



Department of Justice

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

FOR IMMEDIATE RELEASE
MONDAY, SEPTEMBER 9, 2019
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CONTACT: GABRIELLE DUDGEON
PHONE: (859) 685-4887
E-MAIL: Gabrielle.Dudgeon@usdoj.gov

Former Owner of Trailblazers, Inc. Pleads Guilty to Bankruptcy Fraud

LEXINGTON, Ky. – Barry E. Sanders, 63, the former owner and CEO of Trailblazers, Inc., an auto and truck parts supply business formerly located in Lexington, pleaded guilty in U.S. District Court Monday to violating U.S. bankruptcy laws.

Appearing in U.S. District Court, Sanders admitted that while Trailblazers, Inc., was in the process of contemplating bankruptcy in the summer of 2013, he transferred \$315,000 from the business to his personal banking accounts using four cashier's checks. Sanders then knowingly concealed the receipt of those funds, by failing to report the cash transfers on Trailblazers' corporate bankruptcy filings in August 2013, as was required by law.

"The defendant took advantage of a process designed to aid troubled businesses," said United States Attorney Robert M. Duncan, Jr. "His conviction demonstrates that the government will not tolerate business owners violating the bankruptcy system for personal gain."

U. S. Attorney Duncan and James Robert Brown, Jr., Special Agent in Charge, Federal Bureau of Investigation, jointly announced the guilty plea by Sanders.

The investigation leading to Sanders' conviction was conducted by the Federal Bureau of Investigation. The United States was represented by Assistant U.S. Attorneys Erin Roth and Will Moynahan.

Senior U.S. District Court Judge Joseph M. Hood accepted the guilty plea of Sanders and set a sentencing date of December 9, 2019. Sanders faces up to five years in prison and a fine of \$250,000. Before imposing a sentence, the Court will take into consideration the U.S. Sentencing Guidelines and federal sentencing statutes.

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