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Darin Richardson Released Pending Appeal After Third Circuit Grants Request Over Government Objection

Richardson was released after the Third Circuit granted his request pending appeal, despite prosecutors arguing his claims did not justify release; filings show the fight centered on Count 14, the local conflict-of-interest conviction carrying 30 months.

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Former V.I. Housing Finance Authority Chief Operating Officer Darin Richardson. By V.I. LEGISLATURE.

Former V.I. Housing Finance Authority Chief Operating Officer Darin Richardson has been released from federal custody pending appeal after the U.S. Court of Appeals for the Third Circuit granted his request, despite prosecutors arguing that his sentencing and trial claims did not justify

release under the post-conviction standard.

Richardson's attorney, Darren John-Baptiste, confirmed that his client was released from a federal prison in Puerto Rico after Circuit Judge Cindy Chung granted the motion on June 30, per WTJX.

After the release order, Mr. John-Baptiste filed an emergency motion asking the appellate court to prevent Virgin Islands officials from taking Richardson into custody on the local conflict-of-interest conviction, saying he had learned that the Superior Court Marshal's Division intended to execute the local sentence. As of press time, no ruling on that emergency request had been made available in the docket.

The filings leading up to the Third Circuit's decision show that the dispute centered not on whether Richardson was a flight risk or danger to the community, but on whether his appeal raises substantial questions likely to affect his conviction or sentence. Prosecutors conceded he was not likely to flee, did not pose a danger, and was not appealing for delay, but argued his claims still fell short of the standard for release pending appeal.

Following a jury trial, Richardson was [convicted](#) of criminal conflict of interest, material false statement, bank fraud, false statement on loan and credit applications, and money laundering. The District Court sentenced him to six months on Counts 15 through 18, to run concurrently, and 30 months on Count 14, the local conflict-of-interest count, to run consecutively, for a total sentence of 36 months.

Richardson surrendered to custody on April 7, 2026, after District Judge Mark Kearney denied his request to remain free while pursuing an appeal. His counsel said in the amended motion that Richardson is a 57-year-old lifelong resident of St. Thomas, has been married for more than 30 years, has three adult sons, and had no prior criminal history before the case.

In its response, the government acknowledged that it did not dispute Richardson's lack of flight risk or danger, and did not claim the appeal was being pursued for delay. However, prosecutors said Richardson could not satisfy the remaining requirements for release pending appeal because his arguments did not raise substantial questions likely to produce reversal, a new trial, a sentence without imprisonment, or a reduced sentence shorter than the time he would serve during the appeal.

Richardson's amended motion argued that the sentencing transcript raised substantial questions over whether the District Court properly considered probation under Virgin Islands law before imposing the 30-month consecutive sentence on Count 14. His attorney said the court initially stated that probation was unavailable, corrected itself after an objection, acknowledged that probation could be imposed, but did not meaningfully analyze the eligibility framework under 3 V.I.C. § 3711(c).

The government rejected that argument, saying the transcript "defeats" Richardson's claim because the court corrected the probation issue on the record, recognized that probation was available on Count 14, heard defense counsel ask for probation, and then explained why custody was required.

According to prosecutors, the sentencing court expressly acknowledged that the Virgin Islands offense carried a possible sentence of one to five years in custody or probation up to five years. The government said defense counsel confirmed that understanding and later argued for probation, but the court concluded that incarceration was necessary.

The government's filing said the sentencing court emphasized that Richardson held a position of trust as VIHFA's chief operating officer and had authority over procurement decisions. Prosecutors said the court viewed Count 14 as particularly serious because Richardson, after recusing himself, continued signing checks and remained on both sides of a transaction.

The court also considered mitigating factors, including Richardson's age, education, family, community support, service, lack of substance abuse, lack of criminal history, health, employment and finances, prosecutors said. But the court ultimately stated, "This is a sentence that warrants, in my view, custody. This is not a sentence, a probationary sentence."

Richardson's reply later narrowed the focus, acknowledging "the strength of the Government Response brief" on the Section 3711 argument and turning instead to Count 14's sufficiency and evidence issues. His attorney argued that the conflict-of-interest conviction is "the entire reason Mr. Richardson is serving more than six months."

The defense said that if any substantial question concerning Count 14 is resolved in Richardson's favor, the 30-month consecutive sentence would fall, leaving only the six-month federal sentence, which could be served before the appeal is decided.

Much of the appellate dispute centers on whether the evidence was sufficient to prove that Richardson received monetary gain "by reason of" his official activity. Richardson's reply argued that Count 14 required proof that he derived direct monetary gain or suffered direct monetary loss because of his official work, and that the causal link remains "fairly debatable."

