

**STATE OF MINNESOTA
CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD**

CONCILIATION AGREEMENT

In the Matter of Cragun Corporation;

1. The Cass County RPM's 2019 year-end report of receipts and expenditures disclosed a \$1,500 receipt dated December 23, 2019, from Cragun Corporation. The receipt was classified as miscellaneous income rather than as a contribution and the explanation provided was "donation for fund raiser." Cragun Corporation is a for-profit corporation doing business in Minnesota and a disclosure statement required for contributions in excess of \$200 from an association not registered with the Board was not provided to Board staff by the Cass County RPM. A staff review was initiated as the contribution appeared to have been given in violation of Minnesota Statutes sections 211B.15 and 10A.27, subdivision 13.
2. Minnesota Statutes section 211B.15, subdivision 2, prohibits a corporation that does business in Minnesota from giving a contribution to a political party unit. Minnesota Statutes section 10A.27, subdivision 13, requires an association not registered with the Board to provide a disclosure statement detailing its receipts and expenditures when giving a contribution in excess of \$200 and that statement must be filed with the Board by the recipient of the contribution.
3. Kathleen Baumann, Finance Director for Cragun's Resort on Gull Lake, stated that the contribution was given using a Cragun Corporation check but was intended to be a "personal donation from Irma and Merrill." Ms. Baumann said that in the future they will ensure that any personal contributions are given using personal checks. Ms. Baumann explained that \$1,500 was refunded by the Cass County RPM and she provided documentation showing that the \$1,500 payment was deposited by Cragun Corporation in July 2020.
4. The parties agree that Cragun Corporation gave a corporate contribution in violation of Minnesota Statutes section 211B.15, subdivision 2. This is the first violation of the prohibition on corporate contributions by Cragun Corporation.
5. To avoid a similar violation in the future, Cragun Corporation agrees that it will refrain from giving contributions and that its officers will be careful to ensure that any individual political contributions are drawn from their personal accounts.
6. Cragun Corporation agrees to the imposition of a civil penalty in the amount of \$1,500, the amount of the contribution, for giving a contribution prohibited by Minnesota Statutes section 211B.15, subdivision 2. Of this amount, \$400 is due within 30 days of the date the agreement is signed by both parties. The remaining \$1,100 of the penalty is, by the terms of this agreement, stayed until January 1, 2023. If Cragun Corporation violates Minnesota Statutes section 211B.15, subdivision 2, before January 1, 2023, the outstanding civil penalty is

due immediately. If Cragun Corporation does not violate Minnesota Statutes section 211B.15, subdivision 2, before January 1, 2023, the outstanding civil penalty is waived.

7. If Cragun Corporation does not comply with the provisions of this agreement, this matter may be reopened by the Board and the Board may take such actions as it deems appropriate.

/s/ Merrill Cragun
Merrill Cragun, Co-owner
Cragun Corporation

Dated: September 15, 2020

/s/ Gary Haugen
Gary Haugen, Chair
Campaign Finance and Public Disclosure Board

Dated: September 9, 2020