

## South Dakota Legislature

# Leaders Agree: There Will Be EB5 Review

BY BOB MERCER

State Capitol Bureau

PIERRE — Republican and Democratic leaders agreed Wednesday the Legislature will review state government's involvement in the EB5 immigrant-investor program.

"You have my word," Sen. Corey Brown, R-Gettysburg, said during a discussion on the topic by House and Senate members on the Legislative Procedure Committee.

"Your word is more than good enough for me," Rep. Bernie Hunhoff, D-Yankton, responded.

Hunhoff, the House minority leader, proposed to the committee that a new joint rule be adopted setting forth the requirements for hearings, with a deadline of Dec. 1, 2014.

House majority leader David Lust, R-Rapid City, and House Speaker Brian Gosch, R-Rapid City, however questioned whether the specific date in Hunhoff's language was appropriate in the permanent rules.

They suggested that a resolution approved by both bodies would be a better fit. Hunhoff agreed with their comments and withdrew his plan.

Brown, the Senate president pro tem, said it's been his intention since late November that the Legislature's joint committee on government operations and audit would look at the reports from the reviews of the Governor's Office of Economic Development under way.

Those include reviews by two



Hunhoff

accounting firms and by the state Department of Legislative Audit. GOED Commissioner Pat Costello contracted for the reviews.

Hunhoff's proposal followed the same line. Hunhoff said Gov. Dennis Daugaard has been "very forthright" in his handling of the matter.

Hunhoff said after the meeting that he would begin working on language for the resolution and pass it around. He said its chances for approval would be better if Republicans are the main sponsors.

Last March the Daugaard administration received a subpoena from a federal grand jury for government records and information on eight topics. One was the travel vouchers for Richard Benda, who was secretary of tourism and state development from 2006 through early 2011 in Gov. Mike Rounds' administration.

Daugaard's office requested an official investigation by state Attorney General Marty Jackley, who confirmed two instances of double-payments received by Benda for airline tickets to China and a third double-payment for a Las Vegas plane trip.

Jackley also found that \$550,000 was redirected from a \$1 million state grant approved by Rounds in December 2010 for the Northern Beef project at Aberdeen.

It was subsequently learned by this newspaper that Benda hand-delivered

the \$1 million check and the \$550,000 was placed in an escrow account for SDRC Inc.

SDRC held a state contract, signed by Benda, to administer the EB5 immigrant investor program for South Dakota.

SDRC coordinated recruitment of foreign investors who loaned \$500,000 apiece and paid management fees in order to qualify for permanent U.S. visas for them and their families.

The loan pools managed by SDRC were used to help finance a variety of large projects including Northern Beef throughout South Dakota since 2008.

Benda was hired by SDRC in 2011, after he wasn't retained by the Daugaard administration, and worked as the EB5 loan monitor on the Northern Beef project.

The \$550,000 placed in escrow was reportedly to pay Benda at an annual salary of \$225,000.

The plant opened in 2012 and closed last summer as it fell into bankruptcy.

Benda died Oct. 20 and his body was found two days later with a shotgun wound to the abdomen. Jackley's separate investigation determined it was a suicide.

Few details about the state government's EB5 program were known before late November, when the governor and the attorney general released information about the investigations and Benda's death.

No criminal charges have been brought to this point.

## Neb. Bill Would Limit Gun Restrictions

LINCOLN, Neb. (AP) — A Nebraska lawmaker is proposing legislation that would prevent cities and counties from enacting stricter gun regulations than the state.

Sen. Bill Kintner of Papillion introduced the bill on Wednesday. The measure would also attempt to prevent the enforcement of federal gun restrictions in Nebraska, with criminal charges for anyone who violates the law. A first-offense violation would be a misdemeanor, and additional violations would be a felony.

Kintner says the bill is designed to make gun laws uniform throughout the state. Kintner says that, in Omaha, residents have to register their handguns unless they have a state permit to carry a concealed handgun.

He says the bill also protects Nebraskans from federal overreach.

The bill is LB1030

## Bill Ends Parental Rights In Rape Cases

LINCOLN, Neb. (AP) — Fathers who conceive a child during a sexual assault could lose their parental rights, under a proposal in the Nebraska Legislature.

The measure would apply to biological fathers convicted of first-, second- or third-degree sexual assault in Nebraska. Sen. Bill Avery of Lincoln presented the bill Wednesday to the Legislature's Judiciary Committee.

The bill drew support from a 20-year-old Norfolk woman who told lawmakers that she was raped by a co-worker in 2011. The woman told committee members that the father is now seeking supervised visitation for 30 minutes every other week.

The Associated Press does not name sexual assault victims.

Avery said the bill is designed to protect women from further physical and psychological harm caused by attackers.

The bill is LB748

## Toddler Found Outside In Cold Temps

ABERDEEN (AP) — Confusion over who was caring for an Aberdeen toddler allowed the tike to wander outside in subzero weather.

