

TELEPHONIC WITNESS STATEMENT

DATE: [Not Provided]

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INTERVIEW OF: Representative Jon Brien

INTERVIEW BY: Detective Corporal Kenneth Buonaiuto
Rhode Island State Police Financial Crimes Unit

LOCATION: Rhode Island State Police Headquarters
311 Danielson Pike
North Scituate, Rhode Island 02857

SUBJECT: 38 Studios Investigation

[TELEPHONE RINGING]

1. Q.

A. Hello?

2. Q. Hello, Mr. Brien?

A. Yes.

3. Q. How are you? It's Corporal Buonaiuto calling you back.

A. How are you, sir?

4. Q. Is this a better time?

A. This is a great time.

5. Q. Excellent. Okay. First name is Jon, is that right?

A. Jon, yes.

6. Q. J-o-n?

A. Yes, sir.

7. Q. Excellent. Okay. Mr. Brien, I - I - I'm - You know, I - I called a few people already, so

I'm not even sure if I mentioned this earlier in our conversation. You are not a target of any State Police investigation, we are just reaching out to all the reps and senators that were part of the legislation dur- during 2010, and ...

A. Yeah, that's fine. I mean, I – You know what, I'm – I have no problems talking to you guys. I knew I wasn't a target before you guys even started making calls, so ...

8. **Q. Excellent.**

A. -- that's great, I don't mind talking to you at all.

9. **Q. Okay. Are you a rep right now?**

A. No.

10. **Q. Okay. Can you give me a timeframe of when you were a rep?**

A. Yeah, I – It was 2007 until 2012.

11. **Q. Two thousand and twelve. And were you assigned to any committees during that time period?**

A. Yes, I was. On Judiciary, I was the Chairman of Municipal Government, and that's, you know, that ...

12. **Q. Okay. Do you ... a timeframe on those?**

A. I was on Judiciary the entire time I was – I was in, and I was the Chairman from – of House Municipal Government from ... in the '11 and '12 sessions.

13. **Q. Okay. Very good. And what – what – Who did you represent, what – what areas were you?**

A. District 50 in Woonsocket.

14. **Q. Woonsocket. Okay. All right. Do you remember in mid-2010, maybe springtime a – a bill coming to the floor of the House, Jobs Creation Guaranty Program?**

A. Yeah.

15. Q. Okay. And what do you recollect about that bill?

A. Well it's kinda funny. If – if you went back and, and grabbed a Providence Journal for the last week, I was actually in it. I was on the front page and it was about I was aware of the Jobs Guaranty Program because um, I know that it was in – it was part of a supplemental budget that spring. I voted against the supplemental budget that year. And then the senate amended the budget, so it never came back to the House, so that's where it died the first time. And then when it came back in – in May, I believe, and uh – Yeah, actually it was, it was introduced in May and we voted May 25th of 2010. I know that because I had been working on EDC legislation for like three years prior. And what happened was Chairman Constantino walked up to me on the House floor and asked me if I wanted to sign the Loan Guaranty Program bill, because he said *we know and we*, to me that meant leadership. And remind – And let me, let me just get – for a little background: I was an outsider at the time. I hadn't voted for Gordon Fox for Speaker. He – Billy Murphy left in February and we had the election in March for who was going to be Speaker. I voted for Greg Schadone from North Providence and not for Speaker Fox. So at that point I was in the, you know, I was in the version of legislative Siberia. So it was surprising to me that Chairman Constantino walked up to me on the House floor and said, *hey, we know you've been working on EDC legislation for a few years. Essentially what he said was, suddenly, we recognize that it was a good idea, and we're gonna tack it on to – we're gonna tack your bill in the form of an amendment to the Loan Guaranty Program, and it's a good piece of legislation, do you want to sign it.* And I said, *well who else is going to be on the bill?* And he said, *myself and the vice chairman and that's it.* I was perplexed at the time the hell they would want me who was basically on like the news

shows and talk radio and the newspaper kicking the shit out of that leadership team constantly, and – and – and every opportunity I had, and now they're asking me to sign a bill with those guys. And that they're recognizing that my bill is all of a sudden a good bill, where at that time I couldn't get a bill passed that said *today is Thursday*.

