



Rhode Island State Police - FCU
Investigative Report

Page: 1
02/09/2017

Case #: 12-3-IV

Date/Time Reported: 06/07/2012 @ 1522
Report Date/Time: 06/07/2012 @ 1522

Case Status: Closed

Reporting Officer: Captain KENNETH BUONAIUTO

Signature: _____

Assisting Officer: Investigator LORI TELLIER

Signature: _____

#	OFFENSE(S)	A/C	TITLE/CHAP	SECTION
	LOCATION TYPE: Commercial/Office Building 38 STUDIOS LLC 1 EMPIRE PLZ PROVIDENCE RI 02901		Zone: Lincoln Area	
1	BANK FRAUD	C	19-9	29
	OCCURRED: 11/01/2010 0800			

#	VICTIM(S)	SEX	RACE	AGE	SSN	PHONE
1	STATE OF RHODE ISLAND 1 CAPITOL HL PROVIDENCE RI 02901 VICTIM CONNECTED TO OFFENSE NUMBER(S): 1				NOT AVAIL	

#	PERSON(S)	PERSON TYPE	SEX	RACE	AGE	SSN	PHONE
1	SCHILLING, CURTIS M [REDACTED] DOB: [REDACTED] EMPLOYER: 38 STUDIOS LLC	PARTICIPANT	M	W	45	[REDACTED]	[REDACTED]

#	SUSPECT(S)	SEX	RACE	AGE	SSN	PHONE
1	CORSO, MICHAEL D [REDACTED] CONTACT INFORMATION: Home Phone (Primary) [REDACTED] BODY: NOT AVAIL. DOB: [REDACTED] LICENSE NUMBER: NOT AVAIL.	M	W	41	[REDACTED]	[REDACTED]
					COMPLEXION: NOT AVAIL. PLACE OF BIRTH: NOT AVAIL. ETHNICITY: NOT HISPANIC	

Ref: 12-3-IV

On June 7, 2012 a joint investigation conducted by the Rhode Island State Police, Providence Office of the FBI, Rhode Island Attorney General's Office and the United States Attorney's Office commenced. FBI Special Agent Joseph Consoli and I were assigned as case agents to the investigation. This joint investigation focused on identifying violations of federal and/or state criminal law regarding any and all aspect of 38 Studios.

This investigation resulted in the issuance of [REDACTED] subpoenas, one hundred fifty (150) formal interviews conducted with one forty three (143) individuals. Additionally, twelve (12) of these individuals provided testimony in Statewide Grand Jury.

38 Studios History Timeline;

October 8, 2009: William Murphy (Speaker of House), Gordon Fox (Majority Leader), Michael Corso visit 38 Studios in Menard, Ma.....In news released Murphy stated that meeting was to assist 38 Studio set up meeting with Massachusetts Law Makers. Murphy does not mention in article that Fox and Corso are also present at meeting.

March 6, 2010: Governor Carceiri speaks with Schilling about 38 Studios at Schilling's house during charity fundraiser event.

March 2010: Schilling, Zaccagnino meet with Fox, Keith Stokes (EDC), Michael Saul (EDC), Robert Stolzman (EDC Counsel) and Corso at Corso's Providence law office to discuss 38 Studio needs and State programs available to 38 Studios.

March 22, 2010: Schilling and Zaccagnino meet with EDC Stokes and Saul.

March or April 2010: Fox, Constantino, Stokes, (Others ??) travel to 38 Studios in Maynard Massachusetts for a "meet & greet" with 38 Studios representatives to discuss the company's interest in moving to Rhode Island.

May 25, 2010: House passes EDC Loan Guarantee program

June 11, 2010: Governor Carceiri signs EDC Loan Guarantee program into law.

June 14, 2010: EDC Board meeting....Schilling along with several of 38 Studios top administrators....Wells Fargo presentation on gaming industry....Strategic Analytics presentation evaluating video gaming cluster prospective in RI. Risks also addressed in presentation that included long term commitment and collaboration with government.

July 1, 2010: 38 Studios retains services of Kingston Capital Group (Mike Corso) to "pro-actively identify short-term bridge financing for 38 Studios (7/1/2010-9/30/2010) Compensation to be paid-9.5% of each short-term loan closed.

