### **Man Gets 41 Months For Burglary**

PIERRE (AP) — A South Dakota man accused of not returning a borrowed vehicle to its owner and using it during a

burglary has been sentenced.
U.S. Attorney Randolph Seiler says 34-year-old Markus Daniel Knight has been sentenced to more than three years in prison. The Eagle Butte man, who pleaded guilty to seconddegree burglary earlier this year, was also ordered to pay over

Federal authorities say Knight failed to return a borrowed vehicle to its owner on Dec. 4, and the owner reported it as stolen. Authorities say Knight drove the vehicle to a Timber Lake home, where he stole items worth more than \$4,000.

Knight is under the custody of the U.S. Marshals Service.

#### Woman Dies In Two-Vehicle Neb. Crash

BEATRICE, Neb. (AP) — Authorities in southern Nebraska say a woman has died following a two-vehicle crash involving

Beatrice Fire and Rescue Captain Corey Lienemann says the crash was reported around 6:45 a.m. Sunday on U.S. Highway 136. A small compact car was disabled on the shoulder of the road when it was struck by a Buick vehicle.

Roger Harris, Gage County attorney and coroner, says the small compact car appears to have hit a deer before it was struck by the Buick vehicle.

Beatrice radio station KWBE reports the compact car was carrying a woman who was later pronounced dead. Additional information about any other people in the cars was not

# **Iowa Group Seeks More Permit Oversight**

DES MOINES, lowa (AP) — A group that opposes a proposed oil pipeline across lowa is asking a federal agency's regional office to be more stringent in issuing permits to a private company seeking access to waterways in the path of the project, and members say the request highlights their concern over varied oversight in the approval process.

Iowa Citizens for Community Improvement members say they want the Army Corps of Engineers' district office in Rock Island, Illinois, to change how it is reviewing permit applications submitted by Dakota Access LLC, a unit of Dallas-based Energy Transfer Partners. The company plans to build a pipeline that also runs through parts of North Dakota, South Dakota and Illinois

The Army Corps of Engineers helps maintain the country's infrastructure, including waterways, and its district offices around the country issue permits for waterway access. In the Rock Island office, that includes the Missouri and Mississippi rivers, which border lowa and are along the part of the pipeline. Other regional offices are in charge of permits along different parts of the 1,134-mile pipeline.

Nathan Malachowski, a community organizer for Iowa CCI, said his group is focusing on the Rock Island office because it oversees affected waterways in Iowa. He hopes that when officials are considering this project, they will not focus on waterways as individual permit applications but one large application for the section that involves Iowa. The group believes that

would better show the scope and impact of the pipeline.
"This is people's farmland, this is the water that people drink, that they are putting into jeopardy by not doing more stringent permitting," he said.

## **Teen Creates Ribbons To Support Troops**

CORSICA (AP) — A senior at Corsica-Stickney High School is creating wooden yellow ribbons to support local guardsmen

Carson Kostal came up with the idea for a senior project in which he was tasked with immersing himself in something he's passionate about. Kostal wants to enlist in the military, but he's unable to because of a hunting accident that left him visually impaired, so he decided to focus his project on the South Dakota National Guard members who were deployed this summer

Of the 162 men and women who were deployed, Kostal knows 10 of them, including his older brother.

'It finally hit me when he was leaving that I should do something to support them all going since I can't go over with them," Kostal told *The Daily Republic*. "I thought this would be a great idea to support it.'

Kostal, of Corsica, has made 173 ribbons that measure several feet tall, and he said they often sit in the front yards of homes. He has collected more than \$3,000 in donations to send the National Guard members overseas care packages filled with

razors, toothbrushes, homemade food and other items.
Social media was used to take orders for Kostal's ribbons. He said it takes about four hours for him to make one, including tracing outlines on plywood and painting the final product. He thought about stopping after orders poured in.

After I reached about 75 to 100, I was really thinking about stopping since I was getting kind of tired of it, but then it hit me, like what if there's people out there that had a close family member like I did go over?" Kostal said. "And that's really what

kept me going."
Kostal said people's spirits were down in the days after the guardsmen left. The ribbons seem to help, he said.

"Since we started doing this, it's gotten their hopes up and really excited about what they can do to help them overseas," Kostal said. "And the more we keep our mind on doing something like this for them, the quicker they get to come home. Then, 13 months doesn't seem so long.

# Man Accused Of 2-State Vehicle Pursuit

OMAHA, Neb. (AP) — A man has been arrested in connection with a vehicle pursuit that led authorities through parts of Iowa and Nebraska.

Omaha police say 29-year-old Robert Coffman was booked into Douglas County Corrections early Sunday. He faces charges that include methamphetamine possession and resist-

Court records do not list an attorney for Coffman.

