

TELEPHONIC WITNESS STATEMENT

DATE: [Not Provided]

TIME: [Not Provided]

INTERVIEW OF: Representative Karen MacBeth

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. ... MacBeth returning your phone call.

2. Q. How are you, Representative? Thank you very much for giving me a call back, I appreciate it very much. Would you have a few minutes to – to talk?

A. As much time as you need.

3. Q. Excellent. Okay. Representative MacBeth, how long have you been in the h- in the House of Representatives?

A. I just finished my sixth – Well, my sixth year.

4. Q. You s...

A. It ends in January, but this will be my sixth year.

5. Q. Okay, so in 2008 to two thou- 2014?

A. Let's see, '8, '9, '10, '11, '12, '13, as well as 2009.

6. Q. You were sworn in in...

A. '9, '10 ...

7. Q. -- 2009.

A. Yeah.

8. Q. I gotcha. Okay.

A. **Eight, '9, '10, '11, twel—Yeah, '9 ...**

9. Q. All right.

A. **Uh, yup.**

10. Q. Okay. Well let me start this off as nobody in the House of Representatives is a target of any investigation, we're just really reaching out, open up the lines of communication, just give people an opportunity to speak with us and provide any – any information they - they feel is – might be of interest to us and just I have a few questions myself if you can oblige me of those questions, that'd be great. During your time in the House, what committees have you been assigned to, do you remember?

A. **I've been on HEW, which is Health Education and Welfare, ...**

11. Q. Mm hmm.

A. **-- Municipal Government, Chairwoman of Oversight Committee and Finance, and Veteran Affairs.**

12. Q. Okay. And when were you in Finance?

A. **Right now.**

13. Q. Okay. So you – you were just recently assigned when Speaker of the – Speaker Mattiello was appointed?

A. **Yes.**

14. Q. Okay. All right. Great. Okay. All right. Do you remember back in 2010 when the Jobs Creation Guaranty Program came to the floor for a vote?

A. The first time or the second time?

15. Q. Well, you tell me? When – when was the first time that you became aware of that particular bill?

A. It came to the floor [Indiscernible] and I voted “No” on it the first time. And it came back to us a second time and I felt very uncomfortable, but I was having senior reps and people and reps, reps that were at the – had served longer than I telling me this was a job creation bill; I would have to support it; it would be a bad message for the business community if I didn't. And I said, but something's not [Indiscernible], *I didn't vote for it the first time*, and they said, *yes, but you have to vote for it this time*. And so I said, *well if that's the case, then you're a more senior rep than I am, you understand some things better than I do at this point, but I am going to question the leadership with absolutely every question I can think of at this point because something isn't sitting right with me on this*. And I did. And there are tapes of me questioning Constantino ...

16. Q. Mm hmm.

A. -- and the leadership on that – on ...

17. Q. Right. And that's been attested to by many reps that I've spoken to already, so. Yeah, ...

A. Have you – have you ever watched the tapes?

18. Q. Have I w- Well I haven't watched the tape, no. No. No. But I know the tape ...

A. I suggest you do. It's – When you – And when you watch Constantino and you watch him looking at the Speaker, like, *help me out*, and ... And I watched the Speaker, and the Speaker looked at him with a blank face, and they – you – I don't know if you know me, but I watch everything, is that to me, I could tell Constantino was nervous with my questions, but at the same time, the Speaker wasn't letting anything on that there was an issue.

19. Q. Right. Right. So – so from – from what you understood, at least the way it was being presented was what, that it w- this was going to be a, a program with a certain amount of funds available for either businesses that want to come to Rhode Island or – or businesses in Rhode Island that needed some sort of capital?

A. Yes. And it was supposed to be pro-business, and I w- I was calling it an amendment to cap the amount of the loan at \$1.5 million ...

20. Q. Mm hmm.

A. -- and I was told that the republicans had amendment and they were offering it so it was all set, so I did not have my amendment drawn up. And [Indiscernible] ...

