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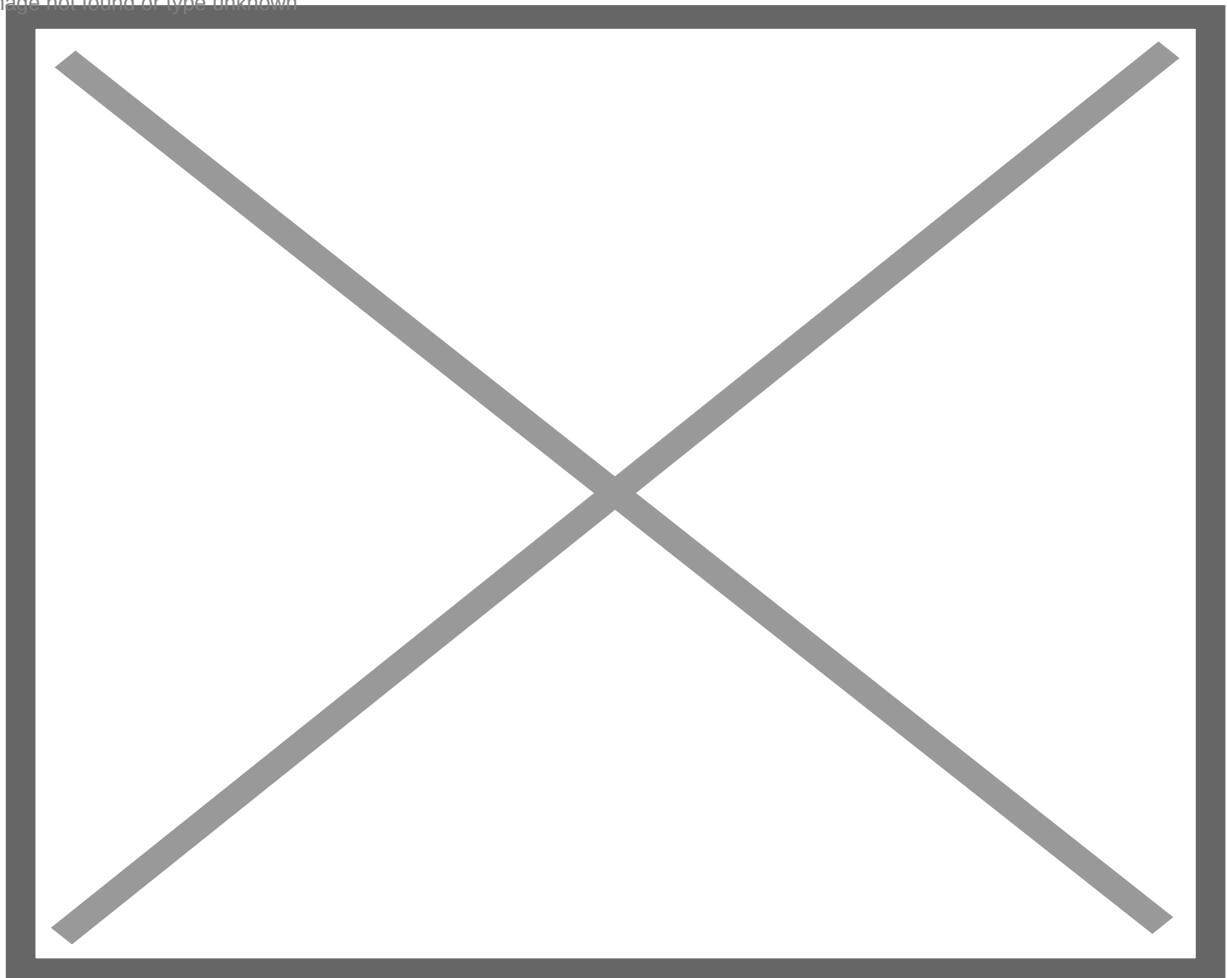
## Clendinen Resigns From VIHFA Amid HUD Suspension; Derek Gabriel Expected to Become Chief Executive

**Dayna Clendinen has resigned from VIHFA less than two weeks after HUD suspended the authority from future federal transactions. Sources say Derek Gabriel will leave Public Works to lead VIHFA, while Rueben Jennings becomes acting commissioner at DPW.**

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Dayna Clendinen, who resigned Friday from her position as VIHFA's chief operating officer as the agency confronts a federal suspension imposed by the U.S. Department of Housing and Urban Development. By. V.I. LEGISLATURE.