Police say officers observed Coffman driving a car early Sunday in Omaha that was reported stolen. Coffman is accused of ignoring a traffic stop request from officers and driv-

ing into nearby Carter Lake, Iowa.

The car then entered Blair, Nebraska, before returning to Omaha. Authorities attempted to deploy tire deflation devices but the vehicle avoided them.

The car stopped eventually and Coffman and a male passenger were taken into custody. The passenger was cited and

# Feds Aim To Kick SD **Out From EB-5 Program**

BY BOB MERCER State Capitol Bureau

PIERRE — The EB-5 scandal is blowing up again in South Dakota. And this time the allegations are bigger and stranger.

The federal government agency that oversees the program has revealed it conducted a detailed investigation. Among the probe's findings:

- Three payments totaling \$1.7 million inexplicably went to a holding company in Cyprus that owns Russian railway companies;
- More than \$5.1 million was used to purchase a Hong Kong-based lender;
- That lender had previously provided \$2.85 million as bridge financing at 29 percent interest for Northern Beef Packers in Aberdeen. The loan cost nearly \$7.5 million before the purchase of the lender;
- Some \$5 million can't be found; Approximately \$3.3 million was improperly spent on expenses;
- Money was loaned between projects; Incomplete and inaccurate reports were filed five consecutive years to the federal agency, including after state government took back control of South Dakota's program on Sept. 24, 2013;
- The outside contractor who previously managed the program for state government has continued to run a website identified as South Dakota Regional Center Inc.:
- Investor agreements sometimes appeared to have been altered;
- $\bullet$  Investors sometimes complained they couldn't get their money back after their visa applications were refused;
- Four South Dakota dairies involved with the program filed Chapter 11 bankruptcy; and
  • The federal government received
- 1,002 immigrant petitions by alien entrepreneurs associated with 32 projects in South Dakota, with 705 approved to date.

Because of those actions, the intention of the U.S. Citizenship and Immigration Services now is to terminate South Dakota from further participation.

The thrust of the federal government's allegations is state government hasn't corrected the past problems.

The EB-5 program offers permanent visas to aliens who invest in U.S. projects. The USCIS allows regional centers such as the South Dakota office to pair investors and projects.

The federal agency on Sept. 28 sent notice of intent to terminate South Dakota's regional center status to the Gover-

nor's Office of Economic Development. The 18-page notice contains many examples alleging improper conduct involving South Dakota's EB-5 activities.

Gov. Dennis Daugaard's administration hasn't responded yet and is still analyzing the possible effects of a termination, according to his chief of staff, Tony

A law firm that specializes in EB-5 matters has been retained.

South Dakota received 30 days to respond.

Still unclear are the possible effects from a termination on investors and projects that received financing through EB-5 since its 2004 start in South Dakota.

Also unknown yet is South Dakota's future eligibility to participate again. As of Oct. 5, the federal agency listed

754 regional centers currently approved. South Dakota was unusual as a state government operating directly as a regional center.

Most regional centers are privately

Federal termination of a regional center isn't common. USCIS lists 35 that have been terminated.

The USCIS allegations about South Dakota's program are noted in passing in a lawsuit filed in state circuit Friday on behalf of state government by Paul Bachand. He is a special assistant attorney general hired by the Daugaard administration last year regarding EB-5 matters.

The lawsuit seeks financial records

and money from Joop Bollen of Aberdeen. Bollen ran South Dakota's regional center, first as a state government employee at Northern State University and later as a private businessman operating SDRC Inc. from Aberdeen.

Bollen worked for years at the South Dakota International Business Institute at NSU in a post funded by the Governor's Office of Economic Development. In 2004 at the direction of Gov. Mike Rounds' administration, he petitioned USCIS for South Dakota to become a regional center

for investor-visa purposes.
Bollen ran the regional center. Several expansion petitions followed. On Jan. 10, 2008, while still a state employee, Bollen incorporated SDRC Inc. He was the company's registered agent and president. On May 8, 2008, he signed a memorandum of understanding between the regional center and SDRC Inc., placing SDRC Inc. into a management position for the regional center.

On Dec. 22, 2009, Bollen signed a

consulting contract for SDRC Inc. with the state Department of Tourism and State Development. He resigned from his state job the same day. He signed an amended contract on June 4, 2010. Representing the state department in each instance was Richard Benda, the head of the department.

After Benda wasn't retained in 2011 by the incoming administration of Daugaard, he went to work for SDRC Inc. as a loan

monitor for the Northern Beef project. In April 2013 the Daugaard administration secretly received notice of a federal

investigation underway. The governor secretly ordered a state

investigation involving Benda, the Governor's Office of Economic Development and SDRC Inc.

Benda died Oct. 20, 2013, while apparently hunting pheasants alone at a farm near Lake Andes. His death was ruled a suicide committed by using a stick to push the trigger on his shotgun, which fired into his abdomen. On July 29, 2014, state Attorney

General Marty Jackley disclosed to a legislative committee that before Benda's death he already had an arrest warrant prepared for Benda and had scheduled a grand jury to meet.

