

# Report Finds Former Secretary Of State's Office \$43K Short

BY JAMES NORD  
Associated Press

PIERRE — The Secretary of State's Office under Jason Gant came up more than \$43,000 short in its accounting at the end of 2014 and used federal grant funds for unpermitted purposes, according to a report from a South Dakota state auditor.

Auditor General Martin Guindon said in the report that his office found no explanation of the \$43,300 difference between accounts and the Secretary of State's Office reported receipts for permit and fee revenue. Current Secretary of State Shantel Krebs said the discrepancy has since been resolved.

"The concern was: are we missing money?" she said. "It's state money, taxpayer money, so where is it and why is it missing?"

Other findings in the report include several missing iPad Mini devices out of 30 purchased and that about \$12,000 of grant funds were used for oversight of a different program, which the auditor believes isn't allowed.

Gant told *The Associated Press* that the report shows some mistakes that his office made with accounting proce-

dures, errors he would have fixed had known about them prior to leaving office. Gant said he didn't know this type of inquiry was an option.

"Had I known that, absolutely, I would have done it," he said. "Unfortunately, we're going to make mistakes, and I've made my fair share, and we would have corrected those mistakes."

The report said that the Secretary of State's Office didn't have "adequate internal control policies or procedures" related to two federal programs. Gant said he discussed the controls with auditors and said the office could have had more detailed procedures. He said the \$12,000 in grant funds was simply a coding error.

He also said the iPad devices were among roughly 100 tablets the office bought when it was testing a military voting system. He said the devices didn't have a proper system to track them.

Speaking about management and accountability, Gant, who's now a business consultant, said he put more stringent procedures in place for county reimbursement from Help America Vote Act funds.

The Legislature's Government

Operations and Audit Committee is scheduled to discuss the report Friday, and Gant said he has gotten permission to testify before the panel.

Krebs said she requested the report because of complaints from citizens who said the office's operations were slow and unresponsive.

"What we walked into just shows how accountability to our taxpayers is so important and that these items aren't insignificant to the taxpayer," Krebs said. "You're dealing with money that's theirs."

She said she was also concerned after taking office in January when a staff member noticed that a century-old original state flag was missing from its stand.

Attorney General Marty Jackley said Wednesday that the flag had been recovered from a former employee and criminal charges are expected. The flag was hanging up in Krebs' office Thursday afternoon.

Gant said the flag was taken down during his tenure because it was beginning to rip at a corner. He said it was stored in a closet while a display was being put together and someone took it from the closet.

## Family Of Injured Trooper Thanks Public

RAPID CITY (AP) — The family of a South Dakota Highway Patrol trooper who is recovering after a weekend assault has released a statement thanking the public for support.

Ten-year veteran trooper Zachary Bader is recovering in a Rapid City hospital from injuries that are not considered life-threatening. Authorities say he was assaulted on Interstate 90 while making a traffic stop Saturday.

The family says it is receiving support "from across the world." The statement says Bader is improving, and that his sense of humor has remained intact.

Four Washington state residents are charged in the incident. The most serious charges are against 33-year-old Donald Willingham, who's accused of attempted murder.

Authorities say they recovered more than 50 pounds of marijuana, \$33,000 in cash and a handgun after the incident.

## Investor Encourages Cabela's To Change

SIDNEY, Neb. (AP) — An investment firm has purchased a significant stake in Cabela's, and wants the outdoor retailer to consider strategic changes such as selling off the company's credit card unit.

Elliott Management Corp. said Wednesday that it owns 6 percent of Cabela's shares and holds options to buy another 5 percent.

Elliott said in documents filed with the Securities and Exchange Commission that it thinks Cabela's is undervalued, and the Sidney, Nebraska-based company should act to boost its stock price.

Cabela's officials didn't immediately respond to messages Thursday. Just last month Cabela's laid off 70 people to eliminate about 4 percent of its corporate workforce.

## 2 More Men Charged In Fatal Shooting

SIoux FALLS (AP) — Two more men are facing charges in an accidental shooting in Sioux Falls that killed a man.

Nineteen-year-olds Desmond Henderson and David Ramirez are accused of concealing evidence in the case by trying to get rid of guns. It wasn't clear if they had obtained attorneys to represent them.

Police say the incident happened Saturday, when 21-year-old David Randle Jr. was holding an AK-47 rifle when it discharged and fired a bullet into the leg of 19-year-old Mikael Ashame. The bullet hit a major artery and Ashame died at the scene.

Randle is charged with manslaughter. The gun's owner, 19-year-old Mason Mitzel, is facing several drug charges.

## New Plant Will Bring At Least 180 Jobs

NORFOLK, Neb. (AP) — Officials say a new oil and gas pipe manufacturing plant will bring at least 180 jobs to Norfolk.

CEO Charley Havens announced at a news conference Wednesday that OCT Pipe, of Rockwall, Texas, had chosen Norfolk over other locations.