July 26, 2010: EDC Board approves \$75 Million loan to 38 Studios at Board meeting. EDC Director Keith Stokes tells Board, "EDC has been deliberating this matter and performing its due diligence for the last several months." EDC Deputy Director Michael Saul presents EDC power point presentation on video game industry & 38 Studios opportunity. Minimal risks listed in presentation/multiple positives listed. 8 to 1 vote in favor of

Ref: 12-3-IV

loan to 38 Studios.

November 1, 2010: \$75 million 38 Studios loan closing.

November 3, 2010: Nappa Construction hired by 38 Studios as General Contractor for renovation to One Empire Street, Providence. Renovation begin in January 2011 and continue through closing in May 2012. Nappa compensated at 10% of total cost of 38 Studios renovation. Renovation cost approximately \$10,000,000.00. Nappa compensated approximately \$1,000,000.00.

November 7, 2010: Orb Development, LLC (Corso) is contracted by 38 Studios to oversee and manage 38 Studios renovation. To be compensated 10% of renovation budget/not less than \$500,000.00. (Michael Corso listed in bankruptcy for \$77,600.00) **Unsure if he received this compensation.**

December 7, 2010: Corso signs contract with 38 Studio retaining his representation for; "preliminary evaluation of any potential economic incentive programs available to the company in multiple jurisdictions along with any and all work related thereto and related issues concerning company's continued services as its representative in the event that the company desires to move forward." @ \$485/hour. (Michael Corso listed in bankruptcy for \$77,600.00)

January 1, 2011: 38 Studios contracts with Kingston Capital (Corso) for consulting services which include; public and government relations; media interaction; review of press releases; community interaction with the local business community; interaction with government agencies and various public officials. Paid \$300,000.00/year...\$150,000.00 bi-annually. (Not listed in bankruptcy)

January 2011: Renovation of Tazza Café, owned by Mike Corso, begins. Nappa Construction (Steve Nappa) manages renovation, but sub-contractors are told by Steve Nappa to invoice Corso directly.

February 6, 2011: Dana Caggiano of SYNET meets Steve Nappa at Tazza Café to discuss renovation work for restaurant. Verbal estimate of \$25,000 to Steve Nappa for AV and Camera installation. Dana Caggiano alleges that Steve Nappa told him to bury cost of Tazza work into 38 studios.

Feb. 2011-March 2011: Tazza renovation.... SYNET, Rossi Electric, Merit Mechanical....numerous vendors & suppliers....

April 2011: 38 Studios moves into One empire Street.

January 2012: Agreement between 38 Studios and Preservation Credit Funds, LLC (owned by Corso), to buy \$12,000,000 anticipated tax credit from 38 Studios for \$7,560.000. Preservation Credit Funds, LLC trying to collect \$11,523,000.00 from bankruptcy.

January-February 2012: Corso borrows total of \$9.75 million from BankRI secured by 3,200 gold coins (Schilling's) and anticipated tax credits.

February 7, 2012: First video game "Kingdom of Amalur" released. \$59.95/ea

March 2012: Sale of new video game among top 5 video games.

May 1, 2012: 38 Studios defaults on loan failing to make \$1.125 million payment.

Ref: 12-3-IV

May 4, 2012: EDC issues loan payment default letter to 38 Studios.

May 2012: RI Film and TV Office retracts anticipated tax credit certification due to default on loan payment.

May 17, 2012: Wire transfer of \$1,025,000.00 from ROW-1 Productions (Brandt Andersen) to EDC on behalf of 38 Studios

May 17, 2012: EDC sends 38 Studios (Zaccagnino) notification that default has been cured as a result of receipt of \$1,125,000 payment.

May 24, 2012: 38 Studios lays off all of its employees and closes doors.

