

Former VIHFA Official Found Guilty on All Charges in Woodpile Scandal

A jury convicted Darin Richardson, former COO of VIHFA, of criminal conflict of interest, fraud, and money laundering. Prosecutors said he manipulated contract bids and misused a construction loan. His attorney plans to appeal the verdict.

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Darin Richardson, center, leaving the District Court in St. Croix on February 20, 2025 during a lunch break. By. ERNICE GILBERT, V.I. CONSORTIUM

One of the men accused of fraud in what is now known as the “woodpile scandal” was on Wednesday found guilty of all charges by a District Court jury.

Darin Richardson, 56, a former chief operating officer of the V.I. Housing Finance Authority, was convicted of criminal conflict of interest, making materially false statements, bank fraud, and money laundering.

The charges came in two indictments, stemming from a two-year investigation involving a VIHFA contract for storage and management of wood that was shipped to the territory to be used for the reconstruction of commercial and residential buildings following Hurricanes Irma and Maria in 2017.

In the first indictment, prosecutors accused Mr. Richardson of playing a key role in reviewing the bids submitted by local contractors. He gave one of the bidders – with whom he was pursuing a business relationship – higher scores than the other, and subsequently awarded the contract to his preferred bidder. This was a violation of federal regulations, which require the two roles to be performed by different individuals. Mr. Richardson was also found to have lied to the Housing and Urban Development Office of the Inspector General, claiming during an interview that he had recused himself from VIHFA business involving the bidder that he was interested in doing business with in his personal capacity.

The superseding indictment reiterated those allegations while adding in new claims of criminal conduct. Mr. Richardson was accused of fraudulent behavior relating to a construction loan issued to him by Banco Popular Puerto Rico for a single-family home. The jury agreed with prosecutors that the convicted man submitted cost estimates that he drafted under another company's letterhead in a bid to make them seem legitimate to the bank. Mr. Richardson was also found guilty of illegally diverting loan proceeds towards the purchase of a different property the bank had no knowledge of.

During opening statements at trial, attorney for Mr. Richardson Darren John-Baptiste said that his client was “good, smart, and too honest for his own good.”

Following the decision of the jury, Mr. John-Baptiste indicated his intention to appeal. Sentencing for Mr. Richardson will be delivered at a future date.