

Firm Alleges VIHFA Faked a Bid and Fabricated Records in Multi-Contract Procurement Dispute

G&A alleges that contracts were awarded based on false records and manipulated timelines, claiming VIHFA tried to “legitimize otherwise unlawful awards” with fraudulent bid tabulations and favored a vendor tied to a former agency employee.

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An environmental engineering and consulting firm is suing the V.I. Housing Finance Authority and two of its senior executives, alleging a pattern of discriminatory treatment in the awarding of vendor contracts. The suit comes after seven projects were reportedly rescinded from the firm.

Ohio-based company Gandee & Associates Inc. (G&A) calls itself a “highly qualified and compliant bidder” in its civil complaint, filed on June 12. Nevertheless, it was “repeatedly targeted

with unconstitutional deprivations of its clearly defined property interests in fairly competing for and performing public contracts,” according to the lawsuit.

VIHFA, G&A says, has abused its public contracting and procurement authority, “necessitating judicial intervention to rectify these constitutional wrongs.”

The 64-page complaint, accompanied by a raft of exhibits, details several instances of irregularities in the procurement process which G&A says shows clear evidence of VIHFA's discriminatory posture. For example, G&A says it applied to a March 2024 solicitation from VIHFA for environmental review, assessment, and testing services. The deadline for submissions on RFQ-003-2024-STT-STX was April 5, 2024. The firm says it indicated in its qualifications package that applications for two key licenses were already pending, and would almost certainly be received before any work under the contract began. After the deadline, VIHFA reportedly published a bid tabulation document that showed G&A as one of two contenders.

Subsequently, G&A learned that they would not be awarded any contracts under the RFQ. The stated reason from VIHFA was that they did not have the requisite licenses.

The other company listed on VIHFA's bid tabulation document was awarded at least three contracts under the RFQ. However, a third company – one which G&A believes had not responded by the deadline and thus did not show up on the bid tabulation document – has been awarded [at least five contracts](#) to do the work.

“This action represents a flagrant violation of fundamental procurement principles and RFQ-003's explicit requirements,” argues G&A's lawsuit. The complaint alleges that contracts between VIHFA and the third company – Tysam Tech – falsely assert that a bid was submitted, suggesting “a deliberate effort by VIHFA to create a fraudulent paper trail to legitimize otherwise unlawful awards.”

G&A's lawsuit further suggests that the alleged preferential treatment could stem from the movement of one senior VIHFA staffer into Tysam Tech's employ. The agency's former senior environmental manager worked at VIHFA until May 2024 – after the March RFP was issued – and “was involved in the exact type of CDBG-funded projects that RFQ-003 solicited,” the lawsuit says. Three days after her departure from VIHFA, the individual then made a public announcement that she had accepted a position as environmental engineer with Tysam Tech. “The timing of this transition is highly suspicious,” the lawsuit declares, pointing to the contracts subsequently awarded to Tysam Tech.

These awards, argues the complaint, “constituted a direct violation of VIHFA's binding Conflict of Interest Policy and the foundational federal regulations it incorporates.”

Adding insult to injury, G&A claims that although they were penalized for lacking the requisite licenses, Tysam Tech succeeded despite also missing at least one license required by the RFQ. “This selective enforcement is a hallmark of arbitrary and discriminatory conduct and forms a cornerstone of G&A's equal protection claim,” the complaint states.

VIHFA's behavior surrounding the disposition of RFQ-003 “was not an isolated incident,” G&A claims. The agency's RFQ-004 process was allegedly similarly tainted.

This time, “VIHFA initially awarded seven projects to G&A only to rescind those awards without valid basis, demonstrating a continuing pattern of favoritism and bad faith.” The complaint goes on to allege that at least one of the projects that were rescinded has now been awarded to Tysam

Tech, “at a grossly inflated price and under circumstances evidencing a continuing disregard for conflicts of interest,” according to the lawsuit.

G&A says it completed its submission to RFQ-004 on the morning of the deadline. Approximately half an hour before deadline, “VIHFA issued an unsigned email announcing that the submission deadline was being extended by one hour,” the lawsuit claims, alleging that the field to explain the reason for the extension was left “conspicuously blank.”

During that one hour extension, G&A says that “only Tysam Tech submitted its qualifications for RFQ-004.”

Notwithstanding, G&A ultimately was invited to bid on eight projects and was selected for seven of those. The firm says it received notice of the awards via email on December 30, 2024, and immediately provided the requested documentation. When the draft contracts were received, G&A says they contained some “significant errors” that were “material and clearly contradicted the scope of work outlined in VIHFA's own Bid Sheets.”

G&A says it reached out to VIHFA requesting a call to explain the discrepancies and work on amending the contract to align with the bid terms. Via at least two emails, VIHFA reportedly responded to confirm agreement with G&A's perspective regarding the errors. However, “VIHFA still inexplicably refused to revise the draft contracts to reflect the correct scope of work and the parties’ mutual understanding.”