June 7, 2012: 38 Studios filed for bankruptcy

Investigation Timeline;

June 7, 2012: RISP/FBI open investigation

June 7, 2012: Federal subpoena issued for;

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

June 11, 2012: Federal subpoena issued for;

- [REDACTED]
- [REDACTED]

June 12, 2012: Federal subpoena issued for;

- [REDACTED]

June 15, 2012: Federal subpoena issued for;

- [REDACTED]

July 12, 2012: Interview conducted by Captain Buonaiuto and FBI Special Agents Consoli and Fessel with David Booth, Vice President of Commercial Lending at BankRI. Focus of interview is on two BankRI loans to Attorney Michael Corso totaling \$9.75 Million.

Booth explained that he knew Corso from a past deal in which he referred a loan to the bank involving historic tax credits. Booth described Corso as the "Tax Credit Expert". Booth confirmed that Corso

Ref: 12-3-IV

received two loans from BankRI in January/February 2012, the funds of which would be used as a bridge loan for 38 Studios while the company secured additional capital from investors. He further explained that 38 Studios tax credits and gold coins belonging to Curt Schilling where put up as collateral for the loans. Booth stated that he understood the tax credits had not been earned by 38 Studios at the time of the loan closings and considered them to be anticipated tax credits. He further explained that the loan funds would be needed by 38 Studios to get them through the end of the summer (2012), at which time they would fully qualify for the tax credits which would be sold to repay the BankRI loans.

July 24, 2012: Interview with SYNET ex-employee Michael Rossi regarding SYNET burying cost of Tazza Renovation in 38 Studios.

Michael Rossi is a former Project Manager for SYNET, a low voltage wiring company located in Warwick RI. SYNET was a sub-contractor company that installed low voltage wiring for the 38 Studio renovation at 1 Empire Street, Providence. SYNET was hired by Rossi Electric (no relation to Michael Rossi), who was the electrical contractor hired by the General Contractor, Nappa Construction.

Rossi alleged that SYNET performed electrical work for Michael Corso at his Providence restaurant, Tazza, and buried the cost of the Tazza work in the cost of work done at 38 Studios.

September 14, 2012: Federal subpoena issued for;

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

September 24, 2012: FBI withdrew from investigation after determining process of obtain BankRI loans was free of criminal activity. Documents obtained through Federal Subpoena process turned over to RISP

October 15, 2012: Statewide Grand Jury begins. Subpoenas issued to the following entities for 38 Studios related documents:

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

October 15, 2012: [REDACTED]

December 11, 2013: [REDACTED]
[REDACTED]

February 12, 2014: [REDACTED]

May 14, 2014: [REDACTED]
[REDACTED]

DETECTIVE BUONAIUTO NARRATIVE

Ref: 12-3-IV

June 25, 2014: [REDACTED]

September 14, 2014: [REDACTED]

October 6, 2014: [REDACTED]

December 14, 2014: [REDACTED]

January 22, 2015: [REDACTED]

June 19, 2015: [REDACTED] Schilling interviewed by Captain Buonaiuto and Assistant Attorney General Patrick Youngs

July 30, 2015: [REDACTED]

July 30, 2015: Sitting Grand Jury expired

September 2015: Superior Court made partial releases of civil trial records, to include sixty-six depositions. A review of all of these records was completed.

November 20, 2015: Thomas Zaccagnino (Former 38 Studios Board Member) interviewed by Captain Buonaiuto and Assistant Attorney General Patrick Youngs

December 2, 2015: Steve Nappa reinterviewed by Captain Buonaiuto and Assistant Attorney General Patrick Youngs

Grand Jury Testimony provided by;

1. [REDACTED]
2. [REDACTED]
3. [REDACTED]
4. [REDACTED]
5. [REDACTED]
6. [REDACTED]
7. [REDACTED]
8. [REDACTED]
9. [REDACTED]
10. [REDACTED]
11. [REDACTED]
12. [REDACTED]
13. [REDACTED]

Interviews Conducted Outside of Grand Jury (See attached Contact Reports);

David Booth (BankRI Vice President of Commercial Lending) 7/12/12

DETECTIVE BUONAIUTO NARRATIVE

Ref: 12-3-IV

January 22, 2015: [REDACTED]

June 19, 2015: Kurt Schilling interviewed by Captain Buonaiuto and Assistant Attorney General Patrick Youngs

July 30, 2015: [REDACTED]

July 30, 2015: [REDACTED]

September 2015: Superior Court made partial releases of civil trial records, to include sixty-six depositions. A review of all of these records was completed.

