

Department of Justice
U.S. Attorney's Office
Southern District of New York

FOR IMMEDIATE RELEASE

Thursday, October 29, 2020

Disbarred Attorney Pleads Guilty To Stealing 9/11 Victim Compensation Funds

Audrey Strauss, Acting United States Attorney for the Southern District of New York, announced that GUSTAVO L. VILA, a disbarred lawyer in Westchester County, pled guilty today in White Plains federal court to stealing government funds. VILA's plea results from his theft of approximately \$1 million that the Department of Justice's 9/11 Victim Compensation Fund ("VCF") had awarded to the defendant's client, a 9/11 first responder.

VILA was arrested on September 3, 2020, and pled guilty today before U.S. District Judge Vincent L. Briccetti.

Acting U.S. Attorney Audrey Strauss said: "As he admitted today, Gustavo Vila stole money awarded by the 9/11 Victim Compensation Fund to his client, an NYPD officer and 9/11 first responder, and falsely told the client for more than three years that the stolen money had yet to be released by the Fund. Now Gustavo Vila awaits sentencing for his crime."

According to the Complaint, the Information, and other statements made in open court:

In the wake of the September 11 terrorist attacks, Congress created the VCF to provide compensation with federal government funds to any individual who suffered physical harm or was killed as a result of the terrorist attacks, or as a result of the debris removal efforts that took place in the immediate aftermath of those attacks. The original VCF operated from 2001 to 2004. President Obama and President Trump reactivated the VCF, authorizing it to operate through October 2016, and December 2020, respectively. Claimants seeking compensation from the VCF were authorized to work with an attorney and have the attorney, on the claimant's behalf, submit a claim to, and receive the claimant's award from, the VCF. An attorney's fees were limited to 10% of a VCF award.

From at least in or about 2012 through at least in or about 2019, VILA represented a retired New York City Police Department officer (“Victim-1”) in connection with Victim-1’s claim for compensation from VCF. Victim-1 was diagnosed with, and suffered from, serious, life-threatening medical conditions, including cancer, as a result of rescue and recovery work he performed at Ground Zero. Throughout his representation of Victim-1, VILA held himself out as an attorney to Victim-1 and to VCF, despite the fact that in 2015, VILA was disbarred.

In or about May 2013, VILA submitted a claim to VCF on behalf of Victim-1. VILA also submitted forms to the VCF authorizing the VCF to deposit Victim-1’s compensation award directly into a bank account controlled by VILA’s law firm (the “Bank Account”). On or about September 13, 2016, the VCF authorized an award to Victim-1 of \$1,030,622.04 for life-threatening illnesses that the client sustained from rescue and recovery work he performed as a police officer at Ground Zero.

On or about October 12, 2016, the VCF deposited the full amount of Victim-1’s award – over \$1 million – into the Bank Account. At that point, VILA was required to distribute all of that money, less 10 percent for his purported attorney’s fees, to Victim-1. VILA, however, did not inform Victim-1 about this deposit, and kept 90 percent of the award – \$927,559.84 – for himself. VILA used the money he stole for his own personal benefit, including to pay his own taxes. From in or about October 2016 to in or about February 2020, VILA falsely represented to Victim-1 that the VCF had not yet released the majority of Victim-1’s VCF award, when in fact, the entire award had been released for Victim-1’s benefit in October 2016.

* * *

VILA, 62, of Yorktown Heights, New York, pled guilty to one count of theft of government funds, which carries a maximum sentence of 10 years in prison. The maximum potential sentence in this case is prescribed by Congress and is provided here for informational purposes only, as any sentencing of the defendant would be determined by the judge.

VILA will be sentenced on February 5, 2021.

Ms. Strauss praised the outstanding investigative work of DOJ-OIG’s Fraud Detection Office.

The prosecution of this case is being handled by the Office’s General Crimes Unit. Assistant United States Attorney Sarah L. Kushner is in charge of the prosecution.