Benda faced allegations of doublebilling for airline tickets while a state employee and steering a state grant to Northern Beef in late 2010 that was used to pay his salary with SDRC Inc. starting

State government had to defend Bollen last year in a California lawsuit brought be a businessman who had wanted his company to recruit EB-5 investors for South Dakota.

The state lawsuit now pending against Bollen alleges that SDRC Inc. didn't fully fund a \$350,000 indemnity account required under its state contract and hasn't given state government access to a second indemnity account that is supposed to contain \$1 million.

The lawsuit says state government has spent at least \$175,000 in legal fees and associated costs regarding SDRC Inc. The lawsuit also alleges that Bollen hasn't turned over all of its records and reports to state government.

Among the remedies requested in the complaint is that SDRC Inc. be ordered to cease and desist any representation that is connected to the regional center and state government.

Bollen has 30 days to respond to the lawsuit.

### Nebraska

# **ConAgra Exit Unlikely To Spur Tax Changes**

BY GRANT SCHULTE Associated Press

LINCOLN, Neb. — ConAgra Foods' decision to move its headquarters from Omaha to Chicago while cutting 1,000 jobs in Nebraska isn't likely to spur major changes in the state's tax policies, legislative

The company's decision to move its headquarters after nearly a century dealt a blow to the state, prompting new calls for tax reform during the 2016 session to help Nebraska compete with other states.

But key lawmakers said they plan to continue their focus on property taxes, noting that the company's move was less about taxes and incentives than the need to consolidate its operations to remain com-

The Illinois Department of Commerce and Economic Development confirmed this month that ConAgra will get an unspecified amount of tax credits in exchange for 150 new jobs in Chicago. Nebraska gave the company a package of tax incentives and exemptions, and Omaha demolished a historic warehouse district after ConAgra threatened to leave in 1986.

Sen. Heath Mello of Omaha, who met with ConAgra officials to try to keep the company from moving, said CEO Sean Connolly told him the decision had nothing to do with Nebraska's tax climate.

what companies need to stay competitive. He said he has had "preliminary conversawith Gov. Pete Ricketts' administration about steps the state can take to prevent large employers from leaving in the future.

"I think it's a wake-up call that state government needs more innovative, and it needs to have credible research and data available to help us make decisions," Mello said. "We have to address that. It is a weakness in regards to us being competitive with other states across the country.

Sen. Mike Gloor of Grand Island, chairman of the Revenue Committee, said his committee's focus will remain on lowering property taxes and finding new ways to pay for K-12 schools.

Gloor said ConAgra's move shows that companies look at more than taxes when deciding where to locate.

Nebraska offers a friendlier overall tax climate than Illinois, he said, pointing to that state's budget impasse and ongoing pension crisis. Even the tax program that was used to lure ConAgra to Illinois has been put on hold because of state budget problems, although

officials say the benefits were offered to the company before the program was scaled back. 'I'm shaking my head,

thinking: Illinois? Really?' Gloor said. Even so, some groups say

Nebraska could become more competitive by lowering its income tax rates for individuals and corporations so would reduce the need for tax incentives that favor some businesses over others, said Jim Vokal, CEO of the Platte Institute, an Omaha-based freemarket think tank. Vokal said lawmakers

should look hard at the tax benefits ConAgra received decades ago and consider whether they served the state's longterm interest. Ricketts has also said the company's departure should serve as a reminder of the need to ensure that Nebraska's tax code and incentives are competitive.

"We have the tax incentives because we have such a hightax environment," Vokal said. "They're a great economic tool for states like Nebraska, but they come at the expense of broad-based tax reform for all Nebraskans.

Business groups defend the incentives as a valuable tool to attract companies. They're par-

ticularly important in Nebraska because two of the state's neighbors — South Dakota and Wyoming — have no income tax, said Barry Kennedy, president of the Nebraska Chamber of Commerce and Industry.

Kennedy said his group plans to advocate for lower individual and corporate income but he acknowledged that tax breaks wouldn't have stopped ConAgra's departure.

Politicians usually face pressure to act when a major employer threatens to leave the area, but usually there's not much they can do, said Renee Fry, executive director of the OpenSky Policy Institute, a Nebraska tax policy think tank.

Fry said employers generally want a young, welleducated workforce in places that nurture creative thinking and innovation. Because of its low unemployment, she said, Nebraska has a worker shortage that makes it harder for businesses to find employees.

"Cutting taxes isn't really going to cause young people to move here," Fry said. "Young people are looking for a job, a cool place to live, or to be near their families."

### Kynan C.Trail, MD, FACS Mello said state and local officials instead need to do a better job following industry trends, so they know earlier



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