



# Department of Justice

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## Two Convicted for Concealing Corporate Contributions to U.S. Senate Campaign

**FRANKFORT, Ky.** – A federal jury sitting in Frankfort found Gerald G. Lundergan, of Lexington, Ky., and Dale C. Emmons, of Richmond, Ky., guilty of conspiring to use more than \$206,670 of corporate funds to make contributions to the campaign of a candidate for United States Senate and for causing the concealment of these contributions from the Federal Election Commission (FEC).

Brian A. Benczkowski, Assistant Attorney General of the Department of Justice's Criminal Division; Robert M. Duncan, Jr., United States Attorney for the Eastern District of Kentucky; and James Robert Brown, Jr., Special Agent in Charge of the Federal Bureau of Investigation's Louisville Field Office, made the announcement.

After two hours of deliberations following a five-week trial, the jury convicted Lundergan of 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 jury convicted Emmons of 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.

According to the evidence presented at trial, 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 a United States Senate seat in the 2014 election cycle. The candidate for this seat was Lundergan's daughter, Alison Lundergan Grimes. The evidence established that Lundergan caused the issuance of 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 corporate contributions also included monthly payments from S.R. Holding to Emmons and his company during this period. Emmons provided services to the campaign and sought and received compensation from Lundergan and S.R. Holding. 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. Those services included recorded telephone calls, technological support services, and other campaign-related expenses.

“The jury’s verdict reinforces the fundamental principle that rules apply to everyone,” said United States Attorney Robert M. Duncan, Jr. “The defendants’ actions were deliberately designed to evade reporting requirements that serve to protect the integrity and transparency of federal elections. Stated simply, they knew what they were doing was wrong. This prosecution would not have been possible without the dedicated work of the trial team and all our law enforcement partners.”

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

“Fairly and honestly selecting our country’s leaders is at the very foundation of our democracy, and the integrity of the system must be protected,” said James R. Brown, Jr., Special Agent in Charge Louisville Field Office. “Today’s conviction should serve notice that FBI Louisville and the U.S. Attorney’s Office are fully committed to investigating and prosecuting those who wish to corrupt the election process.”

The United States was represented by Assistant U.S. Attorneys Andrew T. Boone and Kate K. Smith and Deputy Chief Robert J. Heberle of the Criminal Division’s Public Integrity Section.

Lundergan and Emmons will appear for sentencing on January 22, 2020. They each face up to 5 years in prison for the conspiracy conviction, each corporate campaign contribution conviction, and each false statement conviction; up to 20 years in prison for each obstruction conviction; and a maximum fine of \$250,000 per conviction. However, the Court must consider the U.S. Sentencing Guidelines and the applicable federal sentencing statutes before imposing the sentences.

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