## Risner

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program to regional centers around the state.

Bon Homme County determined it wanted to maintain a local connection for both Extension and 4-H under the state system. The county continued to operate an office in the courthouse annex.

Margaret Hamilton continued staffing the office as secretary until she retired. The county still uses a full-time Extension and 4-H secretary.

"Katie (Hauck) offers a full-time presence," Brunken said. "We have someone to greet people when they walk into the office."

During the restructuring process, counties were given the choice if they wanted to participate in the statewide 4-H advisor system.

Bon Homme County remained with the state program, Brunken said. The agreement includes a financial commitment on the county's part.

"We need to be affiliated with the state program in order to continue using the (4-H) clover and to compete at the state fair," the auditor said.

The statewide 4-H restructuring process uses population for the allocation of 4-H advisors. A county can partner with one or more counties for a 4-H advisor if it wants to be part of the state program and doesn't meet the minimum population.

Bon Homme County originally partnered with Yankton and Clay counties. Bon Homme subsequently withdrew from the arrangement.

During its recent time without a 4-H advisor, Bon Homme County received interim assistance from Charles Mix County 4-H advisor Stephanie Chambliss. "We are grateful for the help we received

"We are grateful for the help we received from Stephanie," Brunken said, noting the assistance was particularly valuable during Achievement Days.

Bon Homme and Douglas counties have discussed their options in recent months, including a partnership with each other. The two counties recently committed to the sharing arrangement.

Bon Homme County officials, including one county commissioner and Extension /4-H leaders, interviewed applicants for the 4-H advisor position and gave their input, Brunken said.

The 4-H youth advisor can work with a variety of programs, Brunken said. However, Bon Homme County residents have placed importance on 4-H's traditional roots in agriculture, she said.

"We know 4-H is agriculture, and we are an agricultural state and an agricultural country," she said. "We know it's important to continue educating our children in those areas."

Bon Homme County has remained strongly committed to the Extension and 4-H programs, Brunken said. The commitment continued during the recent vacancy

with Chambliss' support, she said. "Our 4-H clubs and members have stepped up to the challenge," the auditor said.

You can follow Randy Dockendorf on Twitter at twitter.com/RDockendorf. You can discuss this story at www.yankton.net. Class From Page 1

heating and cooling and sizing, they will have an idea of what we are talking about. If we don't get them in this kind of situation, when we are talking in the classroom setting, they don't have anything to wrap

their brains around." Darcy said the students in the nine-month MTI program are in high demand.

"In the program we cover electrical, electrical motor control, heating and cooling, hydraulics, welding — it is a nine-month turnaround and then we get them back out into the work force. The students are about halfway through the first semester. It follows the regular school year, so in May they will graduate. There are constantly employers coming in looking for these students."

That demand is a fact that Kalin and Brad Haas of Kalins' Vermillion location are well aware of. "I was visiting with John

"I was visiting with John and talked to him about getting his students out here," Haas said. "The owner of the home has been in management in manufacturing here in Yankton, so he knows what kind of employees the program is producing. I told John, (the owner) may steal some of your kids, but we would like a shot at some of them, as well. So, I thought I would get them out here to

look at something different." The "different" was the opportunity to see a cutting edge air duct sealing product that is very new in the Midwest.

Aeroseal is a liquid polymer that is blown through a closed HVAC system. When the polymer comes in contact with a crack or opening in the duct work, it seals it, creating a much higher efficiency system. It takes approximately 30 minutes to seal a system, but the results can have dramatic results.

During the demonstration, Haas explained the HVAC system installed in the home and the projected efficiency of the unit. He then allowed the students to watch a test of how efficient the duct work was prior to the Aeroseal application and after.

Kalin informed the class that he had the Aeroseal application done on his own home. When they did the original test, his HVAC system was losing almost 30 percent of the air pushed through. Once the application was complete, it was losing less than 9 percent.

"Efficiencies and what we can do here to increase them are something the students will need to understand," Darcy said. "When we put in a 97 percent efficient furnace, we could be losing up to 30 percent of that. So to point out what we can do to get the efficiencies up, and give us time to talk about what they installed (is very important). When we take it back to the classroom to have something to relate it to, it actually sticks and they remember it. Without it, it kind of falls by the wayside a little bit."

Darcy said opportunities like this are invaluable to his students.

"These are the kind of students who want to turn the wrench, who want to do stuff," he said. "So it is becoming a focal point of employers coming in and trying to get them hired before they graduate. It is the mentality they want. The students have excellent electrical skills. Most leave with certified welding, and the general knowledge we give them, like today's opportunity, make them more desirable."

For more information about the industrial maintenance technology program, visit mitchelltech.edu or rtecedu.org.

Follow Shauna on Twitter @ShaunaMarlette/. To comment on this story, go to www.yankton.net.

## Rounds

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has management and fiscal oversight responsibility over his activity?" President Schloss responded to GOAC that "management, personnel and fiscal oversight reside with the Dean of the Business School in collaboration with the Human Resources Office; Purchasing Office; Finance Office; and subject to the above (BOR) chain of command. All members of NSU are responsible to the SD Board of Regents."\*

Q: Joop Bollen was in charge of EB-5 and dairy development while he was employed at the South Dakota International Business Institute at Northern State University. How did you come to know him?

A: I was aware of Mr. Bollen's early efforts to expand dairy development in South Dakota, and I have always been supportive of dairy development in our state. Direct interaction was limited updates on SDIBI's efforts came by way of staff reports.

Q: Joop Bollen sought to expand EB-5's scope regardoperation of the federal EB-5 program was expanded to the rest of the state, the decision as to what projects would be eligible is made by the federal government on a project by project basis.

My involvement and support was not unlike the federal EB-5 support expressed by South Dakota's entire congressional delegation. We were all supportive.

Q: Joop Bollen next

asked for EB-5 expansion to include casino gambling, manufacturing, petroleum and coal projects and electricity production. At the time, South Dakota's economy appeared strong, as did the national economy, prior to the 2008-09 recession. Did you approve of this major change for EB-5? What was your role?

A: I was aware of the desire to expand the federal program. My support was similar to that expressed by South Dakota's entire congressional delegation. Before this issue was politicized (it) had broad bipartisan support.

We used many tools for economic development, this was just one of them. There was no reason to restrict the usage of these tools by private projects. The federal EB-5 program did not draw from state resources because the investments came to the SD Board of Regents. I was aware of the desire to expand the program and seek federal approval to do so — but I was not involved, nor did I have a specific "strategy" to do so.

O: In 2009, Richard Benda as secretary of tourism and state development and Joop Bollen as SDRC president reached a contract that privatized South Dakota's EB-5 administration and other activities. The contract was drawn by Tim Engel of the May Adam Gerdes Thompson law firm, under a longstanding contract agreement, for the Department of Tourism and State **Development**, and Jeff Sveen on behalf of SDRC. Did you approve of the concept? What was your role in the contract? Did you inspect the 2009 contract before it was signed by **Benda? Did you approve** him to sign it?

A: Not unlike the hundreds or thousands of state agency contracts, this transaction was handled at the department level and they utilized department counsel. I was aware of the desire to privatize the program in order to better compete with the 500 regional centers located around the country. I was advised that there were only two state governmentmanaged regional centers and that privatization would help South Dakota compete at the national level. From a competitive standpoint, I agreed with the concept of privatization. I was not involved in the transactional details nor did I review the contract.

## political acquaintances? If so, how much, to your knowledge?

A: As stated, I was not involved with the transactional details of the contract. It was handled by the state agency in consultation with their counsel.

I have no ownership interests in any projects financed by the federal EB-5 program or SDRC. I'm not aware of any family members having ownership in the projects. As the attorney general has repeatedly and publicly stated; beyond Mr. Benda, his investigation found no evidence of involvement from additional state officials.

The "beneficiaries" of the federal EB-5 program number in the tens of thousands. As reported: 5000-plus jobs, \$600 million in capital investment local property tax payers. schools, 27 or more projects in almost as many different communities, utility users, investors. indirect jobs created, service providers. and spinoff businesses. Where, precisely, should we draw the line with "beneficiaries"?

Q: Were you aware in 2010 at the time of making the \$1 million Future Fund grant to Northern Beef that \$550,000 was to be diverted into an escrow account by Northern Beef to SDRC? Did you know the \$550,000 was to pay the SDRC salary for Richard Benda and for 2013, Governor Daugaard notified SD Attorney General Marty Jackley a short time later, the SD attorney general concluded his investigation in October 2013 — almost a year ago. The U.S. Attorney, Brendan Johnson, has had this file longer than anyone — despite the SD Attorney General concluding his investigation almost a year ago. The U.S. Attorney should release the federal subpoena.

## Q: Were members of your administration from your time as governor the target of that subpoena? If so, can you identify them and for what reasons?

A: I do believe the federal subpoena should be released to the public. I cannot speak to the singular actions of Mr. Benda. What we do know is that the attorney general had summoned a grand jury. The attorney general has stated that his investigation which concluded almost a year ago - found no evidence of involvement from additional state officials beyond Mr. Benda. What occurred was an isolated incident with a single state employee — allegedly taking place during and after his em ployment with state government. And again, the attorney general has clearly stated that I was not a target of the investigation and that no other state officials were inQ: As governor, you were generally silent in the public arena regarding EB-5 as a development tool by your administration. You didn't address the Legislature about it. The state contract with SDRC wasn't publicly filed. Why?

A: As stated, I was not involved with the transactional details of the contract. It was handled by the state agency in consultation with their counsel.