November 20, 2015: Thomas Zaccagnino (Former 38 Studios Board Member) interviewed by Captain Buonaiuto and Assistant Attorney General Patrick Youngs

December 2, 2015: Steve Nappa reinterviewed by Captain Buonaiuto and Assistant Attorney General Patrick Youngs

[REDACTED]

1. [REDACTED]
2. [REDACTED]
3. [REDACTED]
4. [REDACTED]
5. [REDACTED]
6. [REDACTED]
7. [REDACTED]
8. [REDACTED]
9. [REDACTED]
10. [REDACTED]
11. [REDACTED]
12. [REDACTED]
13. [REDACTED]

Interviews Conducted [REDACTED] (See attached Contact Reports);

David Booth (BankRI Vice President of Commercial Lending) 7/12/12
Michael Rossi (Former SYNET Employee) 7/24/12, 7/25/12
Scott F. Malone (SYNET) 8/2/12
Stephen P. Beauvais (SYNET) 8/2/12, 8/21/12, 7/23/13
Dana Caggiano (SYNET) 8/21/12, 7/23/13
Sean Esten (EDC Employee) 11/20/12
Alfred J. Verrecchia (EDC Board) 8/14/13
Stephen Lane (EDC Board) 9/5/13
John P. Ciacciarrelli (Rossi Electric) 7/30/13, 4/10/14
Cheryl Snead (EDC Board) 9/9/13
Doctor Timothy Babineau (EDC Board) 8/20/13

Ref: 12-3-IV

Michael Rossi (Former SYNET Employee) 7/24/12, 7/25/12
Scott F. Malone (SYNET) 8/2/12
Stephen P. Beauvais (SYNET) 8/2/12, 8/21/12, 7/23/13
Dana Caggiano (SYNET) 8/21/12, 7/23/13
Sean Esten (EDC Employee) 11/20/12
Alfred J. Verrecchia (EDC Board) 8/14/13
Stephen Lane (EDC Board) 9/5/13
John P. Ciacciarelli (Rossi Electric) 7/30/13, 4/10/14
Cheryl Snead (EDC Board) 9/9/13
Doctor Timothy Babineau (EDC Board) 8/20/13
Daniel J. Sullivan (EDC Board) 8/20/13
Paul Choquette (EDC Board) 8/21/13
Daniel J. Sullivan (EDC Board) 8/20/13
Dr. David M. Dooley (EDC Board) 8/23/13
John McDonough (Rossi Electric) 9/3/13, 4/10/14
Vincent Rossi (Rossi Electric) 9/3/13
Stephen Lane (EDC Board) 9/5/13
Cheryl Snead (EDC Board) 9/9/13
Donna Cupelo (EDC Board) 9/10/13
James L. Singleton (EDC Board) 9/10/13
Michael R. Pinto (SYNET) 1/17/14
George Nee (EDC Board) 2/12/14
Governor Donald L. Carcieri 2/13/14
Steve Nappa (Nappa Construction) 3/28/14, 12/2/15
Tony Marandola (Merit Mechanical) 6/2/14
Attorney Zachary Darrow 6/6/14
Brandt Anderson (ROW 1) 6/10/14
Steven Feinberg (Film & TV Office) 6/10/14
Keith Stokes (Former EDC Director) 7/9/14
Steven Costantino (Former State Rep./Finance Committee Chairman) 7/17/14, 7/18/14
John Sullivan (Mass. Resident/Computer) 9/30/14
Larry Ehrhardt (Former State Rep.) 11/14/14
Curt Schilling 6/19/15
Thomas Zaccagnino (Former 38 Studios Board Member) 11/20/15
Steve Nappa 12/2/15

Rhode Island Legislator Interviews;

During the months of June and July 2014, members of the Financial Crimes Unit contacted and interviewed the below listed members of the 2010 Rhode Island House of Representatives and Senate regarding the passage of the Jobs Creation Guarantee Program and 38 studios.