21. Q. Who told you that?

A. -- said "no." It was Larry Ehrhardt had had an amendment, ...

22. Q. All right. Okay. Right. Yup.

A. -- and um, and he didn't offer it. And when I found out he didn't offer it, I questioned even more on the floor...

23. Q. Mm hmm.

A. -- is there – is there a limit to the amount of this and – So there's the two questioning: the first time they came to the floor, and then the second time.

24. Q. Mm hmm. And was the first time, was that when it was the 50 million and it was part of the – part of the State budget?

A. Yes.

25. Q. Is it? Okay, that's who you're referring to. Okay. And – and it was pulled out of the State budget and it came out – it came out as a separate bill?

A. Yes.

26. Q. And that's where the 125 or the extra 75 million was added?

A. Yes.

27. Q. Okay. Very good. Okay. Was there anybody from 38 Studios or EDC that was present during this debate?

A. See, I always felt fairly new, so if they were, I wouldn't have known. I can tell you that I went as the Oversight chair and attempted to pull the sign-in sheets for committee hearings ...

28. Q. Yup.

A. -- to see who had testified for it again, and I was specifically looking for Mike Corso's name on there.

29. Q. Right.

A. All of those records have gone. And I reported that to Ralph Mollis, and I understand about -- maybe about this time there may- may be some breaking news on that with Mollis.

30. Q. Right.

A. That's going public. But that was a concern. They were missing all of them from the State -- State Archives.

31. Q. And, and you tell me, is that unusual?

A. Yes.

32. Q. O --

A. I think it is. We'll find out if Ralph thinks it is, because I brought that to his attention and he told me he would immediately go and start looking into that.

33. Q. Okay. Is -- is there a -- Can you educate me a little bit on the committees. Is -- is -- when

a, a bill is in the committee, committees being debated or hearings or people are speaking and, and, you know, listening to the debate on it, is – is – there's a final vote, is that correct, by – by the members?

A. The members of the committee, yes.

34. Q. Okay. And is that – is there any sort of like a quorum that's necessary, or?

A. Yes, there is. But I – I can tell you that you typically are not put on Finance unless you agree to vote the way you're told to vote by leadership. Like I currently voted "No" on the budget, and that was not well-taken by the leadership, and they have made it very clear to me. And it was also a phone call that I received shortly after being put on Finance that do I understand that when they come and they put a bill in front of us that we vote it out. And I said, "I don't think you know me very well."

35. Q. Right.

A. "If I don't feel comfortable doing that, I'm not going to do it." And that's when the current Speaker said, *well it's the same talk that I had when I was on Finance, so I'm having the same talk with you.*

36. Q. Mm.

A. And um, ...

37. Q. So he called you directly and told you that?

A. Yes.

38. Q. Okay. Okay, so you think this was ...

A. I didn't listen. [Laugh]

39. Q. Right. Well, you think there's supposed to be – there is a, a quorum that's necessary by – by State statute I would assume, right?

A. Yes, you have – you have to have a quorum for – for voting.

40. Q. Okay. Okay. All right, I think you already said it that you heard nothing or knew nothing of 38 Studios or you didn't even – Did you even hear like, talk in the hallways or so about 38 Studios prior to this bill coming to the floor?

A. Absolutely nothing. It ...

41. Q. Yeah.

A. -- was quiet as can be. There – N- I – I'm telling you, if we had known about this, there is no way it would have passed. And I think that's one of the keys of having this been kept so quiet ...

42. Q. Right.

A. -- that – There's no way it would. There's – There's no way a House full of representatives was going to – to, to allow \$75 million for one venture that's risky like this.

43. Q. Right.

A. It – Nobody would put their political career on the line.

44. Q. Mm hmm. Okay. You – you brought up Mike Corso's name. Do you – And obviously you know who he is now.

A. I do now after being, ha ha – I don't re- Yes.

45. Q. All right. Do you – Heh, that – that's true. All right, how about prior, did – did you know who he was prior to 2010?

