



# Department of Justice

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

FOR IMMEDIATE RELEASE  
MONDAY, Sept. 21, 2020  
[www.usdoj.gov/usao/kye](http://www.usdoj.gov/usao/kye)

CONTACT: Gabrielle Dudgeon  
PHONE: (859) 685-4887  
E-MAIL: [gabrielle.dudgeon@usdoj.gov](mailto:gabrielle.dudgeon@usdoj.gov)

## **Executives of Lexington Medical Companies Sentenced for Defrauding the United States of Taxes**

**LEXINGTON, Ky.** - Ann Sonderman Giles, 56, and Lu Anne Wallace, 66, both of Lexington, were sentenced on Monday, before U.S. District Judge Karen Caldwell, to 30 months and 33 months, respectively, for conspiring to defraud the United States.

According to their plea agreements, Giles and Wallace operated various health care related companies in the Commonwealth of Kentucky, Giles as the Chief Executive Officer and Wallace as the Chief Financial Officer. They admitted to knowingly failing to pay over to the IRS mandated trust fund taxes derived from the operations of their companies, including federal income, Social Security, and Medicare taxes that had been withheld from their employees' paychecks. Giles and Wallace further admitted that between January 2014 and July 2017, they conspired to defraud the United States out of \$1,595,725 in tax revenue. .

Giles and Wallace pleaded guilty in June 2020.

In addition to their respective terms of incarceration, Giles and Wallace were ordered to pay \$1,595,725 to the IRS in restitution, jointly and severally. Under federal law, Giles and Wallace must serve 85 percent of their prison sentences. Upon their release, they will be under the supervision of the U.S. Probation Office for three years, respectively.

Robert M. Duncan, Jr., United States Attorney for the Eastern District of Kentucky; Bryant Jackson, Special Agent in Charge, Internal Revenue Service – Criminal Investigation; and Rafiq Ahmad, Special Agent in Charge, DOL Office of Inspector General, jointly announced the sentences.

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

The year 2020 marks the 150th anniversary of the Department of Justice. Learn more about the history of our agency at [www.Justice.gov/Celebrating150Years](http://www.Justice.gov/Celebrating150Years).

— END —

