

## Former Hospital Redevelopment Employees Allege Retaliation, Misuse of FEMA Funds, and Policy Breaches

**Multiple efforts to reach Executive Director Darryl Smalls for comment were unsuccessful as former Territorial Hospital Redevelopment Team employees raise serious allegations of retaliation, financial mismanagement, and HR policy violations.**

Health / **Published On April 25, 2025 06:46 PM /**

Staff Consortium **April 25, 2025**

Image not found or type unknown



**The Juan F. Luis Hospital and Medical Center building awaits demolition and reconstruction. By. V.I. CONSORTIUM.**

A wave of concern is building around the Territorial Hospital Redevelopment Team (THRT), as several former employees step forward with serious allegations of retaliatory firings, questionable

financial practices involving FEMA funds, and repeated breaches of human resources protocols under Executive Director Darryl A. Smalls.

The controversy intensified this month when five employees in the St. Croix District, including individuals who had previously raised internal concerns about mismanagement, said they were abruptly terminated without documented performance issues or due process. According to the terminated employees, the dismissals appear to be a direct response to whistleblower activity, raising red flags about a pattern of silencing dissent.

“It is clear that the Board’s decision to grant Mr. Smalls unchecked authority has allowed him to bypass standard HR protocols and disciplinary processes,” said one former employee. “Rather than addressing the red flags raised about FEMA-funded contracts, favoritism in raises, and HR violations such as bullying and hostile work environments, we were silenced.”

The timeline of events paints a concerning picture. In early April, the board responsible for hospital redevelopment in the territory [announced plans](#) to restructure both hospitals, citing financial pressures. Shortly after, Smalls circulated an internal email stating that he now had board-granted authority to hire and terminate staff “for any or no reason at all,” according to the terminated employees. While the message mentioned restructuring, the terminated staff said no specific details were provided about the impact on their roles.

Then, on April 7, 2025, employees were notified of a classification change—shifting their employment status from “exempt” to “temporary and exempt.” This change occurred without any new Notice of Personnel Action (NOPA), further fueling confusion and concern, the former employees said.

Just over two weeks later, on April 24, a group of employees—many of whom had previously flagged internal misconduct—were let go. The justification given for the terminations was a claimed reduction in workforce needs. However, sources dispute this reasoning, pointing to several active projects on St. Croix, including the construction of a five-acre parking lot and administrative building, a radiology outpatient center, and a hemodialysis outpatient facility at the Juan F. Luis Hospital.

The former employees describe a troubling internal culture, marked by inconsistent application of raises and apparent favoritism. Staff claim that raises were issued twice, allegedly based on new project awards and the resulting increase in management costs. However, many employees were allegedly left out of the evaluation process altogether, receiving no raises, while others were awarded increases ranging from \$5,000 to as much as \$30,000, without any transparent performance-based rationale.

The terminated employees assert that this selective compensation approach, coupled with the abrupt firings, suggests a deeper problem—one that may include the misuse of federal disaster recovery funds.

“The sequencing of events, the lack of communication, and the pattern of targeting those who spoke up all point to one conclusion—these were retaliatory terminations designed to suppress accountability,” one source said.

Those affected are now preparing to bring their case to the U.S. Department of Homeland Security Office of Inspector General, which oversees FEMA-related funding. They are calling for a full federal investigation into possible financial mismanagement, workplace retaliation, and labor violations connected to THRT and its leadership.

Multiple efforts to contact Mr. Smalls for comment were unsuccessful.

© Viconsortium 2025