A. No, had no idea.

46. Q. All right. So he – he was – All right, I -- I understand he was a lobbyist, but he – so you don't remember him ever coming before any of your committees or anything to that nature?

A. No.

47. Q. All right. And you don't remember ever seeing him hanging around the State House?

A. **No. I mean I just saw a picture of him recently. I wouldn't have known if I walked right into him.**

48. Q. Right. Okay.

A. **But again, I think the -- the key is going back and look- and trying to find those records with -- with Ralph Mollis ...**

49. Q. Right.

A. **-- in the building.**

50. Q. Okay. All right. Is -- is that -- Is that where the videos are also stored in the Secretary of State's office, or no?

A. **There -- there -- There's a gentleman that runs all of the -- the archives and records, and he is very meticulous. So he would -- All it is is, yeah, you call Ralph and he would know how to get -- get them right away with the videos and everything. But ...**

51. Q. Mm hmm.

A. **-- by whatever law we're supposed to follow, those have to be kept, and they haven't been, and I don't -- I, I know that there's others that are now gone. But by, I guess by law, they have to keep them.**

52. Q. Are you talking about the videos also or just the sign-in sheets?

A. **Both. They're ...**

53. Q. [Indiscernible]

A. **They're public record, so both ...**

54. Q. Right.

A. **-- have to be saved. I know I've been able to get a hold of one of the tapes in which**

I questioned; I have not been able to get a hold of the second tape.

55. Q. Is it a videotape or just audio?

A. **No, there's a videotape of me ...**

56. Q. Mm.

A. **-- questioning on the House floor, ...**

57. Q. Right.

A. **-- it's video.**

58. Q. Okay. Have you tried to get the committee, the Finance Committee tapes? Are those videoed by the ...?

A. **Yes. And, and they don't exist.**

59. Q. Oh, the – Okay. So the videos for – The videos and the sign-in sheets for the committee meetings don't exist.

A. **Well I guess with the senate side, they met – it's one of those – everything usually gets posted; it goes to committee, but because this was done in the eleventh hour, the committee, it wasn't posted the way it typically would be.**

60. Q. Yup.

A. **And so it – it wasn't the public comment and the, the records on that. On the House side, I don't know about the video from Finance.**

61. Q. Okay. Okay. So that might exist.

A. **It might exist, yeah.**

62. Q. All right. Okay. Okay. Well, is there anything I haven't asked you that – I mean, I know you've – you've done a few – you've done a little investigating yourself, is there something that I haven't asked you that you think is important for me to know or? And it doesn't even necessarily have

to do with 38 – 38 Studios, it could be anything whatsoever that you think should be of interest to the State Police.

A. The only thing I can think of is my last conversation – my second-to-the-last conversation with the FBI agent that called me.

63. Q. Okay. And who was that?

A. I don't have his name in front of me. I don't even – I'd have to go back in all my notes and look for it. And he called me on a Friday evening, and I thought he wanted to talk about 38 Studios with me.

64. Q. Mm hmm.

A. [REDACTED]

65. Q. Mm hmm.

A. [REDACTED]

66. Q. Right.

A. Which I thought was very odd. And so when I got done with the ques- when he got

done with the questioning, I said, *now do you want to talk about 38 Studios?* He said, *You know what, I'll call you next week, we'll meet for coffee on this; I'll get whatever documents you have.*

67. Q. Mm.

A. And I said, *Do you want to talk about it now?* And he goes, *No, I'm all set, I'll talk to you later, and hangs up.*

68. Q. How long ago was that?

A. This was uh maybe a month / six weeks ago. I ... I mean, I could go back and probably ...

69. Q. Was it Joe Consoli [phonetic]?

A. Was it what?

70. Q. Joe Consoli? Consoli?

A. No, it – it's the – it's the FBI agent that's worked in the State for at least 20 years.

71. Q. Vince Cavitch [phonetic]?

A. I don't – I – I – Even if you said his name, I don't know if I'd ...

72. Q. Oh, okay.

A. -- recognize it.

73. Q. All right. So you – you have his name at ho- ? Well you are at home, right now, but in your office you mean, or?

A. I have it somewhere where I wrote it down. Because when I got the threats, the first thing I did was contact – before you guys, I had contacted the – the contact to get me an FBI name and that's how I got one. And then they put me onto this guy in Rhode Island, and he handled – he handles the Rhode Island ...

