The Virgin Islands Consortium

Former St. Croix Resident Indicted On Federal Program Fraud, Money Laundering, and Tax Related Charges

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ST. CROIX -- A Virgin Islands grand jury, on January 12, 2017, returned a six-count indictment against Celeste P. Bermudez, 41, of Methuen, Massachusetts, charging her with theft of federal program funds, money laundering, and making and subscribing a false income tax return, United States Attorney Ronald W. Sharpe announced.

Bermudez made her initial appearance on January 15, 2017, and was arraigned on the charges, before U.S. Magistrate Judge Ruth Miller. Judge Miller set bail conditions for Bermudez, who is on release pending trial.

According to the indictment, Bermudez was the finance director of the Virgin Islands Community AIDS Resource & Education, Inc. (VICARE), a nonprofit organization dedicated to promoting HIV-AIDS education and support services to individuals living with HIV-AIDS. In 2011, the U.S. Department of Housing and Urban Development (HUD) approved approximately $1.3 million in grant funds to VICARE. During the period July 1, 2011, through June 30, 2014, the Department of Health and Human Services (HHS) Centers for Disease Control and Prevention (CDC) awarded VICARE approximately $627,365 in grant funds. Bermudez, is charged with embezzling approximately $293,710 during the period January 2012 through December 2013. The indictment also charges Bermudez with engaging in monetary transactions in financial institutions with the embezzled funds, as well as making and subscribing a false 2011 income tax return.

If convicted, Bermudez faces maximum sentences of ten years in prison and a $250,000 fine for the federal program fraud and money laundering counts, and not more than three years in prison or a $5,000 fine for the tax count.

The case was investigated by HUD Office of Inspector General, HHS Office of Inspector General, and the Internal Revenue Service, Criminal Investigations. It is being prosecuted by Assistant U.S. Attorneys Kim L. Chisholm and Meredith Edwards.

Mr. Sharpe emphasized that an indictment is a merely a formal charging document and not evidence of guilt. Every defendant is presumed innocent until and unless proven guilty.