HOUSE OF REPRESENTATIVES

Edith Ajello

Joseph Almeida

Samuel Azzinaro

Lisa Baldelli-Hunt

DETECTIVE BUONAIUTO NARRATIVE

Ref: 12-3-IV

Jon Brien	David Caprio	John Carnevale	Kenneth Carter
Elaine Coderre	Arthur Corvese	Steven Constantino	Roberto DaSilva
John DeSimone	Grace Diaz	Rod Driver	Jon Edwards
Laurence Ehrhardt	Deborah Fellela	Frank Ferri	Christopher Fierro
Robert Flaherty	Douglas Gablinske	Raymond Gallison	Al Gemma
Joanne Giannini	Scott Guthrie	Arthur Handy	Joy Hearn
J. Russell Jackson	Robert Jacquard	Brian Kennedy	Peter Kilmartin
Donald Lally	Karen MacBeth	Jan Malik	Michael Marcello
Peter Martin	Nicholas Mattiello	Joseph McNamara	Helio Melo
Rene Menard	William Murphy	Eileen Naughton	Brian Newberry
J. Patrick O'Neill	Edwin Pacheco	Peter Palumbo	Peter Petrarca
Scott Pollard	Amy Rice	Michael Rice	Deborah Ruggiero
William San Bento	John Savage	Gregory Schadone	David Segal
Patricia Serpa	Mary Ann Shallcross	Agostinho Silva	Thomas Slater
Raymond Sullivan	Joseph Trillo	Stephen Ucci	Kenneth Vaudreuil
Donna Walsh	Peter Wasylyk	Robert Watson	Anastasia Williams
Timothy Williamson	Thomas Winfield		

SENATE

Dennis Algieri	David Bates	Leo Blais	Frank Ciccone
Daniel Connors	Marc Cote	Elizabeth Crowley	Daniel DaPonte
Frank DeVall	Louis DiPalma	James Doyle	Walter Felag
Paul Fogarty	Hanna Gallo	Mary Ellen Goodwin	Paul Jabour
Beatrice Lanzi	Michael Lenihan	Charles Levesque	Erin Lynch
Francis Maher	Chrisopher Maselli	John McBurney	Michael McCaffrey
Harold Metts	Joshua Miller	Edward O'Neill	Teresa Paiva Weed
Rhoda Perry	Roger Picard	Juan Pichardo	Michael Pinga
Leonidas Raptakis	Dominick Ruggerio	James Sheehan	Susan Sosnowski
John Tassoni	William Walaska		

14. Passage of Jobs Creation Guarantee Program

HOUSE OF REPRESENTATIVE INTERVIEWS

Representative Steve Constantino was involved in meetings with 38 Studios representatives that addressed 38 Studios financial needs and the State of Rhode Island's interest in the company relocating to Rhode Island. Constantino stated the details of these negotiations with 38 Studios were not made public and/or disclosed to other members of the General Assembly so that competing states would not know Rhode Island was working on a deal with 38 Studios. (see transcribed interview)

The remaining Representatives that were interviewed stated that they did not know Speaker Fox, Representative Constantino and the Governor's Office were working on a deal to bring 38 Studios to Rhode Island when they voted on the Jobs Creation Guarantee Program. All members stated that the Jobs Creation Guarantee Program was being described to them by Representative Constantino as a program in

Ref: 12-3-IV

which multiple small businesses could access capital, which at the time was very difficult for businesses to obtain through conventional banking due to the economic crisis being experienced. During House of Representative floor debate regarding the Job Creation Guarantee Program Bill, Representative Constantino was asked by Representative Larry Ehrhardt if any one company was going to be getting a large portion of the funds from the program. Representative Constantino responded that the program was not targeting one company, but would benefit multiple companies trying to access capital.

Representative Ehrhardt stated that he was concerned that there was not a cap on the amount one company could access from the program so he was prepared to submit an amendment to the bill that would cap the maximum amount to \$10 million. Shortly before doing so, he was called off the House floor by a House Page. When he exited he was approached by Keith Stoke, who wanted to talk to him about his intended amendment to the bill. Stokes told Ehrhardt that his amendment would conflict with projects the Governor's Office was working on. Ehrhardt stated that because he was a fellow republican, he did not want to jeopardize anything Governor Carcieri was working on, so he decided not to submit his amendment. Ehrhardt stated that in hindsight of the events that unfolded, he felt betrayed by the Governor's Office and the leadership of the General Assembly.

