

## TELEPHONIC WITNESS STATEMENT

**DATE:** [Not Provided]

**TIME:** [Not Provided]

**INTERVIEW OF:** Representative Edwin Pacheco

**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

1. Q.

A. ...my cell.

2. Q. [Laughs] Well, I – I'm – I've been calling your house phone, is that what I'm doing?

A. **No, this is my cell. No.**

3. Q. Oh. Oh, it is.

A. [Indiscernible]

4. Q. Excellent. Okay.

A. **Yeah.**

5. Q. All right. So we ...

A. **Yup.**

6. Q. -- got the right number for you. All right.

A. **Yup. Yup.**

7. Q. You – you are not in the – in the House of Representatives at – at this time, is that

correct?

A. I am not.

8. Q. Okay.

A. I am not.

9. Q. So – And it's Edwin, E-D-W-I-N?

A. Edwin. You got it.

10. Q. Yup. Okay. And tell me, what – what's your time period for – in, in the House of Representatives?

A. Uh, timeframe. So ...

11. Q. Just ...

A. -- I was

12. Q. -- y...

A. -- elected in ...

13. Q. -- by year.

A. -- '04.

14. Q. Yeah.

A. Yup. No, I was elected in '04, I was sworn in in '05, and I served until January '11.

15. Q. Okay. And if you can recall, what – what committees were you on during that time period?

A. Corporations, Municipal Affairs. And I believe that's it. And then ... there was a couple of special [Indiscernible] councils that I served on here and there.

16. Q. Okay.

A. And ... I was on the Civics Commission, I headed up a special Health Commission on uh, Zambarano Hospital, and a few – I – There's probably one or two other ones that I'm

forgetting.

17. Q. Okay. And 2010, May – Well specifically, May of 2010 ...

A. Yes.

18. Q. -- is when the Jobs Creation Guaranty Program came to the full House, do you remember that?

A. Yes, I do actually.

19. Q. Okay. Prior to it coming to the floor, did it have any – Did it – did it come to any of the – any of the committees that you were on?

A. No.

20. Q. Okay. When was the first time you heard about this particular bill?

A. On the floor, actually, of the House of Representatives. We were discussing it that day.

21. Q. Okay. Tell me about that if you can, what you recall.

A. All I remember is the testimony back and forth in regards to, you know, it may be, I don't know, 15, 20 minutes of testimony in the – in the context of debate. Bob Watson, Representative Watson at the time was the most vocal representative on the issue.

22. Q. Uh huh.

A. I do remember the possibility of, if I'm not mistaken, Charlene Lima was also asking questions on the floor. And – and subsequently, just because I'm – I'm following it in the paper like everybody else, I remember Larry Ehrhardt actually made the effort to introduce an amendment at some juncture. But that did not follow through and, and um -- to the extent it was just a, a debate on – on legislation to allow for Rhode Island Economic Development Corporation to increase funding availability to businesses throughout the State for increased,

you know, for job – to increase jobs in Rhode Island. I mean it was presented to us as a jobs bill: the opportunity for economic development, the opportunity for businesses to take greater advantage of economic, the, the old Economic Development Corporation, as it commonly constituted that the EDC would appropriate those funds appropriately in the context of businesses that would apply to those loan funds.

23. Q. Okay. And, and the debate that you said, the 20 minutes or – or so of debate, what was the main topic of that debate or was it – were there multiple topics?

A. There were probably multiple topics. But I remember in particular that there – there was a debate on capping the amounts. Whether it was 5 million, 10 million, however amount that would be appropriate or the EDC would have the ability to appropriate out ... was constituted. I don't remember any other debates to be quite honest with you, I – You know, again, I remember – I can tell you that I remember vividly that both Mike Cronin and um, uh, the Director of EDC at the time were both on the floor, and I remember them talking with reps about the legislation. But obviously not during the – the [Indiscernible] debate. But I do remember their being there, you know, during that time.

24. Q. Okay. Did the – Was it Steven Costantino that did the presentation?

A. Yes. Yeah, the Chair of Finance at the time, yup.

25. Q. Okay. And, and did he give any sort of indication when the debate came up about capping certain amou- you know, a certain amount that one particular company can get, did – what, what was his reaction to that; what were some of the things that he was saying, do you – do you remember?

A. To be honest with you, I – I don't – I don't remember explicitly. I do remember, you know, that there was debate there and I – I think it was in the context that – that, you know, the

EDC would be responsible for determining what would be available and what would not be available to companies and that they would have the authority and, and by, you know, I'm sure it had something to do with the – the effect of, you know, if we set a specific limit that it would be h- it would hamstring them and they'd have to come back to the legislature to ask for waivers or what have you, I'm – I'm guess off the top of my head, but I – I'm ...

26. Q. Okay.

A. -- you know, just by virtue of – of thinking back to that, I'm sure that was debated back and forth between Representative Watson and – and Chairman Constantino.

27. Q. Okay. Before this day, well did you – were you involved in any conversations or did you even have knowledge or hear about 38 Studios?

A. No. No.

28. Q. Okay. So when was the first time you learned that 38 Studios was interested in some of this money?

A. With – Yeah, with [Indiscernible] when everybody else heard about it. I remember when the decision was made, you know, was promoted as such, the media covered it as such. You know, at the time it had mixed reviews, obviously on – But that was the first time I had heard about it like everyone else.

29. Q. Okay. Very good. And Michael Corso, do you know who he is?

A. I know him from media, I don't know him for any other reason. I just know him because obviously he was c- they covered in the paper and – and the radio and so forth.

30. Q. Okay. So you don't know him from any – anything going on at the State House or as a lobbyist or anything to that ...?

A. No. And I'm sure – I'm sure that he had been in – at functions that I had been at,

**but I didn't – I didn't know the man; wouldn't even – cou- couldn't even have told you what he looked like up until the media coverage around the entire issue surrounding 38 Studios.**

**31. Q.** Okay. Are you aware, or do you surmise that maybe somebody bene- from – benefited from this other than initially 38 Studios, you know, do you have any information regarding somebody benefiting from this personally?

**A.** Not that I'm aware of. And – and it would be, you know, pure speculation on my part to suggest otherwise. So no, I – I don't know of anybody benefiting in any way shape or form from – from this ...

**32. Q.** Okay.

**A.** -- particular circumstance. And, you know, other – other than the speculation that's been produced in – in the media and the conversations in the rumor mill for ...

**33. Q.** Mm hmm.

**A.** -- so to speak.

**34. Q.** Okay.

**A.** But I – I don't know anything other than that.

**35. Q.** All right. And, you know, other than the sensitiveness of 38 Studios because of the dollar amount, and, you know, the public attention it's getting, I mean does this – is this really, you know, just another case of the – the way, you know, things move through, you know, the House and / or Senate, you know, where small – a small number of people, you know, really have the full scope of information and, and things that kind of just lent a certain direction just to get things passed or, or – or just the opposite, things not passed? I don't know ...

**A.** Ask that again? Ask that again ...

**36. Q.** Yeah, I'm not sure I made that question ...

A. Yeah.

37. Q. -- very clear. But it seems like, and -- and correct me if I'm wrong, but it seems like a lot of things that move through the House and / or the Senate are heavily, heavily influenced by -- by the leadership. And, and sometimes, you know, people, you know, it's almost like, you know, just leading the blind down the road and, and then basically going the direction that they're led. You know, is this -- is this something that, you know, if this wasn't 38 Studios and the -- and the huge attention that it's getting publicly, that this would have been just another one of those cases where, you know, the -- the bill passed because it was what leadership wanted?

A. Um, [Indiscernible] ...

38. Q. And correct me ...

A. [Indiscernible]

39. Q. -- if I'm wrong, and completely correct me if I'm wrong, if I'm -- if, if I'm mis- misstating that that really things get passed because the leadership want it or -- want it -- or don't get passed because the leadership wants it.

A. Yeah, yeah, yeah. Yeah.

40. Q. You know what I mean?

A. Yeah. Um, I mean I hear what you're say-- I, I get the -- Put it like this, right, it's a part-time legislature.

41. Q. Mm hmm.

A. So there are well over twenty-five hundred bills that come across the desk of any particular representative, and the due diligence that's done with regard to that legislation in part is relied on the respective leaderships of those institutions as well ...

42. Q. Yup.

A. -- as the Governor's office, ...

43. Q. Mm hmm.

A. -- and the agencies that are related to the issues that come across policymakers' desks. In that instance, you as a -- as a -- as a legislator, you trust that those institutions are doing their due diligence and providing you with the appropriate information in order to make the best and most informed decision, especially on things, everything from the budget to any -- and any one in particular piece of legislation. No one rep or senator serves on a multitude of committees and has the capacity to read through every single piece of legislation that crosses their desk. They do their best, and -- and many of them are -- are -- are -- are -- do -- do try to read as much legislation as possible, but many of them -- many legislators, including myself at the time, have full time jobs and -- above and beyond that. And so again, you rely on, you know, if you're talking about something pertaining to Labor & Training, you rely on the Department of Labor & Training to provide you that information; you're relying -- If you're talking about, you know, mul- anything with regards to roads or bridges or infrastructure, you rely on your respective agencies associated with that to provide the information. In this particular case, you know, you were dealing with an issue pertaining to Economic Development and you're relying on those organizations and it's a, you know, and institutions that relate to that to provide necessary information to make an informed decision.

44. Q. Yup. Okay. I get it. All right. All right. So is there anything else maybe that I haven't asked you that you think is important for us to know? Whether it has anything to do with 38 Studios -- It could be something totally different; that -- that's fine too.

A. Not that I can think of. I mean, you know, I -- Again, I think it's one of those things that, you know, myself included, that people are -- are learning more and more about as it gets



played out in the media, and so, you know, it's – it's – it's frustrating, but I'm – I'm glad folks are doing their due diligence, such as yourself, now, because like, you know, if there is any circumstances that are questionable, hopefully it – it's brought to light and, and can be rectified.

45. Q. All right. Okay. All right. Can I give you my telephone number in the event that something comes up that uh ...?

A. Yeah. Please do. And, and you s- It's Corporal, right?

46. Q. Right. And I – First name is Ken.

A. Ken?

47. Q. Ken. Yup. And the last name, I'll spell it ...

A. Yup.

48. Q. -- for you. B ...

A. [Indiscernible]

49. Q. It's Buonaiuto. B-U ...

A. B-U ...

50. Q. -- O-N ...

A. -- O-N ...

51. Q. -- A-I ...

A. -- A-I ...

52. Q. -- U-T-O ...

A. -- U-T-O.

53. Q. And the telephone number is 444 ...

A. Yup.

54. Q. -- 1205.

A. -- 1205. And Corporal, what -- do you -- What's your badge number, just so I know?

55. Q. 174.

A. 174. And do you know Richard Peck?

56. Q. Oh, absolutely. From Burrillville?

A. Yeah, yeah. [Laughing]

57. Q. Oh, goodness gracious. Yeah...

A. Good -- He's a -- He's a, a -- a "Colonel Peck," I should say.

58. Q. Ha ha.

A. A good -- a good, good friend of mine, long-time constituent, and -- and ...

59. Q. Yup.

A. -- someone who I have a great deal of respect for, a great guy, great guy. And I -- I --  
and any chance you get to bust his chops, please do. [Laughs]

60. Q. Well I s... In my earlier days when I was still in uniform I spent many a night on third shift  
with him at headquarters, yes.

A. Yeah. Yeah.

61. Q. Yeah.

A. Well, great guy. Couldn't ask for ...

62. Q. Absolutely

A. -- a b- a higher quality individual. But no, I figured I -- I figured you knew him, but

...

63. Q. Yeah. When I see him ...

A. Um...

64. Q. -- I'll tell him I spoke with you.  
A. No. Absolutely. All right, thanks Corporal.
65. Q. Thank you.  
A. I appreciate the phone call, ...
66. Q. Okay.  
A. [Indiscernible] ...
67. Q. Thank you for your time.  
A. [Indiscernible]
68. Q. Okay.  
A. Yup, no problem. Bye bye.
69. Q. Bye bye.

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STATEMENT TAKEN BY:

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WITNESSED BY:

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