alleged that he used the \$107,000 to purchase a new home for himself.

When federal agents interviewed him six months later, Mr. Richardson reportedly stated he had previously recused himself from the contract. The government maintains that was a false statement because he still exercised influence and had not formally documented any recusal prior to the monetary transactions.

Opening Statements: Defense's Position

In his own remarks, Defense Attorney Darren John-Baptiste countered that the government's case is based on flawed assumptions. He insisted his client's behavior was not criminal:

“If what the court was told was completely true, my client would be the stupidest person. My client is good, smart, and too honest for his own good. My client did not commit any criminal offense.”

He described how Mr. Richardson applied for a construction loan at Banco Popular for a legitimate construction project, emphasizing that the bank itself “never took any action” against his client. Moreover, the house was completed 100 percent, and there was even a surplus of funds. The bank, according to the defense, was satisfied with the application and is benefitting from accrued interest.

Attorney John-Baptiste also underscored that Mr. Richardson was only one member of a five-person VIHFA evaluation committee, each having equal input in awarding the woodpile contract. The defense argued that all other members had independently scored ISG higher than Mr. Richardson himself, negating any notion that he unilaterally pushed the award.

He contended that VIHFA's procurement division, not Mr. Richardson, managed the Request for Proposal for the woodpile storage. Furthermore, contracts over a certain threshold require Board of Directors approval, a process that the defense says was duly followed and places no wrongdoing on the board.

The defense theorized that VIHFA might be attempting to place blame on Mr. Richardson for issues inherent in its procurement and payment systems. Maintaining that his client talks a lot because he is "too honest," Mr. John-Baptiste insisted the evidence would prove there was no illicit behavior. He also reiterated his position that the new Banco Popular allegations were added by prosecutors because the original woodpile claims were weak.

Witnesses in Court

Among the day's government witnesses were:

- Jacquiell Hill Fredericks, Chief Human Resources Officer at VIHFA
- Jeanine Blyden, Former Procurement Manager and Current Director of Procurement at VIHFA

The five evaluation committee members—Erainee Acosta, Yvette Jackson, Sherry-Ann Francis, Nicole Roberts, and Darin Richardson—were also present, alongside former VIHFA Executive Director, Daryl Griffith.

Bank Fraud and Money Laundering Details

Dec. 18, 2024 brought a [second superseding indictment](#), adding charges of bank fraud, money laundering, and false statements on loan and credit applications against Mr. Richardson. Federal prosecutors allege he misused a \$200,000 construction loan to purchase two properties on St. Thomas.

According to the indictment, Mr. Richardson electronically submitted a loan application to Banco Popular Puerto Rico in August 2020, indicating that the entire sum would be used for constructing a single-family home in Estate Bordeaux, St. Thomas. The bank purportedly relied on Four Star Construction, LLC cost estimates—though prosecutors say Mr. Richardson simply created the estimate and had Four Star place it on the company's letterhead.

The final \$62,150 installment was drawn from the bank in January 2022, accompanied by Mr. Richardson's signed receipt promising the funds would be used for the ongoing construction. Instead, prosecutors claim, he took \$50,500 of that sum and combined it with \$107,000 from Morris Anselmi to purchase a different property in Estate Fortuna, St. Thomas. This \$157,500 transaction was allegedly paid to the U.S. Marshal Service to auction that property.

Prosecutors highlight that the \$107,000 used for this purchase was the same sum that Mr. Richardson is accused of receiving from Anselmi, who co-owns ISG.

The district court proceedings will continue until the jury reaches a verdict after both parties have presented their cases. The trial is expected to further examine the conflicting narratives surrounding his involvement with VIHFA, ISG, and the alleged misuse of federal recovery funds, with both sides presenting evidence to support their claims.