The majority of the House of Representatives believed that important information regarding 38 Studios was withheld from them which may have affected their vote concerning the Jobs Creation Guarantee Program.

No members of the House of representatives that were interviewed had a personal or professional relationship with any employee of 38 Studios, or Michael Corso. Most stated that they would not know Michael Corso if he was standing in front of them.

*Representative Gordon Fox was not contacted at the request of his attorney, William Murphy.

*Representative William Murphy did not want to answer questions due to his representation of Gordon Fox.

*Representative John McCauley is in federal prison and as a result was not contacted.

*A formal taped interview was conducted with Representative Steven Constantino. [REDACTED]

Senate

With the exception of Senate President Teresa Paiva-Weed, all Senators stated that they did not know about the State's negotiations with 38 Studios until hearing about it in the media after their vote on the Jobs Creation Guarantee Program. They all stated that the Jobs Creation Guarantee Program bill was a House bill, so they were not involved in any debate regarding its' passage. It was explained by the majority of Senators that if a House Bill comes over to the Senate, debate does not usually follow because there is an understanding that all of the relevant debate has already taken place in the House. When the bill did come to the Senate, it was the understanding by all the Senators that the program would provide access to much needed capital for small businesses throughout the state. The majority of Senators explained that the state was struggling economically at the time so they supported the bill in hopes of securing existing jobs and bringing in new jobs to the state.

Senate President Paiva-Weed stated that Speaker Fox set up a meeting in her office some time before the

Ref: 12-3-IV

passage of the Jobs Creation Guarantee Program in which she meet Curt Schilling for the first time and was brought up to speed on the negotiations the state was having with him to bring 38 Studios to Rhode Island. Senator Paiva-Weed stated that she did not tell anyone else in the Senate about the details of the meeting because she did not want to jeopardize the efforts of the State in its' efforts to bring 38 Studios to Rhode Island.

Senator Deponte, who was the Senate Finance Committee Chairman, stated that he was unaware of the 38 Studios negotiations until after the Jobs Creation Guarantee Program was passed by both House and Senate.

No member of the Senate had a personal or professional relationship with any employee of 38 Studios, or Michael Corso. Most stated that they would not know Michael Corso if he was standing in front of them.

15. EDC 38 Studios Loan Approval

In early March of 2010 EDC Director Keith Stokes was contacted by Speaker Fox and asked to meet with 38 Studios representatives. Fox indicated that 38 Studios had an interest in moving to Rhode Island. During the phone call Fox described 38 Studios as a gaming company that was owned by Curt Schilling. Director Stokes stated that receiving a call from Speaker Fox was not unusual. As the Director of EDC he often received calls from politicians regarding businesses.

Director Stokes met with Fox, Steve Constantino, Curt Schilling, Tom Zaccagnino and Michael Corso at Corso's law office on Chestnut Street, Providence, later that week. Director Stokes was accompanied to the meeting with EDC Deputy Director Michael Saul and EDC Counsel Robert Stolzman.

15. Tazza Restaurant Renovation

Tazza Restaurant is a Providence restaurant owned by Michael Corso and located on Westminster Street in the heart of Downtown Providence. Tazza Restaurant underwent an extensive renovation project in early 2011, during the same time frame that 38 Studios was renovating One Empire Street, Providence. Nappa Construction was the General Contractor for both 38 Studios and Tazza Restaurant. Corso, who has prior business relationship with Nappa Construction owner Steve Nappa, is instrumental in 38 Studio hiring Nappa Construction as the general contractor for the 38 Studios renovation.

Evidence revealed during investigation supported allegations that a subcontractor that worked on both jobs under charged Corso for work done at Tazza and overcharged for work done at 38 Studios to make up for the cost of the work done at Tazza. No evidence was found to lead investigators to believe Corso knew subcontractor was putting cost of work done at Tazza into cost of work done at 38 Studios.

