

US Attorney charges Minn. farmer with cheating elevator

By Mikkel Pates
Agweek Staff Writer

HERMAN, Minn. — Federal prosecutors have charged a western Minnesota farmer with conspiring with grain elevator employees to get paid for more grain than he was delivering.

Bryan Dallas Crandall, 36, of Herman in Grant County is charged with one count of conspiracy — colluding with co-conspirators at the CHS Inc. elevator from 2013 through 2017.

The government is seeking up to \$355,517.46 in a money judgment and a right to other forfeitures. Crandall is awaiting a July trial in a separate state case where he is accused of cheating a vulnerable adult in a farmland deal in nearby Traverse County.

U.S. District Judge Ann Montgomery in Minneapolis had scheduled Crandall for an initial appearance, arraignment and change of plea hearing for Friday, June 18, but was delayed on Thursday, June 17. Crandall told Agweek he would decline comment on the cases and said the federal hearing had been delayed because of a family emergency.

Prosecutor Robert Lewis, in court documents filed May 27, said Crandall sold grain to a number of grain elevators, including the CHS elevator in Herman, Minn. In a typical sale, elevator personnel weigh the load by having the farmer drive a loaded truck onto the scale, then dump, then re-weigh. The elevator pays on the net weight and other factors.

“Between 2013 and 2017, the scale operators at the Herman elevator could manually enter weight data and other information, to account



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Herman, Minn., in Grant County has a population of about 437. It is home to a CHS Inc. elevator where federal prosecutors say a farmer, Bryan Dallas Crandall, 36, colluded with co-conspirators to pay him for more grain than he delivered.

for unusual circumstances such as a truck not being properly positioned on the scale,” Lewis said. “Manual entries, however, were rare and would automatically create a notation in the CHS computer database.”

Specifically, from about Aug. 5, 2013, to about April 25, 2017, Crandall “cooperated and conspired with two employees of the CHS elevator in Herman.” The conspirators, identified in the report as co-conspirators A and B, “fraudulently inflated the records of his delivery of corn and soybean, by having the co-conspirators make manual entries in the elevator computer and cause Crandall to be paid as if he had delivered more grain than he in fact delivered.”

After receiving the overpayments, Crandall “shared the proceeds” with the conspirators using “bank transfers and by giving them cash and property, including vehicles and firearms.”

In a specific situation on Sept. 22, 2015, prosecutors said Crandall sent a text to Co-conspirator

A, to communicate the “amount of fraud proceeds being kicked back” to the co-conspirator “from a recent fraudulent trade.”

Improper land deal

Separately, Crandall is involved in a state case in Traverse County, Minn., where state prosecutors allege two counts of financial exploitation of a vulnerable adult. In that case, slated for trial on July 27 in Wheaton, Minn., the state says Crandall purchased farmland on a contract-for-deed and made three modifications.

The land seller, identified as “AJM,” in 2010 took over management of the family’s affairs after her husband’s death. Crandall purchased a parcel in October 2012, for \$1.1 million. Crandall was represented by an attorney; AJM was not. The contract specified two payments a year of \$37,246 for 15 years but specified no interest owed on unpaid balances, “which would render the value of the contract significantly less to AJM than the purchase price” by hundreds of thou-

ands of dollars. Crandall later changed the contract to double the repayment period to 30 years.

In July 2013, AJM suffered a spinal injury in an ATV accident, and remains paralyzed from the waist down, putting her in hospital or assisted living facility ever since. She passed cognitive tests, but a judge said she met the definition of “vulnerable” due to her infirmity and need for assistance, during two subsequent modifications.

Regardless of initial terms, the state says it was two final modifications that were illegal.

► On Nov. 20, 2014, Crandall’s attorney drafted another contract modification, signed by AJM at an assisted living facility where she was recovering from a surgery the day before. This modification lowered the purchase price by 22% to \$867,380. It added a provision that if AJM died during the (30-year) contract, Crandall

would pay “\$250,000 or the remaining balance whichever was lower.” AJM was “paralyzed and morbidly obese” and signed the documents while “heavily medicated.” She signed the documents “without receiving any considerations” and with unexplained rationale.

► On April 23, 2015, AJM signed a deed granting fee title to the land — effectively paying a single lump sum of \$350,000 for land with a tax assessed value of \$1.5 million.

Both transactions resulted in AJM’s four children not receiving any land. Six weeks later, on Aug. 12, 2015, a judge granted conservatorship over AJM because she was “not paying her medical expenses and had made several questionable business decisions.”



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