

UPDATE*

A Lexington woman agreed to pay \$4.5 million to settle claims she submitted false information to get federal grants for her medical-device companies and spent some of the money on personal items such as plastic surgery and jewelry.

The judgment is against Vesta Brue, 70, and two companies she heads, LifeTechniques Inc. and Care Team Solutions, court records show.

U.S. Attorney Kerry Harvey's office announced the settlement Monday (July 6, 2020).

February 10, 2016

Lexington Couple Pleads Guilty to Grant Fraud

Online Article Available at:

<https://www.justice.gov/usao-edky/pr/lexington-couple-pleads-guilty-grant-fraud#:~:text=Today%2C%20Jerome%20Hahn%2C%2069%2C,Reeves.>

Department of Justice, U.S. Attorney's Office, Eastern District of Kentucky Press Release

LEXINGTON — A Lexington couple has admitted in federal court that they submitted false claims related to federal grants from the National Institutes of Health (“NIH”) and defrauded the government out of hundreds of thousands of dollars.

Today, Jerome Hahn, 69, pleaded guilty, to conspiracy to defraud the United States with respect to claims, before U.S. District Judge Danny C. Reeves. On December 16, 2015, Vesta Brue, 70, pleaded guilty to making a false claim against the United States.

According to court documents, Vesta Brue certified on behalf of Telehealth Holdings, LLC, a company owned by Jerome Hahn, that the company had incurred expenses totaling \$222,037, relating to two federal grants Telehealth received from NIH, for the development of medical devices. Brue falsely certified that the funds had been spent in accordance with grant rules and regulations.

Brue and Hahn waived their right to be indicted by a grand jury, were formally charged in court, and admitted to the charges.

Kerry B. Harvey, United States Attorney for the Eastern District of Kentucky; Howard S. Marshall, Special Agent in Charge, Federal Bureau of Investigation; Derrick Jackson, Special Agent in Charge, U.S. Department of Health and Human Services, Office of Inspector General, Atlanta

Region; and Christopher A. Henry, Special Agent in Charge, Internal Revenue Service, Criminal Investigation Division, jointly announced the guilty pleas.

The investigation was conducted by the Federal Bureau of Investigation, the U.S. Department of Health and Human Services, Office of Inspector General, and the Internal Revenue Service, Criminal Investigation Division. Assistant U.S. Attorney Kate K. Smith represents the federal government in this case.

Vesta Brue is scheduled to be sentenced on March 30, 2016. She faces a maximum prison sentence of 5 years and a maximum fine of \$250,000. Jerome Hahn is scheduled to be sentenced on May 18, 2016. He faces a maximum prison sentence of 10 years and a maximum fine of \$250,000. Any sentence will be imposed by the Court after consideration of the U.S. Sentencing Guidelines and the federal statutes.

*Link to Update: <https://www.kentucky.com/news/local/counties/fayette-county/article88967867.html>