16. ROW 1 Productions Loan to Corso & Zaccagnino

In May 2012 Corso and Zaccagnino secured a \$1,177,500.00 loan from ROW 1 Productions, which was guaranteed and secured by Corso & Zaccagnino with anticipated RI Tax Credits. The funds from the loan were used to make payment to the EDC for the 1,125,000.00 loan payment that was in default.

DETECTIVE BUONAIUTO NARRATIVE

Ref: 12-3-IV

Brandt Anderson is an executive (owner) working for Row 1 Production, a Beverly Hills, California based film production company that raises funds for production of films. Anderson met Michael Corso about a year before 38 Studios shut its doors. Anderson stated that during that time his dealings with Corso were strictly professional. Anderson specifically stated that he did not consider himself and Corso as friends.

Anderson stated that his company raised funds for the production of "BackMask", which he co-produced with Corso. Back Mask is a horror film that was filmed at the LADD center in Exeter, RI. Anderson stated that he met Tom Zaccagnino prior to the 38 Studios loan when they were filming Back Mask.

Anderson was introduced to Schilling by Corso.

Anderson stated that Corso approached him a couple of years ago about funding for a bridge loan for 38 Studios. Anderson did not recall what the loan proceeds would be used for.

Anderson stated that Corso and Zaccagnino personal guaranteed the loan for 38 Studios.

Anderson stated that he paid his attorneys about \$50,000.00 to ensure his investment was protected before agreeing to give Corso the loan for 38 Studios, so he did not think at the time that he had been cheated in any way.

Anderson stated that he believed at the time he gave Corso the loan, the Rhode Island Tax Credits were a secure and reliable means of collecting on his loan. He now describes the loan as a "bad deal". Anderson has since been repaid the majority of the money and is not interested in pursuing any type of criminal action against Corso or Zaccagnino if it is determined that they obtained the loan through fraudulent means.

Ref: 12-3-IV

During the months of June and July 2014, members of the Financial Crimes Unit contacted and interviewed the below listed members of the 2010 Rhode Island House of Representatives and Senate regarding the passage of the Jobs Creation Guarantee Program and 38 studios.

HOUSE OF REPRESENTATIVES

Edith Ajello	Joseph Almeida	Samuel Azzinaro	Lisa Baldelli-Hunt
Jon Brien	David Caprio	John Carnevale	Kenneth Carter
Elaine Coderre	Arthur Corvese	Steven Constantino	Roberto DaSilva
John DeSimone	Grace Diaz	Rod Driver	Jon Edwards
Laurence Ehrhardt	Deborah Fellela	Frank Ferri	Chrisopher Fierro
Robert Flaherty	Douglas Gablinske	Raymond Gallison	Al Gemma
Joanne Giannini	Scott Guthrie	Arthur Handy	Joy Hearn
J. Russell Jackson	Robert Jacquard	Brian Kennedy	Peter Kilmartin
Donald Lally	Karen MacBeth	Jan Malik	Michael Marcello
Peter Martin	Nicholas Mattiello	Joseph McNamara	Helio Melo
Rene Menard	William Murphy	Eileen Naughton	Brian Newberry
J. Patrick O'Neill	Edwin Pacheco	Peter Palumbo	Peter Petrarca
Scott Pollard	Amy Rice	Michael Rice	Deborah Ruggiero
William San Bento	John Savage	Gregory Schadone	David Segal
Patricia Serpa	Mary Ann Shallcross	Agostinho Silva	Thomas Slater
Raymond Sullivan	Joseph Trillo	Stephen Ucci	Kenneth Vaudreuil
Donna Walsh	Peter Wasylyk	Robert Watson	Anastasia Williams
Timothy Williamson	Thomas Winfield		

Representative Steve Constantino was involved in meetings with 38 Studios representatives that addressed 38 Studios financial needs and the State of Rhode Island's interest in their relocation to Rhode Island. Constantino stated the details of these negotiations with 38 Studios were not made public and/or disclosed to the remainder of the General Assembly so that competing states would not know Rhode Island was working on a deal with 38 Studios. (see transcribed interview)

All remaining Representatives that were interviewed stated that they did not know leadership and the Governor's Office were working on a deal to bring 38 Studios to Rhode Island. All members stated that the Jobs Creation Guarantee Program was being described to them by Representative Constantino as a program in which multiple small businesses could access capital, which at the time was very difficult to obtain through conventional banking due to the economic crisis being experienced. During House of Representative floor debate regarding the Job Creation Guarantee Program bill, Constantino was asked by Representative Larry Ehrhardt if any one company was going to be getting a large portion of the funds in the program. Constantino responded that the program was not targeting one company, but would benefit multiple companies trying to access capital.

