



# Department of Justice

Robert M. Duncan, Jr.  
United States Attorney  
Eastern District of Kentucky

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FOR IMMEDIATE RELEASE  
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## **CEO and CFO of Lexington Medical Companies Plead Guilty to Defrauding the United States**

**LEXINGTON, Ky.** - Ann Sonderman Giles, 56, and Lu Anne Wallace, 66, both of Lexington, pled guilty on Thursday, before U.S. District Judge Karen Caldwell, to conspiring to defraud the United States.

According to their plea agreements, from January 2014 through July 2017, Wallace and Giles served as the Chief Executive Officer and Chief Financial Officer, respectively, for multiple healthcare-related companies registered in Kentucky. Giles and Wallace admitted to conspiring to defraud the United States by failing to pay over IRS mandated trust fund taxes for the companies. Additionally, the companies run by Giles and Wallace failed to pay over their required matching portions of Social Security and Medicare taxes. In total, Giles and Wallace conspired to defraud the United States out of tax revenue in the amount of approximately \$1,595,726.

Giles and Wallace were indicted in June 2019.

Robert M. Duncan, Jr., United States Attorney for the Eastern District of Kentucky; Milton Goff III, Senior Advisor Criminal Investigations, U.S. Department of Labor; Rod Owens, Special Agent-in-Charge, SSA Office of the Inspector General, Atlanta Field Division—Nashville; and Bryant Jackson, Special Agent in Charge, Internal Revenue Service – Criminal Investigation; jointly announced the guilty plea.

The investigation was conducted by the Department of Labor, Social Security Administration, and IRS. The United States was represented by Assistant U.S. Attorney Will Moynahan.

Giles and Wallace are scheduled to be sentenced on September 21, 2020. They face a maximum of five years in prison and a fine of not more than \$250,000, or twice the amount of loss. However, any sentence will be imposed by the Court after consideration of the U.S. Sentencing Guidelines and the federal sentencing statutes.

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