The company expects to break ground soon on its investment of at least \$125 million and begin operating in mid-2017. It intends to buy steel from the Nucor plant in Norfolk to make pipe for the oil and gas industry.

The company will be applying for tax incentives available through the Nebraska Advantage Act.

## Students' Return To Damaged School

CANNON BALL, N.D. (AP) — Students at an elementary school on the Standing Rock Indian Reservation that was damaged by a grass fire will have to wait a little longer to return to their regular classrooms.

The 120 students have been attending classes in Solen since the Oct. 11 blaze that melted playground equipment and filled the Cannon Ball school with smoke and soot.

They were to return to Cannon Ball on Wednesday, but school administrator Justin Fryer tells *KXMB-TV* that cleanup isn't done. Fryer says officials will inspect the building Friday with hopes of moving students back in on Monday.

## Man Gets Prison In Sexual Assault Case

LINCOLN, Neb. (AP) — A 30-year-old man accused of raping a woman in a Lincoln alley has been sentenced to 20 to 35 years in prison.

The *Lincoln Journal Star* reports that James McWilliams was sentenced Wednesday. He had been found guilty of first-degree sexual assault of an incapacitated person.

Prosecutors say McWilliams had sex with a 21-year-old woman who was too intoxicated to consent in May 2014. Police say workers at a business saw McWilliams and the victim walking down the alley and one of them called police, believing the woman looked incapacitated.

McWilliams has been ordered to register as a sex offender upon his release from prison.

## \$4.2M Grant Helps Climate Change

LAWRENCE, Kan. (AP) — The National Science Foundation has awarded a \$4.2 million grant to research how climate change affects river systems in the U.S. and Mongolia.

Half of the money from the five-year grant will support work at the University of Kansas, where ecology and evolutionary biology professor James Thorp is the grant's lead investigator. He says that North American river systems, with their dams and presence of non-native fauna, could foreshadow the future of rivers in Mongolia. And he says what is observed in Mongolia could indicate changes U.S. rivers will undergo in the future.

Also participating are researchers from Ball State University, Drexel University, Kansas State University, the National University of Mongolia, Rutgers University, the South Dakota School of Mines and Technology, the University of Nevada Reno and Wayne State College.

# Ricketts, Senators Warming Up For Income Tax Cuts

BY GRANT SCHULTE  
Associated Press

LINCOLN, Neb. — Nebraska Gov. Pete Ricketts is preparing a new push to lower income and property taxes in next year's session, with arguments that the state can't compete with its peers.

Ricketts told a Lincoln audience Thursday that he expects a lot of discussion in the Legislature about the state's income tax, an issue that has taken a back seat to property tax reform. His comments came at a forum sponsored by the Platte Institute, an Omaha think tank that frequently advocates for lower taxes.

"Income tax relief is one of the areas where we have to be more competitive," Ricketts said in his speech. "We're working on ideas with regard to that. I see this as something that we'll be talking a lot about in the next session. How do we become more

competitive when it comes to taxes?"

Lawmakers shifted their focus from income to property taxes after a 2013 legislative study concluded that Nebraska's tax code isn't substantially different from its neighboring states, but property taxes were higher than average.

The study has served as a rough guide for lawmakers working on tax policy, although four lawmakers on the 14-member study committee refused to sign the report because they disagreed with it.

Nebraska's top individual income tax rate is 6.84 percent, which is lower than the 8.98 percent top rate in neighboring Iowa but higher than the 6 percent imposed by Missouri, according to the Washington-based Federation of Tax Administrators. South Dakota and Wyoming levy no income tax, largely because of revenue from natural

resources and tourism, and Kansas is phasing out its income tax even though the decision created state budget problems. Colorado imposes a flat 4.63 percent tax.

Sen. Jim Smith of Papillion said he wants lawmakers to look at baseline tax policies when they convene next year. Smith said Nebraska's tax code hinders small businesses, many of which pay the individual income tax instead of corporate income taxes because of the way their companies are structured.

"We have to have baseline tax policies that are attractive for businesses to expand," said Smith, who spoke on a four-member tax policy panel.

Creighton University economist Ernie Goss said state officials should focus on reducing or eliminating tax exemptions as a way to pay for broader income tax cuts, but lawmakers have not shown the will to do so. Goss said he believes state aid to

local governments should only increase with population growth or a natural rise in costs.

"Nebraska's moving in the opposite direction that we need to," Goss said.

Former Gov. Dave Heineman announced a plan in 2013 to abolish the state's income tax by eliminating tax exemptions, but the proposal faced heavy opposition from lawmakers and groups that received the exemptions. Critics of the plan also argued that taxes play less of a role in attracting businesses than quality schools, roads and amenities for young people.