16. Q. What – what did your bill include?

A. My bill was, it just – What it did was it set up a support system for Rhode Island businesses to bid on when and comply with federal contracts. And it was a proven economic development model that was taking place in other states. It was referred to as a, a "PAP," a Procurement Assistance Program to work within – Just as a way of background, every economic development engine organization in all 50 states what would be another state's version of our EDC, ...

17. Q. Yup.

A. -- there's one of those – there's one of these in every state that's funded by the federal government; it's called a "PTAC," a Procurement Technical Assistance Center. But, I mean, those just sit there and people still don't know what they're able to do and how to win federal contracts and how to bid on them and where to go and how to comply with them.

18. Q. So – so you think ...

A. And ...

19. Q. -- they - they just – they just pulled you in just to get your vote and threw your – and threw your portion of the bill into it to get you on board with them?

A. Well I think – I think you're close. I think you're close there. I think that the second half of what – or the first half of what you said is right. They threw on my legis- My contention, it has a ... that they threw on legislate as a way to kind of serve as a bit of a bumper to this

whole thing to say, look, this isn't just – we're not just doing this bill for – for 38 Studios, which clearly they knew about and we didn't, they needed to – they needed to kind of dress the bill up a little bit, in my opinion, and say, hey, this is a big economic development package that we... pass here. And look, it's not just the top guys, the leaderships that are on this bill, we even included some from the outside: they're kind of an outsider, you know, he – he says what bad guys we are, but yet look how good we are because we're passing his legislation.

20. Q. All right. Okay. All right, so a moment ago you said that -- that you didn't personally know that 38 Studios was targeting, you know, this – the funds from this legislation, is – is that correct?

A. Yes. I mean there's – there's – there's no way I – I wouldn't have. My whole thing was I – I – Gee, if I – Let me back up. If my – my legislation was meant to help numerous pre-existing or currently existing small business – small to mid-sized businesses throughout the State, and that's what I only target on, I always felt that we should target what we already have. I never would have supported a piece of legislation that created 125 million loan guaranty program, which I thought was going to be spread amongst 10s or 50 or maybe even 100 different companies; that's why I thought it was such a good idea, and that's why I signed onto it. I never would have signed onto it if it meant that we were trying to lure out of state business and give them three-quarters of the God damn money.

21. Q. All right. So – so once – once this bill was passed and then it was a very short time later we all – we all learned that 38 Studios was essentially awarded \$75 million out of this funds from this Guaranty Program, prior to that, did you know who 38 was or what it was?

A. I had no idea, I never even heard of them.

22. Q. Okay. Never heard of Curt Shilling's business or anything like that.

A. [Indiscernible] I mean, look, I'm a beer-drinking, 43-year-old American male, so

certainly I knew who Curt Shilling was [laughing].

23. Q. Right. I understand that. Yup.

A. You know. I – I – I – But I didn't know that all of this was going – I mean, I didn't know that there was any of this – this play on to bring him – And I didn't even know he had a company in Massachusetts, let alone he was thinking of moving it here. So no, that --

24. Q. Yeah.

A. -- that – And, and, and I'll be honest with you, you know, because I'm – I was one of only three people on the bill. So I didn't know that – And I – and I was ... the bill, the people in the room didn't know. And, and if – if it had come out that this was being earmarked for that – for that particular expenditure, I think the debate on the floor that day would have been much different; I think that it probably would have failed and there would have been a whole lot of – a great deal more scrutiny by the people in the building, the press, you know, money market people, all – everybody. I think that it would have gotten a whole lot more scrutiny. But it didn't because no one knew what the hell was going on.

25. Q. Okay.

A. But a few people – A few people knew what was going on. Who they exactly were, you know, I – If, if you want my opinion on that, I'm happy to give it to you.

