



Department of Justice

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FRIDAY, AUGUST 31, 2018
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TWO INDICTED FOR MAKING CORPORATE CONTRIBUTIONS TO U.S. SENATE CAMPAIGN

WASHINGTON – The former president of a Kentucky-based corporation and a political consultant were both indicted today for using corporate funds to make contributions to the campaign of a candidate for U.S. Senate and for causing the concealment of these contributions from the Federal Election Commission (FEC).

Assistant Attorney General Brian A. Benczkowski of the Justice Department's Criminal Division, U.S. Attorney Robert M. Duncan Jr. for the Eastern District of Kentucky, and Special Agent in Charge Amy S. Hess of the FBI's Louisville Field Office, made the announcement.

A federal grand jury in Lexington returned an indictment charging Gerald G. Lundergan, 71, of Lexington, Kentucky, with one count of conspiracy, one count of making corporate campaign contributions, four counts of causing the submission of false statements to the FEC, and four counts of causing the falsification of documents with the intent to obstruct and impede a matter within the FEC's jurisdiction. The indictment also charges Dale C. Emmons, 66, of Richmond, Kentucky, with one count of conspiracy, one count of making corporate campaign contributions, two counts of causing the submission of false statements, and two counts of causing the falsification of documents with the intent to obstruct and impede.

The indictment alleges that Lundergan used the funds of S.R. Holding Company Inc. ("S.R. Holding"), a company he owned, to pay for services provided by consultants and vendors to a campaign for U.S. Senate in the 2014 election cycle. The candidate for this seat was Lundergan's family member. The indictment alleges that Lundergan and another S.R. Holding employee issued a number of payments from S.R. Holding funds for services that included audio-video production, lighting, recorded telephone calls, and campaign consulting between July 2013 and December 2015. The payments referenced in the indictment allegedly totaled \$194,270.39 over time.

According to the indictment, these payments included \$119,145.45 paid from S.R. Holding to Emmons and his company during this period for services to the campaign. Emmons also used the funds of his corporation, Emmons & Company Inc., to pay other vendors and a campaign worker for services rendered to the campaign. Over time, according to the indictment,

Emmons paid \$38,603.80 to these vendors for recorded telephone calls, technological support services, and other campaign-related expenses.

The indictment alleges that Lundergan and Emmons concealed these activities from other officials associated with the campaign. Their concealments allegedly caused the campaign unwittingly to file false reports with the FEC, in that the reports failed to disclose the source and amount of the corporate contributions.

The charges and allegations contained in the indictment are merely accusations. The defendants are presumed innocent until proven guilty beyond reasonable doubt in a court of law.

The FBI is investigating the case. Trial Attorney Robert J. Heberle of the Criminal Division's Public Integrity Section and Assistant U.S. Attorneys Andrew T. Boone and Kate K. Smith of the Eastern District of Kentucky are prosecuting the case.

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