Q: Did Gov.-elect Daugaard confer with you regarding the future of Richard Benda? Why wasn't Benda retained?

A: He did not.

Q: Did Richard Benda and/or Joop Bollen and/or Jeff Sveen remain in contact with you regarding EB-5 matters after you finished your time as governor? A: No.

Q: Did you agree with Gov. Daugaard's decision, via Economic Development Commissioner Pat Costello, to terminate the SDRC contract in September before its schedule expiration? Why do you feel that way?

A: We did not discuss his decision. However, I trust his good judgment in making an appropriate and informed decision.

allow for more investors and a broader geographical range in South Dakota. What was your role in the initial expansion of the dairy component of EB-5?

A: I was aware and supportive of the dairy expansion efforts. However, as governor, I was not involved in the day to day activities of the BOR program.

Q: Joop Bollen asked USCIS (United States Citizenship and Immigrations Services) to expand EB-5 for meatpacking, specifically for Northern Beef. What was your role in that effort? Did you support this fundamental change?

A: I was aware of and supportive of the desire to expand the federal program beyond dairy development. However, as governor, I was not involved in the transactional details or the effort to receive federal approval. I did sign a letter that certified that much of South Dakota was agricultural. This certification is required in order to expand the geographic eligibility for additional projects.

It's important to understand that the state doesn't decide which projects get approved. Once the area of from private sources and potential projects would decide whether or not they would apply for eligibility.

Q: In 2007 Bollen and others involved in South Dakota's EB-5 program traveled overseas to recruit EB-5 investors in Asia, including China. Did you approve? Did you consider going?

As NSU President Schoss stated in his June 16, 2008 letter to GOAC, SDIBI's management, personnel and fiscal oversight resided within the university and ultimately, the SD Board of Regents. A governor would not typically be aware of the travel schedule of a university employee.

I did not personally travel or recruit investors.

Q: In 2008 Bollen and Aberdeen lawyer Jeff Sveen formed SDRC Inc. and established the first LLC mechanisms for loan pools for EB-5 purposes in South Dakota. Were you involved in the discussions? Were the SDRC and loan pools part of your strategy for EB-5?

A: I was not. Based on the June 16, 2008 letter from the university to GOAC — SDIBI was still wholly responsible

225 Cedar St., 665-7432 2105 Broadway, 665-4999 Q: Under what state legal authority was the contract formed in such a way that state government derived money from a portion of the fees charged by SDRC to EB-5 investors/lenders?

A: I was not involved with the transactional details of the contract. It was handled by the state agency in consultation with their counsel.

Q: The contract provided for state government to receive a reduced share of fees from two loan pools for Dakota Provisions. Why?

A: Once again, I was not involved with the transactional details of the contract. It was handled by the state agency in consultation with their counsel.

Q: Did the contract provide for a profit margin for SDRC? Did you receive any financial benefit from the EB-5 activities of South Dakota and SDRC? Did any friends, relatives or

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other SDRC expenses? A: No.

> Q: Who approved the \$550,000 increase in the Future Fund grant to South Dakota Development Corporation in late 2010? Were you aware of the increase? If not, how did you become aware of it?

A: My understanding is that Richard Benda acted independently and without my approval. I became aware of the transaction in the fall of 2013.

Q: In March 2013, Gov. Daugaard's office received a federal grand jury subpoena. Were you the target of any part of that subpoena? If so, for what purpose?

A: No. And, I believe the federal subpoena should be made public. So Attorney General Marty Jackley has repeatedly stated that I was rot a target of the investigation. Eight separate law enforcement and investigatory agencies have reviewed various aspects of this case. Local, state and federal authorities have worked cooperatively. And yet. the U.S. Attorney Brendan Johnson maintains his silence. The federal subpoena was delivered to the state in March or April of

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Q: Are you otherwise aware of what was sought in subpoena? Did you and Gov. Daugaard confer about it? Did you and state Attorney General Marty Jackley confer about it? A: No. No. No.

volved.

But, the federal subpoena should be released. I am confident that the public disclosure of the federal subpoena would also clarify that 1 was not a target. The U.S. Attorney has had the file longer than anyone. The attorney general concluded that no other state officials were involved, the attorney general has stated that I was not a target of the investigation and yet — the U.S. attorney remains silent and withholds the federal subpoena from public disclosure.

\* – The reference to 5,000 jobs and \$600 million invested are compilations by the Rounds campaign. The United States Citizenship and Immigrations Services is the source cited. We are attempting to independently verify major pieces of the information. The jobs in the case of at least one project appear to include direct and indirect employment including manufacturing of items installed in the project. The investment amount for at least two of the major projects includes EB-5 loans, other loans and other investment. We are also waiting for additional information from USCIS and several other major projects involved in the EB-5 program.



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