

Prosecutors Seek “Significant” Term of Incarceration for Former VIHFA COO Convicted of Money Laundering and Bank Fraud

While guideline ranges recommend 21–27 months, prosecutors argue Richardson’s conduct merits even more, insisting that crimes rooted in betrayal of public trust cannot be addressed with a sentence similar to ordinary financial fraud cases.

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

Darrin Richardson, former Chief Operating Officer of the Virgin Islands Housing Finance Authority [recently convicted of money laundering](#), bank fraud, false statements, and criminal

conflict of interest, should serve a longer sentence than others convicted of similar crimes, prosecutors argue.

A sentencing memorandum filed earlier this month notes that 489 defendants found guilty of similar statutory offenses were sentenced to an average of 14 months in jail. However, in Mr. Richardson's case, "the defendant was not a private individual engaged in isolated financial fraud. He was the COO of a government agency, entrusted with the stewardship of public funds," the memorandum notes. "His offenses were not crimes of opportunity or desperation, but of calculation, manipulation, and exploitation."

Mr. Richardson was found to have unlawfully interfered in the VIHFA procurement process in issuing a contract for the management and storage of emergency lumber supplies. He solicited funds from the contract awardee after the fact to use for his own personal business, disguising the illicit transaction as a "sham investment opportunity." He was also found guilty of obtaining money from a local bank under false pretenses, using the funds to attempt to purchase property instead of repairing his current home as the bank expected.

As the sentencing memorandum explains, "the federal fraud and false statement convictions are intertwined with a territorial conflict-of-interest conviction, a charge grounded in local law and rooted in his abuse of executive authority for personal financial gain." The local conviction attracts a maximum sentence of five years in jail, "reflecting the Legislature's understanding that public corruption poses a serious threat to the integrity of government institutions."

Prosecutors argue that Mr. Richardson's egregious conduct in public office cannot be addressed by a 14-month sentence. A sentence of more than the advisory guideline range of 21-27 months "is not only appropriate, but essential," they declare.

The memorandum does not include the sentence prosecutors feel would be more appropriate, but merely asks that the court order a term of incarceration for Mr. Richardson that is "significant."