Representative Ehrhardt stated that he was concerned that there was not a cap on the amount one company could access from the program so he was prepared to submit an amendment to the bill that would cap the maximum amount to \$10 million. Shortly before doing so, he was called out of the House Floor by a House page. When he exited he was approached by Keith Stoke, who wanted to talk to him about his intended amendment to the bill. Stokes told Ehrhardt that his amendment would conflict with projects the Governor's Office was working on. Ehrhardt stated that because he was a fellow republican, he did not want to jeopardize anything Governor Carcieri was working on, so he decided not to submit his amendment. Ehrhardt stated that in hindsight of the

Ref: 12-3-IV

events that unfolded, he felt betrayed by the Governor's Office and the leadership of the General Assembly.

The majority of the House of Representatives believed that important information regarding 38 Studios was intentionally withheld from them that may have affected the vote concerning the Jobs Creation Guarantee Program.

No members of the House that was interviewed had a personal or professional relationship with an employee of 38 Studios, or Michael Corso. Most stated that they would not know Michael Corso if he was standing in front of them.

*Representative Gordon Fox was not contacted at the request of his attorney, William Murphy.

*Representative William Murphy did not want to answer questions due to his representation of Gordon Fox.

*Representative John McCauley is in federal prison and as a result was not contacted.

*A formal taped interview was conducted with Representative Steven Constantino.

SENATE

Dennis Algieri	David Bates	Leo Blais	Frank Ciccone
Daniel Connors	Marc Cote	Elizabeth Crowley	Daniel DaPonte
Frank DeVall	Louis DiPalma	James Doyle	Walter Felag
Paul Fogarty	Hanna Gallo	Mary Ellen Goodwin	Paul Jabour
Beatrice Lanzi	Michael Lenihan	Charles Levesque	Erin Lynch
Francis Maher	Chrisopher Maselli	John McBurney	Michael McCaffrey
Harold Metts	Joshua Miller	Edward O'Neill	Teresa Paiva Weed
Rhoda Perry	Roger Picard	Juan Pichardo	Michael Pinga
Leonidas Raptakis	Dominick Ruggerio	James Sheehan	Susan Sosnowski
John Tassoni	William Walaska		

With the exception of Senate President Teresa Paiva-Weed, all Senators stated that they did not know about 38 Studios until hearing about it in the media after their vote on the jobs Creation Guarantee Program. They all stated that the Jobs Creation Guarantee Program bill was a House bill, so they were not involved in any debate regarding its' passage. It was explained by most that if a House bill comes over to the Senate, debate does not usually follow because there is an understanding that all of the relevant debate has already taken place in the House. When the bill did come to the Senate, it was understood by all the Senators that the program would provide access to much needed capital to small businesses throughout the state. The majority of Senators stated that the state was struggling economically at the time so they supported the bill in hopes of securing existing jobs and bringing in new jobs to the state.

Senator Deponte, who was the Senate Finance Committee Chairman, stated that he was unaware of 38 Studios until after the Jobs Creation Guarantee Program was passed by both House and Senate.

Senate President Paiva-Weed stated that Speaker Fox set up a meeting in her office some time before the passage of the Jobs Creation Guarantee Program in which she meet Curt Schilling for the first time and was brought up to speed on the negotiations the state was having with him to bring 38 Studios to Rhode Island. Senator Paiva-Weed stated that she did not tell anyone else in the Senate about the details of the meeting.

No member of the Senate had a personal or professional relationship with an employee of 38 Studios, or

Ref: 12-3-IV

Michael Corso. Most stated that they would not know Michael Corso if he was standing in front of them.