Police tell the *Aberdeen American News* the 2-year-old was not injured Tuesday after a miscommunication among family members.

A driver reported seeing the boy outside and alone, dressed only in a diaper, shirt and flip-flops, and stayed with him until police arrived.

The weather service says it was minus 4 with a wind chill of 26 below at the time, so police say the boy must not have been outside long.

Officers contacted nearby homes until they found the right one.

No one's been arrested, but police are still investigating it.

## Man Arrested For Sioux Falls Fire

SIOUX FALLS (AP) — Sioux Falls police have arrested a man in connection with early morning house fire.

Twenty-two year old Jeremy James Larsen, of Sioux Falls, was charged Wednesday with reckless burning. Police say a tip from a neighbor led them to Larsen.

Investigators say the case doesn't appear to be connected to any other arson cases.

KSFY-TV reported speaking to Larsen at the scene of the fire. He shared information about the house, including that a friend of his had previously lived there.

# Panel Allows Private Funding For Voting Places

BY BOB MERCER

State Capitol Bureau

PIERRE — A South Dakota Senate panel sided with the Four Directions organization Wednesday by allowing private funding to continue to be used to pay for election polling places.

The Chamberlain-based group, which receives its money from American Indian tribes outside South Dakota, paid Buffalo and Dewey counties to open additional voting centers in 2012.

Secretary of State Jason Gant wanted the Legislature to restrict funding for administration of elections.

His measure, SB 33, would have required funding to come only from federal, state, local or tribal governments.

Gant said it wouldn't have affected voter turnout efforts, voter registration drives and services such as rides to polling places.

The additional voting places in Buffalo and Dewey counties were sought because of travel distances between the county courthouses and communities with large populations of American Indians.

Those situations were different than in Todd and Shannon counties, where voting centers were opened because the counties don't



Hunhoff

have organized governments and the election services are provided by the governments in neighboring counties.

O.J. Semans, a Rosebud Sioux tribal member and the executive director for Four Directions, said the voting centers substantially increased turnout.

"I consider equal access to the ballot box the backbone of democracy," Semans told members of the Senate Local Government Committee in his testimony Wednesday.

Several Democratic legislators from Indian country spoke against Gant's bill.

"We always have had issues getting to the ballot," Rep. Troy Heinert of Mission.

Rep. Kevin Killer of Pine Ridge recalled serving as a paid driver to carry voters to the polls in the 2004 U.S. Senate election.

"It was through a previous Democratic campaign. I don't want to mention names," Killer said.

That election saw Democratic U. S. Sen. Tom Daschle mount a massive turnout effort across the reservations, including at Pine Ridge. Republican John Thune

defeated Daschle.

Two years earlier, voter turnout on the reservations had helped Democratic U.S. Sen. Tim Johnson narrowly turn back Thune's challenge.

Four Directions is a 501 c(4) non-profit whose funding to counties has had nothing to do with specific campaigns, according to Semans.

"The donations we get are from tribes not in South Dakota," he testified. "The tribes in South Dakota have not donated to Four Directions."

Gant said the prohibition was intended to stop outside influences by "any group" on the administration of elections in South Dakota.

He said there is potential for "a lot of money" to start flowing to county governments for polling places as different sides attempt to one-up each other.

Sen. Craig Tieszen, R-Rapid City, said Republicans for example could give money to Pennington County to add voting centers in his legislative district in an attempt to drive up Republican turnout.

"And then what's next?" Tieszen asked. "Where does it stop? I find it troubling. This is sort of a good thing gone bad."

Two senators — Republican Jean Hunhoff of Yankton

and Democrat Angie Buhl O'Donnell — said the matter should be left to local control for county governments to decide.

"If that (abuse) happens, we can readdress the issue," Buhl O'Donnell said.

Hunhoff said the intent of Gant's bill was good. "I don't think it's the right fix at this time," she said.

Sen. Ried Holien, R-Water-town, took the same path. "I like the intent. I'm not sure it's a significant problem to be addressing it at this time," he said.

The vote was 5-1 to kill the bill. It was probably Gant's last attempt on the issue. He isn't seeking re-election this year.

## Legislators Want Students Who Can't Read Held Back

BY BOB MERCER

State Capitol Bureau

PIERRE — A state lawmaker from Perkins County wants to require that first- and second-grade students show they are proficient at reading before they can advance to the next grade.

"I brought the bill at the request of my school board in Eagle Butte," Rep. Betty Olson, R-Prairie City, said.

The House Education Committee hasn't scheduled a hearing yet for HB 1067. The bill doesn't name a specific assessment or test that should be used.

"They'll have to figure that out," Olson said.

A similar measure that would cover third grade is in the draft stage from Sen.

Ryan Maher, R-Isabel.

He said the state Department of Education has it under review. "Even if they oppose it, I'll still put it in," Maher said. "This will get the conversation started."