Sen. John Stinner of Gering said lawmakers need to maintain their focus on reducing property taxes to help farmers and ranchers. Stinner said they also need to keep lowering the tax burden of retirees, many of whom leave the state for places like Arizona, Nevada, Texas and Florida.

# Agency Punished Scientist Over Bee Research

BROOKINGS (AP) — A federal scientist says he was punished for publicizing research showing a link between pesticides and the decline in bees and other pollinators.

Brookings, South Dakota-based entomologist Jonathan Lundgren filed a whistleblower complaint against the U.S. Department of Agriculture on Wednesday. The complaint says Lundgren's research and work travel was scrutinized, and that he was suspended for violating agency protocols.

Lundgren is being represented by Public Employees for Environmental Responsibility in his complaint to a federal whistleblower protection board.

"Once he started publishing this work, he went from golden boy to pariah, and that's what this case is about," said Jeff Ruch, the group's executive director.

According to Ruch, Lundgren has worked with the USDA for 11 years and was highly regarded until he published a paper showing a class of insecticides called neonicotinoids is harmful to monarch butterflies. Lundgren's complaint says a supervisor confronted him about publishing a "sensitive" topic without permission.

In August, Lundgren was suspended for two weeks without pay. A letter from a supervisor says Lundgren was suspended following a complaint by one of his lab

employees, and because he falsified travel charges and didn't follow supervisor instructions, among other infractions.

Ruch claims pressure from the pesticide industry led the USDA to stifle Lundgren and other scientists. He doesn't have evidence, but said the complaint will allow attorneys to seek information and interview USDA officials.

USDA spokesman Christopher Bentley said the agency can't discuss individual cases, but said it's committed to scientific integrity. He said the agency reviews allegations of wrongdoing.

"The USDA has implemented a strong scientific integrity policy to promote a culture of excellence and

transparency," Bentley said in a statement. "That includes procedures for staff to report any perceived interference with their work, seek resolution, and receive protection ... for doing so."

Lundgren filed an internal complaint in September 2014 that accused the USDA of retaliating against him because of his research. The agency found his complaint had no merit, and an appeal by Lundgren is awaiting a response from the agency.

Ruch said going public was a "last resort" for Lundgren.

"He's at the brink of professional elimination," Ruch said.

# Call Wait Times Decline For Nebraska Public Benefits System

BY GRANT SCHULTE  
Associated Press

LINCOLN, Neb. — Nebraska residents who rely on public benefits are spending less time on the phone waiting for help, Gov. Pete Ricketts said Thursday.

Average call-wait times for ACCESS Nebraska fell to less than five minutes in September, compared to more than 14 minutes in August, according to data from the Nebraska Department of Health and Human Services. The September average is the shortest wait time for the service in three years.

ACCESS Nebraska processes applications and renewals for state and federal benefits such as the Supplemental Nutrition Assistance Program, Medicaid and home-energy assistance.

The service, created in 2008 as a way to streamline the application process, has

faced criticism for delays and errors. Some low-income people who rely on the service use prepaid phones with a limited number of minutes; others call while on work breaks.

"We want to make sure that we're serving our customers better, serving the people of Nebraska better, by improving services," Ricketts said at a news conference at the Capitol.

Ricketts said the system is also processing applications more accurately because of changes made by department administrators and Nebraska's new chief operating officer, Felix Davidson. Ricketts, a former business executive, created the cabinet position to help find new efficiencies in government.

State workers are collecting application documents earlier from the post office, Davidson said, which reduc-

es the time that call center employees spend trying to locate them. Employees also have daily "team huddles" to improve communication and solve problems that arise. State officials took steps to reduce the amount of work required after each call, Davidson said.

Davidson said the changes emerged from a working group that included employees from various parts of the Department of Health and Human Services.

James Goddard of Nebraska Applesseed, an

advocacy group for low-income residents, praised the improvements but cautioned that they need to be sustainable. Nebraska Applesseed filed a class-action lawsuit against the department in 2014, alleging that ACCESS Nebraska was failing to process applications in the time required by federal law.

Goddard said he still questioned whether call centers throughout the state were adequately staffed, and stressed the importance of employee training and retention.

## OBITUARIES

### Mary Kellar

Mary M. (Sterzinger) Kellar, 55, of Yankton, and formerly of Aberdeen, passed away suddenly Tuesday, Oct. 27, 2015, at Avera Sacred Heart Hospital in Yankton.

Her memorial service will be 10:30 a.m. Monday, Nov. 2, at Schriver's Memorial Mortuary & Crematory, 414 5th Avenue NW, Aberdeen, with Reverend Christopher Strohm officiating. Burial will take

place at St. Mary's Catholic Cemetery in Aberdeen with a luncheon and time of fellowship following at Schriver's Memorial Fellowship Center.

Visitation will be for one hour prior to the service at the mortuary on Monday.

Friends may sign her online guestbook at www.schriver-memorial.com.

Per the family's request, casual dress is preferred for the service.

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