

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

CONCILIATION AGREEMENT

In the Matter of the Cass County RPM (20176);

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 accepted in violation of Minnesota Statutes sections 211B.15 and 10A.27, subdivision 13.
2. Minnesota Statutes section 211B.15, subdivision 2, prohibits a political party unit from accepting a contribution from a corporation that does business in Minnesota. 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. Fred Hage, the Cass County RPM's chair, stated that "[t]his entire matter was a mistake by Dutch Cragun to give the Cass County Republicans a contribution that he inadvertently wrote off the corporate account in error." Mr. Hage explained that \$1,500 was refunded to Cragun Corporation after the party unit was notified of the staff review and he provided documentation showing that the \$1,500 payment was deposited by Cragun Corporation in July 2020.
4. The parties agree that the Cass County RPM accepted a corporate contribution in violation of Minnesota Statutes section 211B.15, subdivision 2. This is the Cass County RPM's first violation of the prohibition on corporate contributions.
5. To avoid a similar violation in the future, the Cass County RPM agrees that it will refrain from accepting corporate contributions. The Cass County RPM will carefully review contribution checks and inquire further if there is any question as to whether a contribution is being made by a corporation as that term is defined by Minnesota Statutes section 211B.15.
6. The Cass County RPM agrees to the imposition of a civil penalty in the amount of \$1,500, the amount of the contribution, for accepting 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 the Cass County RPM violates Minnesota Statutes section 211B.15, subdivision 2, before January 1, 2023, the outstanding civil penalty is

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

7. If the Cass County RPM 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/ Fred Hage
Fred Hage, Chair
Cass County RPM

Dated: September 22, 2020

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

Dated: September 9, 2020