Mahe is the lead Senate sponsor on Olson's bill.

He said neither measure,

if one becomes law, would directly apply to Eagle Butte because it's a federal Bureau of Indian Education school.

"It would help other schools that aren't BIE," he said.

State achievement tests start in grade 3 in South Dakota.

**Johnson Electric, LLP**  
  
214 CAPITAL ST., YANKTON  
COMMERCIAL • RESIDENTIAL • TRENCHING  
**605-665-5686**  
Gary R. Johnson • Chris Merkel  
Rick Merkel • Ben Merkel

**PRESS&DAKOTAN**  
*2014 Beautiful Baby Contest*  
We will be featuring our annual "Beautiful Baby Contest" in print and online on **Wednesday, February 26, 2014.** If you or someone you know has a child we would love to include them in our feature!  
To enter, simply submit your photo and entry form with a \$10 submission fee by **Monday, February 17.**  
First place winners in the following categories will receive a framed winners print and prize.  
**1) Newborn-6 Months    4) 25 Months-4 Years**  
**2) 7-12 Months        5) Multiple Births**  
**3) 13-24 Months**

**Beautiful Baby Contest**  
Submit Entry To:  
Yankton Daily Press & Dakotan  
319 Walnut Street, Yankton, SD 57078  
**Entry Deadline:**  
**Mon., Feb. 17, 2014**

Category # \_\_\_\_\_ Age: \_\_\_\_\_ Date of Birth \_\_\_\_\_  
Child's Name \_\_\_\_\_  
Parents Name \_\_\_\_\_  
Address \_\_\_\_\_ Phone \_\_\_\_\_  
Winners will be selected by the staff of Yankton Media Inc. Employees and family members of Yankton Media Inc. are ineligible to win.  
\*Submission of this form authorizes the publication of child's photo in this contest in print and online at www.yankton.net.  
Submission fee (\$10) must accompany entry form to be valid.

**APPLIANCE SALES/ SERVICE**  
**Larry's**  
**APPLIANCE**  
920 Broadway, Yankton  
665-9461  
**LG Amana MAYTAG**  
**ARCH SUPPORT**  
Boston Shoes To Boots  
312 West 3rd, Yankton, SD  
605-665-9092  
**AUTO BODY**  
Justras Body Shop  
2806 Fox Run Parkway  
Yankton, 665-3929  
**Riverside Auto Body**  
www.riversideautobody-gonegreen.com  
402-667-3285

**Business AD-vantage**  
Where You Find Business & Professional EXPERTS!  
A NEW BREED OF YELLOW PAGES

**BANKING**  
Services Center  
Federal Credit Union  
609 W. 21st, Yankton, SD  
**First Dakota National Bank**  
225 Cedar St., 665-7432  
2105 Broadway, 665-4999  
**Advertise Here!**  
Call 665-7811

**CLEANING**  
**Steamway**  
CLEANING & RESTORATION  
• Carpet & Upholstery Cleaning  
• Duct Cleaning  
• Fire/Smoke • Water Restoration  
• Mold Testing & Remediation  
**665-5700**  
**1-800-529-2450**  
**DECORATING**  
**Yankton Paint & Decorating**  
406 Broadway • 665-5032  
"Since 1964"  
• Carpet • Vinyl • Wood  
• Ceramic & Laminate Flooring  
• Window & Wall Treatments  
Benjamin Moore and Pratt & Lambert Paint

**ELECTRICAL**  
**Johnson Electric, LLP**  
Commercial • Residential • Trenching  
605-665-5686  
**L&S Electric**  
Harry Lane, Contractor  
665-6612 • 661-1040  
**Brightway Electric, LLC**  
Serving SD & NE - Licensed & Insured  
760-3505 • 661-9594  
**FAMILY MEMORIALS**  
**Yankton Monument Co.**  
325 Douglas, Yankton  
605-664-0980  
**Advertise Here!**  
Call 665-7811

**FUNERAL & CREMATION**  
**Wintz & Ray**  
**FUNERAL HOME**  
and Cremation Service, Inc.  
Yankton • 605-665-3644  
Garden of Memories Cemetery  
**Wintz**  
**FUNERAL HOME**  
Harrington, Coleridge & Crofton  
402-254-6547  
wintzrayfuneralhome.com  
Trusted For Generations

**HEATING & COOLING**  
**Larry's**  
**HEATING & COOLING**  
920 Broadway, Yankton  
665-9461  
**Carrier**  
Turn to the Experts  
**Advertise Here!**  
Call 665-7811

**MEDICAL CLINIC**  
**Lewis and Clark**  
**Family Medicine**  
2525 Fox Run Parkway, Ste. 200  
Yankton, SD • (605)260-2100  
**PETS**  
**Canine Grooming**  
**Center, L.L.C.**  
718 Douglas, Yankton, 665-8885  
**Advertise Here!**  
Call The Advertising  
Dept. For More Info  
**665-7811!**