The government's response said Richardson served as VIHFA's chief operating officer, supervised procurement, and was one of four authorized check signers. Prosecutors said he sat on the Bid Evaluation Committee that recommended awarding a warehouse management contract to Island Services Group, LLC, known as ISG, whose managing partner was Morris Anselmi.

On February 7, 2022, according to the government, ISG Florida employee Kimberly McCollum wired \$107,000 from ISG Florida's payroll account to Richardson's personal Bank of America account. McCollum testified that she wired the funds on behalf of Anselmi and Island Services Group, and prosecutors said bank records independently established the transfer.

One week later, prosecutors said, Richardson sent a conflict-of-interest notification and signed form to VIHFA Executive Director Daryl Griffith. The form disclosed that Richardson was involved in an outside entity that had entered into a business relationship with ISG, but prosecutors said it did not disclose that he had solicited and accepted \$107,000 from ISG's managing partner.

Despite the notification, the government said Richardson continued signing VIHFA checks payable to ISG, including checks dated March 4, March 7, June 7 and July 8, 2022, totaling more than \$350,000.

Richardson's reply argued that the Bid Evaluation Committee completed its work in June 2020 and that the \$107,000 transfer did not occur until February 2022, about 19 months later. The defense also argued that VIHFA's board, not Richardson, approved later amendments, and that the remaining evidence involved post-recusal check-signing on payments that had already been reviewed and prepared by the chief financial officer before reaching any signatory.

Richardson's attorney said he was not continuing to press the argument that signing checks was purely ministerial, but argued that the check-signing does not answer whether the \$107,000 was

derived “by reason of” official activity. He said that question is fairly debatable and central to Count 14.

The defense also challenged the use of evidence involving ISG Florida, arguing that the VIHFA contract was held by ISG Virgin Islands, while the \$107,000 was paid by ISG Florida, an entity the defense says never contracted with VIHFA. Richardson argued that whether the payment can support a conflict tied to official activity over a VIHFA vendor is fairly debatable.

Prosecutors countered that the ISG Florida evidence and McCollum’s testimony were admissible and that the \$107,000 wire to Richardson’s personal account, one week before his conflict notification, was directly relevant to whether he had a financial interest connected to ISG. They also argued that any error would be harmless because the transfer was independently proved by bank records.

Richardson’s reply further argued that the jury heard McCollum testify that she wired the \$107,000 “on behalf of Mr. Anselmi and Island Services Group,” but did not hear what the defense described as Anselmi’s recorded account to federal agents that the payment was a business investment in a venture with Richardson. The defense said that asymmetry raises fairly debatable hearsay, Confrontation Clause and compulsory-process questions.

The government rejected those claims, saying McCollum testified about her own act of sending the wire and that the Confrontation Clause concerns testimonial hearsay by absent witnesses. Prosecutors also argued that the investment characterization was before the jury through other evidence and arguments, and that it would not negate Count 14 because the conflict arose from Richardson’s private financial relationship with an active VIHFA vendor while he remained COO and continued approving payments to that vendor.

The filings also revisit trial issues including Rule 1006 summary exhibits, Agent Davis’s missing handwritten notes, Brady and Jencks Act arguments, and Touhy-related disputes over defense efforts to call Special Agent Westby. Prosecutors said those claims challenge discretionary rulings, rest on settled law and do not show prejudice.

On the missing-notes issue, prosecutors said Richardson’s Brady theory was speculative, that the disclosed memorandum and cross-examination were sufficient, and that the District Court found no bad faith. They also said the court properly held that Agent Davis’s abbreviated handwritten notes were not Jencks Act statements.

The government said even reversal of Count 15, the material false statement count tied to Agent Davis, would not reduce Richardson’s total sentence because that count resulted in a six-month sentence running concurrently with the sentences on Counts 16 through 18 and consecutively to the 30-month sentence on Count 14.

Richardson’s reply acknowledged that the Brady/Jencks question concerning Agent Davis’s notes relates to Count 15 and would not reduce the total sentence if reversed alone. That is why, the defense said, the reply rests on questions tied to Count 14, because a favorable ruling on that count could eliminate the 30-month consecutive term.

The government maintained that none of Richardson’s claims was likely to produce the relief required under the release-pending-appeal statute. Prosecutors argued that the sentencing issue would lead, at most, to resentencing on Count 14, but that the record shows the District Court understood probation was available and rejected it. They also argued that evidentiary issues would be harmless given independent bank records and Richardson’s admissions, and that the sufficiency

challenge to Count 14 fails outright.

Richardson's counsel asked the Third Circuit to grant release pending appeal or, alternatively, hold an expedited hearing, arguing that Richardson was actively serving a sentence that may be shorter than the appellate process itself.

The United States asked the court to deny the motion.

The Third Circuit's decision to release Richardson allows him to remain out of custody while the appeal continues, but it does not decide the merits of his challenge to the convictions or sentence.

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