Dayna Clendinen resigned Friday from the V.I. Housing Finance Authority, ending a tenure that included more than two years as the agency's interim executive director and, most recently, service as chief operating officer and chief disaster recovery officer, according to people with direct knowledge of the matter.

The Consortium has also learned that Department of Public Works Commissioner Derek Gabriel is expected to leave DPW and take over as VIHFA's executive director. Rueben Jennings, the department's current assistant commissioner, is expected to serve as acting Public Works commissioner, sources familiar with the developments said.

The precise dates for Gabriel's move and Jennings's elevation were not immediately available. The changes had not been publicly announced by Government House, VIHFA or DPW as of Friday evening.

Clendinen's departure comes less than two weeks after the U.S. Department of Housing and Urban Development [suspended VIHFA](#) from future federal procurement and nonprocurement transactions while HUD's Office of Inspector General investigates potential offenses involving the authority, its officers, directors or employees.

HUD sent its [July 20 suspension notice](#) directly to Clendinen, identifying years of audit concerns, financial mismanagement, weak internal controls, conflicts of interest, deficient fraud safeguards and failures to comply with federal funding obligations.

### **Clendinen Previously Led VIHFA for More Than Two Years**

Clendinen was named VIHFA's interim executive director in February 2022 after then-Executive Director Daryl Griffith stepped down on February 15. At the time, she was serving as chief disaster recovery officer and took responsibility for an authority managing nearly \$2 billion in Community Development Block Grant disaster-recovery funding.

She remained interim executive director until April 8, 2024, when VIHFA's board appointed Eugene Jones Jr. to the permanent position following what the authority described as a search process.

Jones announced in February 2026 that he had [submitted his resignation](#), effective in April, after serving for approximately two years. Clendinen continued in the senior roles of chief operating officer and chief disaster recovery officer.

### **HUD Cited Slow Recovery, Weak Controls and False Certifications.**

HUD's suspension cited what it described as the authority's "glacial" pace of disaster recovery and a failure to convert nearly \$1.9 billion in federal assistance into completed housing, electrical and infrastructure projects.

According to the department, VIHFA had completed 2 percent of planned single-family rental projects, 16 percent of single-family homeowner projects and 19 percent of multifamily rental projects nearly nine years after Hurricanes Irma and Maria. None of 329 planned housing mitigation projects had been completed, HUD said.

The department also cited \$52.6 million in administrative costs, inadequate project oversight, inaccurate reporting, divisions operating in silos and the absence of a structured fraud-prevention framework.

HUD alleged that VIHFA repeatedly submitted false certifications asserting that it had adequate financial controls, conflict-of-interest safeguards and protections against duplicate federal benefits. The department said the authority's failures placed as much as \$2 billion in federal funding at risk, with nearly \$1.3 billion in disaster-recovery assistance remaining unspent.

The suspension notice also relied on the criminal conviction of former VIHFA Chief Operating Officer Darin Richardson, who participated in a contracting scheme involving a lumber contract that grew from \$3 million to \$4.5 million. HUD cited kickbacks of at least \$107,000 and said much of the lumber purchased under the agreement was allowed to deteriorate.

HUD's inspector general further found that employees had personal knowledge of suspected fraudulent activity but that VIHFA did not adequately investigate the information or notify senior management, according to the department.

The Bryan administration has said the approximately \$1.9 billion in previously obligated CDBG disaster-recovery and mitigation funding remains active and has not been suspended or terminated. The restrictions instead affect VIHFA's participation in future covered federal transactions while its appeal proceeds.

Governor Albert Bryan Jr. has vowed to appeal the action, describing it as an overreach while acknowledging shortcomings at the authority. VIHFA separately said it had taken steps to strengthen internal controls and compliance and would provide HUD with additional documentation.

### **Gabriel Expected to Move From DPW**

Gabriel has served as Public Works commissioner since June 2021, when he became the youngest person to lead the department. His professional background includes project management, procurement, business development, property management and government relations.

His expected appointment would move a cabinet-level official with responsibility for major infrastructure and federally supported transportation projects into the leadership of the territory's principal housing and HUD disaster-recovery agency.

DPW's official leadership listing identifies Jennings as assistant commissioner. He has also represented the department before the Legislature on its capital program, transportation infrastructure and hurricane-preparedness work.