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VIHFA Says It Has Strengthened Controls, Will Provide HUD Additional Documentation

VIHFA says it is reviewing HUD's suspension notice, has already taken significant steps to strengthen internal controls and compliance, and will provide further documentation while working to limit disruption to local staff, partners and ongoing projects.

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Ernice Gilbert **July 21, 2026**

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The V.I. Housing Finance Authority said Tuesday that it has already taken significant corrective steps to strengthen internal controls and federal compliance and will provide HUD with additional documentation as it responds to the reported suspension of certain federal funds administered by the agency.

The response came less than 24 hours after HUD suspended VIHFA from future participation in federal procurement and nonprocurement transactions pending an investigation, citing alleged false certifications, weak fraud controls, delayed recovery spending and former Chief Operating Officer Darin Richardson's contracting scheme. Since then, Delegate to Congress Stacey Plaskett has called for the recovery program to be moved out of VIHFA, Senator Marvin Blyden has demanded a project-by-project accounting within five business days, and Senators Marise James and Clifford Joseph have requested a Committee of the Whole hearing.

VIHFA acknowledged receiving correspondence from the U.S. Department of Housing and Urban Development and said it is actively reviewing the notice. The authority pledged to work collaboratively with HUD through the appropriate process to address any outstanding concerns.

The agency said many of the issues referenced in the federal correspondence stem from findings made in prior years and have since been the focus of corrective work. Those efforts have included strengthening internal controls, improving operating procedures and enhancing compliance with federal requirements.

"VIHFA takes its responsibility as a steward of federal housing and community development funds very seriously," said Interim Executive Director and Chief Financial Officer Valdez Shelford. "Over the past recent years, we have implemented substantial corrective measures, strengthened our compliance framework, and remained committed to continuous improvement. We welcome the opportunity to provide HUD with additional documentation of the progress that has been made and to address any remaining concerns."

VIHFA said it has remained in communication with HUD throughout the corrective-action process and will continue cooperating fully by supplying any additional information requested.

The authority expressed confidence that HUD will consider its recent efforts and what it described as demonstrated progress while completing its review.

VIHFA also emphasized that the federal funding at issue supports essential programs providing housing, disaster recovery, community development and economic-development assistance throughout the territory.

The agency said it would work to minimize any potential effect on its employees, subrecipients, partners and ongoing projects while addressing the federal government's concerns.

"We understand the concerns this news has generated within our community," Shelford added. "Our priority remains serving the people of the Virgin Islands while ensuring that all programs are administered with integrity, accountability, and in accordance with federal requirements."

VIHFA said it will continue engaging local and federal partners and will provide the public with accurate and timely updates as more information becomes available.