This refusal, “in the face of its own staff's admissions” according to the lawsuit, is evidence of VIHFA's bad faith actions “and strongly suggests that the errors were either intentionally introduced into the draft contracts...of, at a minimum, that VIHFA was opportunistically leveraging its own errors as a pretext to undermine G&A's lawful contract awards.”

In late January 2025, G&A received a demand from VIHFA – sign the erroneous contracts by the end of the month. The firm pushed back, requesting a meeting with the agency's legal department. At first, it seemed like VIHFA was amenable to finding a resolution, promising that the January 31 deadline for contract signing would be postponed until further notice.

However, the agency then went silent, reportedly ignoring outreach from G&A throughout February. On March 10, the firm received a letter from VIHFA's Director of Procurement and Contracts, Jeanine Blyden, named as a defendant in the lawsuit. The letter informed G&A that VIHFA would be moving forward “with the next selected bidder.” There was reportedly no specific cause for termination, no mention of the agreed-upon consultation with VIHFA's legal department, and no discussion of the agency's “best interests” which had resulted in this rescission.

G&A says that VIHFA then issued a contract for an identical project to Tysam Tech. This contract, in the amount of \$34,232, is almost five times G&A's bid of \$6,000 for the same project, the lawsuit alleges. The Tysam Tech employee who signed as a witness on this contract is the same former VIHFA employee who G&A says presents a clear conflict of interest challenge. Her role as a witness to the contract “further evidences the ongoing and unmitigated conflict of interest benefiting Tysam Tech and VIHFA's apparent indifference to or complicity in such conflicts.”

The apparent preferential treatment shown to Tysam Tech extended to the eighth project as well, the lawsuit claims. G&A says VIHFA informed it that the company was not selected because its bid for that project – \$11,000 – was not the lowest responsive bid. However, the award ultimately went to Tysam Tech, who was contracted at a cost of over \$35,000. “The inexplicable decision to spend over 300 percent more public money for the same services...is not an isolated incident of

arbitrary and capricious government action,” the lawsuit claims, arguing that VIHFA has consistently overspent on contracts to this one favored vendor.

In addition to the alleged pattern of illegal favoritism in the procurement process, G&A is also accusing VIHFA of obstruction and denial of due process. The firm's challenges and requests for information were consistently met with stonewalling. The lawsuit details a 17-page email with 8 pages of submissions being responded to by Ms. Blyden a mere 17 minutes later. The response “failed to address a single substantive allegation or piece of evidence presented in G&A's detailed submission,” the lawsuit says. Such short shrift given to the firm's complaints, they say, “demonstrates a profound lack of any genuine consideration or meaningful review, thereby rendering the protest process a constitutionally inadequate sham.”

Upon pushback to Ms. Blyden's letter, VIHFA Executive Director Eugene Jones (named as a defendant in the lawsuit) also responded to G&A, but his 2-page response “also completely ignored the substance of G&A's protest,” the firm argues.

Similar challenges to the procurement process behind RFQ-003 were dealt with in the same manner by VIHFA. Appeals to the agency's board of directors were reportedly ignored as well. “This wall of silence and refusal to engage...underscores the institutional nature of the due process denial.”

The lawsuit points to the June 2023 HUD [Inspector General audit](#) which found that VIHFA ineffectively monitored CDBG-DR activities. The audit identified “insufficient financial controls, inadequate oversight of Match Program projects, inaccurate performance reporting, and insufficient documentation in its administration of these federal disaster recovery funds,” according to the complaint. These findings of dysfunction within VIHFA “directly mirror G&A's experience with VIHFA's procurement practices as detailed herein,” the lawsuit says.

G&A contends that the [recent fraud conviction](#) of a former senior VIHFA official also mirror “the very same patterns of opaque and arbitrary conduct that G&A encountered in RFQ-003 and RFQ-004.” Darin Richardson's conviction, the lawsuit argues, “demonstrates that the highest levels of VIHFA leadership have been implicated in procurement fraud.” Similar arguments were made in a [whistleblower lawsuit](#) filed last December by former VIHFA Chief Operating Officer Stephanie Berry, who said that rules governing the expenditures of Community Development Block Grant Disaster Recovery funds are willfully ignored.

The G&A lawsuit claims that the firm has lost profits and business revenue, as well as substantial funds on administrative and legal expenses, as a result of VIHFA's discriminatory actions. The firm also claims “significant and distinct constitutional injury to G&A's reputation and liberty interests.”

G&A is asking the court to declare that the actions of VIHFA, Mr. Jones and Ms. Blyden violated the firm's 14th Amendment rights. They are also seeking a permanent injunction against VIHFA awarding the seven rescinded contracts to any other party until “G&A is provided with the constitutionally sufficient due process it was previously denied.” The court should also compel the agency to re-evaluate the eighth contract “using lawful, fair and transparent procedures,” the lawsuit says. G&A also says the Tysam Tech awards under RFQ-003 should be quashed due to the alleged procurement irregularities and conflict of interest issue. The firm should also be protected from retaliation and future discrimination by VIHFA, it says. VIHFA has not filed a response to the lawsuit as of press time.