26. Q. I'll take it.

A. I mean, in my opinion, certainly the Speaker of the House then, you know, knew what was going on, and I think that the – the discovery that has come out in the civil suits show that they knew, the EDC knew. I know that Chairman Constantino knew, because I have seen documentation between the EDC and the House Fiscal Advisory staff talking about this. And that was prior to the supplemental j- which was presented in April. So they knew well in

advance of what the hell was going on here. But we didn't know.

27. Q. Okay. Do you know who Michael Corso is?

A. I do know who Michael Corso is.

28. Q. And how do you know him?

A. Well ironically, I'm not friendly with Mike Corso. But he was a roommate, freshman – my freshman year of college in 1988, this is – I know this is – this is totally meaningless, but I'm just being honest about my answers, he was – I graduated from Woonsocket High School in 1988. Michael Corso was the roommate of a guy that I knew from high school that was also going to URI. They had pledged a fraternity together and became friends. I wasn't in a fraternity and I lost touch with my friend from Woonsocket, and I was never friends with Michael Corso, you know, I only knew him as a guy that was a roommate of a dude I knew from Woonsocket. It was only years later when I put together that – the Michael Corso that we're talking about now was my friend's roommate back in 1988, and I couldn't believe it. I was like, Jesus, what a small world; only in Rhode Island.

29. Q. All right.

A. Um ...

30. Q. So you haven't met with him or never have spoken to him either before or after the passage of this bill.

A. No. No, never. I haven't spoken – I – Like I haven't – I haven't had a conversation, if you could even call it that, but I haven't even had a conversation with Mike Corso since 1988.

31. Q. Okay.

A. I mean, how else do I know him? I know where his office is. I know that ...

32. Q. Did – did ...

A. -- the ...

33. Q. Did he ever have the opportunity to come in front of the – your committee, the Municipal Government Committee?

A. No.

34. Q. No.

A. Nope.

35. Q. Okay. So he – You're not aware of any instances where he's lobbied in front of any committee that you've been a part of or others that you've heard conversation about?

A. Look, I – I – I have – I have a pretty decent memory about things I want to remember, and I know that Corso was never seen in the halls of the State House once. And, and you would of – I mean, people – And that – that would have come out. And I'm – I – You know, I've seen enough of the guy at this point that I would have – I would have remembered him, because certainly this is kind of a big issue, and he never came before my committee and, and I don't think that he ever testified before any committee about anything.

36. Q. Okay. All right. If – if you don't have anything further regarding this or even anything unrelated to this, I – I think we're all set here. I do appreciate your time, and you know, unannounced that, you know, receiving our call unannounced, so we do appreciate that. Is there anything else ...

A. No, that's ...

37. Q. -- that – that you can think of that you might want to share with us?

A. Um. No, not really. I mean I think that ... I just think that – I think you're going to find everyone's giving the same answers. I mean, Speaker Mattiello is saying that as the Majority Leader, he didn't know anything. So certainly if the majority leader didn't know anything, the rank and file wouldn't know anything. But like I said, I was in the paper last

week. I think it was last Monday. So if you get a copy of the Journal, and that will tell you the story. The question really remains for me, and has always remained for me, and I figured it out later that I – I – I felt used by the whole thing, but what the hell was I doing on that bill to begin with, and why did they come to me and ask me. I mean, at the time I was – I was grateful because I felt like I was going to get my legislation through. But the reality is is – is if you look into what happened, my legislation is still on the books, it's in the Rhode Island General Laws, but it's never been funded, it's just like – it's just a totally useless piece – It's a totally useless statute on the books. So they took this piece of legislation and tacked it on and never intended to implement it whatsoever. It was – I think it was just used as a way to kind of – kind of but- buttress up this bill to make it seem like it was a comprehensive package, and that it was really just meant to be one – one thing only.

38. Q. Okay. Again, I thank you very much for your time.

A. All right. Thank you very much.

39. Q. All right. Have a good day.

A. All right. ...

STATEMENT TAKEN BY:

WITNESSED BY:
