

TELEPHONIC WITNESS STATEMENT

DATE: [Not Provided]

TIME: [Not Provided]

INTERVIEW OF: Representative Peter Palumbo

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. ... he had a bakery, who was really in need of – of a cash influx, because the guy's been in business for 70 years, and when we hit that economic downturn, he needed some money because all the restaurants and stuff weren't paying.

2. Q. Yup.

A. So I started with [Indiscernible] Bob, they gotta start – they gotta – they have to – we're gonna pass this bill that's gonna allow businesses to go get working capital inexpensively, I said, so you can get a lo– no-interest loan or whatnot. So he goes, *see what you can do*. I said, *okay. I'll let you know after we pass the bill*. So I'm talking to him hoping -- this guy's all excited that he's gonna get this money coming to him, and then we – as soon as we pass the bill it goes to 38 Studios. We knew nothing about that. Nothing at all.

3. Q. But shouldn't you ...

A. No one talked to us, it was supposed – on the floor, it was gonna be money that's gonna stay with all these businesses and shit, ...

4. Q. Yup.

A. -- and instead it went to that -- it went to one guy.

5. Q. Okay. Well 75 million went to them, there was still another 50 left, right?

A. Yeah, and they haven't done shit with it. And I've been trying to figure out how we're supposed to get that money. Because I -- the guy could still use the money.

6. Q. Right. Right. Right. No, I understand.

A. And I -- I talked -- I talked to the guy at the Economic Development Corporation and he goes, *I don't even know how to access it.*

7. Q. Who's that?

A. [Indiscernible] It's the guy that -- I think he may be the acting director now or whatever.

8. Q. Oh, the pr-

A. Big, big --

9. Q. Or present.

A. A big blowhard.

10. Q. All right, not ...

A. Huh?

11. Q. Not Keith Stokes, the present one you're talking about.

A. Yeah, the guy on there now, he's -- But he knows it all. And I'm like -- I'm like, *well, why don't you just help me get some money for this guy and also Warwick Ice Cream who could use the money.*

12. Q. Right.

A. You know.

13. Q. Yeah, ...

A. And – and he's like, *I don't even know how to go about it*. So get someone, you know, tell us how to get it, because these guys could really use the money. They could have used a half-a-million would have saved us, you know, I'm talking about [Indiscernible] anyway.

14. Q. Right.

A. And instead ...

15. Q. Right.

A. —they give all that money to him; that's why – They find some – that's a stinky deal, the thing stinks in the freezer.

16. Q. Right.

A. You know.

17. Q. Yeah. Mr. Palumbo, what – Your first name is Peter. Is it Peter G. Palumbo?

A. Yes.

18. Q. Right.

A. Yup.

19. Q. Okay. All right. Who do you represent, what area are you in?

A. I have Garden City, some of Pontiac Avenue near Waterman School. And then I go up into a, a little bit of Glen Hills.

20. Q. All right, so you are – you're all of Cranston. Well not all of Cranston, ...

A. Yeah, I'm pretty much central. Yeah, central Cranston.

21. Q. Yeah. Yeah. Yeah. Yeah. Not – not necessarily Western Cranston, but kind of central. I gotcha.

A. Central, yeah.

22. Q. That's a nice area.

A. Mm.

23. Q. That's a nice area.

A. Yeah, it's nice. It's a nice area. I grew up there my whole life.

24. Q. All right. And, and what do you do as a profession, are you – A lot of guys are attorneys. Are you an attorney, or?

A. No. No, I'm not an attorney. Right now I'm – I'm working with Cap- I'm a general manager for the concessions here at Scarborough, Wheeler, and – and, Scarborough, Wheeler, and uh, Sand Hill Cover or, or uh, Westerly there, what's the name of it. Misquamicut.

25. Q. Oh, Misquamicut. All right.

A. ... today. Yeah.

26. Q. Oh, the concession stands at the beaches you mean.

A. Yes. Yeah.

27. Q. Oh, okay. All right. Is ...

A. Yeah, I had them about – I had them five years ago, ...

28. Q. Yup.

A. -- and I had them for about ten years and then I lost the bid to an out of state company.

29. Q. Yup.

A. And then David got them back and he hired me as his general manager because I know what I'm doing down there, so.

30. Q. Oh, David ...?

A. So it's pretty busy right now, you know.

31. Q. When you say "David," who are you – who's David, what do you mean, David?

A. David Caprio.

32. Q. Oh, I gotcha. Oh, oh, okay. All right. He's still ...

A. Mm hmm.

33. Q. He's still in the House, right? Is he still in the House? Yeah, he is.

A. Uh, no, he's actually the Chairman of the Democratic Caucus, Democratic ...

Committee.

34. Q. Oh, I - I talked to him ye—

A. Yeah.

35. Q. That's right. I talked to him yesterday. That's right, he's ...

A. Yeah. That's why - You know, I didn't [Indiscernible] He said, *oh, they're calling all the guys for uh ...*

36. Q. Yup.

A. -- you know, *for 38 Studios*. And I said, *Oh, beautiful*, you know.

37. Q. Well, you know, the original number that I had for you was [REDACTED] and it kept going - it, it kept ...

A. Yeah, but that's ... I can't pick that up, that's my home number.

38. Q. Oh. Okay, because ...

A. I'll never get off the phone on that one, like, forget it.

39. Q. Yeah, it's ...

A. So, ...

40. Q. It - Yeah.

A. -- my cell phone.

41. Q. I gotcha. All right. Because it says "mailbox full." I could never leave you a message.

A. Yeah.

42. Q. All right.

A. [Laughing]

43. Q. I gotcha. Okay. All right, so – so you – you think you were sold a rotten bill of goods there?

A. Oh my good – Absolute 100 percent. Yup. One hundred percent.

44. Q. Yeah. All right.

A. And then you know what, you know what pisses me off more is like my buddy was so disappointed ...

45. Q. Yeah.

A. -- that he couldn't get it, and when he looked in the paper, one of the first times he found out was when the newspaper, it went to a friggin ex-baseball player. I said, you got to be shitting me.

46. Q. So was there any indication prior to this bill going through that they were interested in coming to Rhode Island and – and getting some money for the State?

A. Never heard about it. Zero. Zilch.

47. Q. And ...

A. Nothing.

48. Q. Do you think anybody up ...

A. [Indiscernible]

49. Q. -- there knew?

A. I would assume so, I mean. But – but I think Murphy was the – Murphy was the Speaker at that time, right?

50. Q. Uh, act...

A. I think he was the Speaker when it was coming on.

51. Q. Well, actually, Fox ...

A. And that...

52. Q. -- was the Speaker at the time of the vote. But, I mean, it – it ...

A. Was he the Speaker then? Because I thought ...

53. Q. Yeah.

A. I thought – For some reason, I thought it was Murphy. And I'm ...

54. Q. Yeah.

A. -- and I'm surprised – I am really surprised at – at Carcieri. Because, I mean, that thing just stunk from square one why you would give that to a, a friggin company that you're going up against Sony. I mean, people like that, they – You know, those guys could take our entire State budget and laugh at it, you know.

55. Q. Right. Yeah. No, understood.

A. So, ...

56. Q. Right.

A. -- I just ...

57. Q. Right.

A. -- really hope you guys get someone on that, I really do.

58. Q. Do you – do you know who Mike Corso is?

A. Mike Cor--? No, I do now, yeah. I never knew who he was.

59. Q. No.

A. But I – Actually, I know -- Helen Glover is a dear friend of mine, and uh ...

60. Q. Yup.

A. -- she was the – she used to be the talk show host on WHJJ.

61. Q. Yeah, right. Oh yeah. Yup.

A. And, and she was telling me, she was telling me about – You know, she goes, *Peter, I heard it was like 'Good Fellas.'* I said, *what do you mean?* She said, *my source is telling me that stuff's going in the front door and right out the back.* I said, *like what?* And she said, *Well, they –*

they're – they're making 'em buy stuff that they won't need, and the people are sitting there, and like what do you – what – like, why do I have a new computer pad? I didn't need that. You know, things like that. So someone was [Indiscernible] if that – if that [Indiscernible] I would be willing to bet he was, I'm sure that the uh, it was to sign contracts all over the friggin state for people.

62. Q. You're – you're not talking about the actual facility itself, is that what you're talking about?

A. Yeah.

63. Q. Yeah.

A. Yup.

64. Q. Okay. All right. What – what's Helen's telephone number?

A. Helen is – She works with me now, actually, down in – at Misquamicut. Let me give you her number.

65. Q. Yup.

A. Hang on.

66. Q. She's not on the radio anymore, huh?

A. They booted – She was too conservative.

67. Q. Too conservative? I thought – I thought that's what ...

A. Well, ...

68. Q. -- they needed on the radio, right, because ...

A. That's ...

69. Q. -- that's what they always ...

A. -- exactly what they needed. Now they put that Rudy Cheeks guy – not Rudy Cheeks, what's his name. He's a nice guy and all, he used to be on Buddy's show. But he's just like a ...

70. Q. Uh huh.

A. -- he doesn't take issues on any [Indiscernible], you know.

71. Q. Yeah, yeah.

A. Um. Her cell phone is [REDACTED]...

72. Q. Yup.

A. [REDACTED]

73. Q. [REDACTED] All right, what does she doing ...

A. Corporal, do me a favor, you don't have to use my name because she might, you know, say why did he give my name out. So, ...

74. Q. No, I ...

A. -- if you don't have to, don't do it, please, you know.

75. Q. I - I won't. I won't. What is she doing over there, what - what does she?

A. Oh, she's the manager of the operational grid Misquamicut.

76. Q. Misquamicut.

A. Yeah.

77. Q. All right.

A. She works for David too.

78. Q. And you're the general manager of all of them.

A. Correct.

79. Q. All right. So are you partners with David or?

A. No, I'm just a general manager.

80. Q. Okay. All right.

A. Better than nothing. Mm.

81. Q. Yeah. No, I hear ya. I hear ya. Okay, what else - Is there anything else I haven't asked you you think you want to share?

A. No. But you know, Corporal, if I find out anything, believe me, I'll - you'll be the first to

know. I would – I would love to hang these bastards.

82. Q. All right.

A. But no...

83. Q. Well, you ...

A. I mean, [Indiscernible] Because people still look and they think we knew something about it, ...

84. Q. Right.

A. -- and we really look like assholes, you know.

85. Q. No, I hear ya. No, I – Well, I – I think the general public now is getting the message that the majority of people in the – in the legislature di- didn't know, you know, the deal, so.

A. Yeah.

86. Q. But ...

A. [Indiscernible]

87. Q. -- did – did I give you the spelling of my name and my telephone number?

A. No, go ahead, I'll take it right now...

88. Q. Yup.

A. -- give me one second.

89. Q. All right.

A. -- [Indiscernible]

90. Q. When you're ready.

A. All right, Corporal, go ahead.

91. Q. Yup. It's Ken Buonaiuto, B-U-O-N-A-I-U-T-O.

A. Okay.

92. Q. And the phone number is 444-...

A. Yup.

93. Q. -- 1205.

A. Okay. Thanks a lot, Corporal. I great – really appreciate it.

94. Q. Okay. All right. Thank you for the time.

A. My pleasure. Thank you.

95. Q. Have a good day.

A. Take care.

96. Q. Yup. All right.

A. You too. Bye bye.

STATEMENT TAKEN BY:

WITNESSED BY:
