

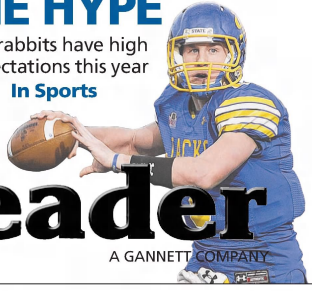
A Creedence take on past, present

Sioux Empire Fair headliner talks music, IN LINK  
Ag Appreciation Day at the Fair, PAGE 1B



## LIVING UP TO THE HYPE

Jackrabbits have high expectations this year  
In Sports



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## Underage sex sting at rally

7 men in Sturgis nabbed for answering online ads with girls 13 and younger

By John Hult  
jhult@argusleader.com

An online sting operation targeting men who seek sex with underage girls at the Sturgis Motorcycle Rally has resulted in

seven arrests. The suspects, men between 19 and 54 years old, all answered escort ads that promised sex with girls 13 or younger. Rapid City, state and federal agents collaborated on the in-

**ONLINE**  
Get more criminal justice news in John Hult's blog  
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vestigation in response to a statewide surge in sex crimes aided by online advertisements, Attorney General Marty Jackley said. "The increase in sex crimes we're seeing at the rally corre-

sponds with that," he said. Susan Omsang, a Sioux Falls pastor who has done outreach work with sex-trafficking victims, said she's thrilled to see law enforcement working on the demand side of the sex trade. Be Free Ministries has spoken out for years about rampant sex trafficking during the motorcycle rally and sent five volunteers this year to work with women

forced into the trade. "I'm so thankful that law enforcement and the legal system is taking this seriously," Omsang said. According to FBI affidavits filed in four of the cases, law enforcement posted escort ads on backpage.com and craigslist.org advertising sex with

See UNDERAGE SEX, Page 9A

## SIoux FALLS ENJOYS \$376M IN CONSTRUCTION



## 'NEVER SEEN IT THIS BUSY' A BUILDING BOOM

By Kelly Thurman  
kthurman@argusleader.com

Sioux Falls contractors continue to work at a swift pace thanks to record-setting demand for both housing and commercial projects. Through July, a record

\$376.6 million in permits were pulled in Sioux Falls, according to the city planning department. So far, \$105.9 million in commercial projects have been permitted, above the 20-year average, driven largely by the events center in addition to a number of retail projects.

The city also has a strong housing market this year, with a record 1,260 residential permits issued, including 561 multifamily units. Surprisingly, residential remodeling and additions, which remained a bright spot throughout the recession, continue at record pace as well,

with \$25.8 million in projects. "That was always what we thought: It was the market, well, people aren't buying," said Jeff Schmitt, chief planning and building services official. "Now, all of a sudden, all these people

See BUILDING, Page 9A

**ONLINE**  
See a map of building permits valued at \$5,000 or more issued this year  
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## Growing economy has council questioning cuts to paratransit

By Beth Wischmeyer  
bwisch@argusleader.com

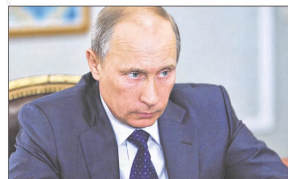
The Sioux Falls City Council must move quickly to reduce spending on the public transit system, city officials said during a budget hearing this week. But some councilors question cutting what they call essential services for residents, especially in light of booming revenues and new capital projects throughout the city.

Growing ridership, particularly among paratransit customers, and a decrease in federal funding has strained the system's finances. Demand for paratransit services, which offers door-to-door transportation for people with disabilities, is rising faster than revenues can sustain, city officials said. Officials say several reductions in the transit system must take place in 2014, which could include transferring the opera-

tion of trolley services to another organization and eliminating night demand services. But some question those moves. "Night demand service, that's for people who don't have a vehicle and get off at 9 o'clock at the mall, and don't have a way to get back to their apartment on Cleveland Avenue," said Councilor Michelle Erpenbach.

See TRANSIT, Page 12A

## Putin feels the chill



President Obama has canceled plans to meet with Russian President Vladimir Putin in Moscow next month. AP

» Russia's decision to grant temporary asylum to Edward Snowden pushed the White House over the edge.

» Yemen claims it stopped an al-Qaida plot to seize ports and oil pipelines in the Arabian Peninsula. READ THESE STORIES ON 6A

### TODAY'S FORECAST

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THUNDERSTORMS

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## Underage sex

Continued from Page 3A

12- and 13-year-old girls in the Sturgis area. The ads used age-regressed photographs of women who now are adults.

Three Rapid City men and four out-of-state visitors answered the ads and negotiated prices with detectives posing as pimps. When they arrived for the meeting, they were taken into custody.

Held on state charges are Jerry Lane Gollhofer, 31, Eric D. Murphy, 27, and John Miller, 24, all of Rapid City.

Facing federal charges are Timothy Gravens, 54, of Grapevine, Texas; Miguel Aguilar, 19, of Brighton, Colo.; Michael Francis Fox Jr., 43, of Ottowings, Md.; and Scott Faulk, 29, of Grand Junction, Colo.

The sting comes on the heels of other efforts to tackle the growing problem of Internet-based sex trafficking. Jackley was one of three state attorneys general to write a letter to Congress last month asking for a change in law that would let them charge sites such as backpage.com with crimes in sex trafficking cases.

U.S. Attorney Brendan Johnson's Office has spearheaded efforts to charge buyers of sex under federal sex trafficking statutes, successfully arguing at the 8th Circuit Court of Appeals for the reinstatement of convictions for Johns that had been overturned by local judges.

