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Richardson, Facing 60 Years, Condemned by Federal Authorities Following Conviction

Following Darin Richardson's conviction for bank fraud, money laundering, conflict of interest, and making false statements, federal officials reaffirm their commitment to combatting corruption and protecting public trust in the Virgin Islands.

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Darin Richardson, the former chief operating officer of the V.I. Housing Finance Authority By. V.I. LEGISLATURE

Federal authorities strongly condemned fraudulent activities by public officials in the U.S. Virgin Islands following the guilty verdict delivered against Darin Richardson, the former chief operating officer of the V.I. Housing Finance Authority. Richardson was convicted on Wednesday of

multiple serious federal crimes, including conflict of interest, bank fraud, money laundering, and making false statements.

U.S. Attorney Delia L. Smith sharply criticized Richardson's actions, asserting, "Darin Richardson committed a crime by enriching himself at the expense of his duty to the people of the Virgin Islands." She spoke of public expectation that government officials conduct themselves with integrity, and underscored U.S. Department of Justice's dedication to combating corruption within public institutions.

Echoing this sentiment, Acting Special Agent-in-Charge Tyrone Hardy from the U.S. Department of Housing and Urban Development's Office of Inspector General (HUD OIG) stated, "HUD OIG remains steadfast in our efforts to protect these programs." He further detailed Richardson's fraud as targeting critical HUD-assisted housing programs intended for disaster recovery efforts benefiting affected Virgin Islands residents.

Acting Special Agent-in-Charge Samuel Hardy of the FBI San Juan Field Office further emphasized the FBI's commitment, stating, "The FBI is committed to ensuring that those who engage in fraud and corruption are held accountable." He affirmed ongoing collaborative efforts with federal partners to protect public resources and uphold institutional integrity.

Delia M. Thomas, Inspector General of the Virgin Islands, reiterated her office's dedication to collaboration with federal partners. "We believe that defending our programs' resources strengthens our community," she remarked, adding that every instance of fraud significantly reduces the quality of public services.

This response followed the trial in which Darin Richardson, the former chief operating officer at the V.I. Housing Finance Authority, was found guilty of conflict of interest, bank fraud, making false statements, and money laundering. Evidence presented during the trial showed that Richardson solicited and received \$107,000 via wire transfer on February 7, 2022, from the managing partner of Island Services Group (ISG), a contractor engaged by VIHFA. Additionally, Richardson falsely claimed during an investigation that he had recused himself from dealings with ISG.

The charges further detailed how Richardson fraudulently secured a \$200,000 construction loan from Banco Popular Puerto Rico, falsely representing that an estimate for the construction project was legitimate. Richardson directed Four Star Construction to produce the misleading estimate, resulting in Banco Popular issuing a loan of \$185,000 based on false pretenses.

Richardson subsequently used \$62,150 from the loan, combined with the \$107,000 from ISG, to participate in a U.S. Marshal Service auction on February 8, purchasing an unrelated property.

Based on these convictions, Richardson faces up to 60 years in prison if maximum penalties are applied consecutively. Conflict of interest and making false statements each carry maximum penalties of five years, bank fraud carries up to 30 years, and money laundering holds a maximum sentence of 20 years. However, the precise sentencing will depend on judicial discretion and mitigating factors.

U.S. Attorney Smith recognized the investigative contributions of agents from the Small Business Administration Office of Inspector General, FBI, HUD Office of Inspector General, and the Virgin Islands Office of Inspector General in securing this conviction.