Johnson's office also has prosecuted several pimps during the past three years, with two receiving life sentences.

Rep. Kristi Noem participated in a news conference Friday — the day the ads were posted — calling for Congress to revise federal statutes to make it clear that buyers can be charged with sex trafficking. Sens. John Thune and

Tim Johnson each offered statements in support of tougher measures.

On Wednesday afternoon, federal prosecutors had a judge seal those four cases — several hours after they were filed publicly — because the sting operation still was in progress. Johnson declined to comment on the cases.

The four out-of-state defendants were in custody at the Meade County Jail as of Wednesday afternoon. Murphy was jailed in Pennington County. Miller was released on bond, reached by phone Wednesday, he declined to comment.

Details of the arrests of the Rapid City men were unavailable, but FBI affidavits describe the allegations against the other four men:

Faulk agreed to pay \$340 for sex with the 13-year-old girl. He arrived to meet the FBI agents on a maroon Harley-Davidson, carrying \$139 in cash and a condom.

Fox agreed to pay \$200 for one hour with the 12-year-old girl. He showed up to meet the "pimp"

in a gray SUV, carrying condoms and cash.

Aguilar agreed to pay a quarter-ounce of marijuana, which he said was worth \$130, for 30 minutes with the 13-year-old girl. He arrived on foot, with condoms and a bag filled with "a green, leafy substance."

Gravens asked whether the pimp had anyone younger, specifically a 10-year-old, and agreed to pay \$300 for one hour with her as long as he could take pictures of her and did not have to wear a condom. He said he might offer repeat business for girls younger than 10. Gravens arrived on a black Harley-Davidson, carrying cash and two cameras.

Because the cases were sealed Wednesday afternoon, it is unclear if those four have appeared in court.

By Deb Holland  
Rapid City Journal

**STURGIS** — From all indications, the numbers are up at this year's Sturgis motorcycle rally — at least the numbers that really count, that is.

Garbage collection by the city of Sturgis from July 28 through Aug. 3 is up 19.3 percent, city manager Daniel Ainslie said Tuesday.

As garbage collection goes, so goes rally numbers, the city has learned over the years.

Also, Brenda Vasknetz, Sturgis motorcycle rally director, said that requests for information and reservations made on its website are up over last year.

And Joan Pilen at The Hitchin' Post in Sturgis said she had 47 weddings booked for rally week as compared to 20 some for the same period last year.

City spokesperson Christina Steele said that as of 8 a.m. Tuesday, 712 temporary vendor licenses had been issued in Sturgis, compared to 676

at the same time last year. Even Police Chief Jim Bush said it appears to be a large crowd. Traffic Monday was backed up throughout town to both Interstate 90 exits 30 and 32.

"It's a bigger crowd than I expected," he said.

Bush said he had worried about crowd control when the Sturgis City Council recently passed a special liquor license allowing rally-goers to have open containers on Main Street for the Indian Motorcycle Reveal on Satur-

day, but the crowds estimated at 2,000 to 3,000 had behaved themselves.

"It turned out really well," he said. "We moved a few extra officers into that area, but everything was fine. After they rolled the bikes out, the crowd dissipated."

Ainslie said other facets of the rally were going well and that the state, in conjunction with other law enforcement agencies, has been increasingly enforcing sales tax collections for the first time in years.

## All signs point to surge at Sturgis rally

## Building: Remodeling business also on upswing

Continued from Page 3A

are buying new houses. Wow, everyone is (still) remodeling their houses. So, it's very interesting that home building, home remodeling market."

Brian Berg, co-owner of N-Drywall and Construction in Sioux Falls, said he is set to more than double his business this year from his previous busiest year in 2011.

"I've talked to contractors in this business for 40 years who have never seen it this busy," Berg said.

"Generally, when you have high house sales, it's usually then the remodeling is not as good because people are moving out," he continued. "We can't pinpoint what it is. I'm thinking some people are just really content with where they're at."

A number of large projects are under construction this year, including the events center and a new Costco on Grange Avenue south of 41st Street, which will open in October.

Another set of large commercial projects, two new Walmart supercenters, that were expected to start construction this year have been delayed. It's now unknown whether work will begin yet this year, but company officials have said at least the north-side store is on



Kenny Manz wires together pieces of rebar while pouring precast concrete wall sections Friday at Gage Brothers in Sioux Falls. ELSHA PAGE / ARGUS LEADER

### BUILDING PERMITS THROUGH JULY

RESIDENTIAL = (R), NONRESIDENTIAL = (N)

	2013	Average
(R) Single-home family	475	437
(R) Total residential permits	1,260	868
(R) Value of new residential	\$150.9M	\$80.7M
(R) Additions & remodeling	\$25.8M	\$16.8M
(N) New nonresidential	\$105.9M	\$48.4M
(N) Add & remodel	\$93.9M	\$56.6M
(N) Total nonresidential permits	4,516	3,810
Total value	\$376.6M	\$202.5M

track to open in 2014.

The planning commission Wednesday approved a conditional-use permit for that store, at 60th Street and Marion Road. Another Walmart at 85th Street and Minnesota Avenue has further

to go; the council agreed to rezone land for the project Tuesday.

A conditional-use permit for the south-side store would go before the planning commission in October at the earliest, Schmitt said. If the per-

"I've talked to contractors in this business for 40 years who have never seen it this busy."

**BRIAN BERG**, co-owner of N-Drywall and Construction in Sioux Falls

mits for each site are approved, the company then would be able to apply for building permits.

"We don't know if they will pull a building permit this year," he said. It's a question of "how much work can you get done in South Dakota in the fall versus do you wait until first thing in the spring."

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