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74. Q. Right. Okay.

A. -- end of it, he said.

75. Q. [REDACTED]

A. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

76. Q. Mm.

A. -- and ...

77. Q. Like, so where is it coming – what do you mean by “rumor,” where – where are you hearing that?

A. I had somebody call and tell me, and I don't feel comfortable saying who it was.

78. Q. Okay. That's fine.

A. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

79. Q. Mm hmm.

A. [REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

80. Q. [REDACTED]

A. Yes.

81. Q. [REDACTED]

A. [REDACTED]

82. Q. [REDACTED]

[REDACTED]

A. Okay. And I mean [laughs], I'm a principal from Cumberland, so I didn't know who anybody was.

83. Q. Okay.

A. And – and that's why when all of this came to me, to me we got a new Speaker, people are looking to take him down. I put no credence in – even though this person who gives me information is usually – has always been accurate, to me it was just [Indiscernible] at that point, and I didn't give it any credence, anymore thought. I told the Speaker and I moved on.

84. Q. Mm.

A. [REDACTED]

[REDACTED]

85. Q. Right.

A. [REDACTED]

86. Q. Okay. So you have his name and his – his number in your office you said, or at home, or?

A. Who, the FBI agent? Um, yeah, I'd have to go back through everything. I don't even know where I would have jotted it down, but I know I have it.

87. Q. Okay. Would – would you – would you be able to look for that and give me a call back just to let me know who it is?

A. Yeah. It may take me a little while, but I will do that.

88. Q. All right. All right. Anything else that you think you – you need to share with me?

A. No, I j- I mean, besides the fact on the threat that I really think it's coming from, not the Governor, but somebody in his office. I'm – I hope you guys will follow up at least for questioning Steve Cavanaugh of who he told that – that Mike Chippendale and I were looking for the forensic audit.

89. Q. Right. Right.

A. It's the only phone call and the only office that knew Mike Chippendale and I were working together. And it – it just bothers me, you know, [laughs].

90. Q. Well, it should. It should. You haven't received any more since though, is that correct?

A. Right. No, I haven't received any more.

91. Q. And ...

A. But now I – [REDACTED] so [laughing].

92. Q. Heh heh. All right.

A. So ...

93. Q. And Detective Donahue, I believe, is – and Alboum are working on that with you, is that correct?

A. I'm not sure who was, I don't – Is that the new woman who called me?

94. Q. [Indiscernible] Uh, it probably was. It was probably Detective Heather Donahue. Most

likely. Did she have an accent? No, right?

A. No.

95. Q. Okay.

A. And, and she didn't know anything of what I was telling her, because she said they suspended it. And I said, well, in the very least, did you p- did you? And she said, *I know nothing about this*. And I said, *Well I told Sergeant Cha- Chabot ...*

96. Q. Mm hmm.

A. So she said he was transferred. And I'm like, *great*.

97. Q. Right.

A. Well that would mean I could be passed on ... the [Indiscernible] ...

98. Q. Well, yeah. Well, he -- he was just recently transferred, but you can -- you can be assured that the case gets transferred to somebody within the Major Crimes Unit and whoever that is, they're -- they're all top-notch detectives in there, and believe me, it's -- it's going to be thoroughly investigated. So rest assured that they're -- they're -- it's in good hands. And she -

A. Okay.

99. Q. -- And she's a great detective, if that's who -- I mean, I -- I know that's who it is if you're saying a female and she did not have an accent, so that would have been Detective Donahue, and uh, it's in good hands.

A. Okay.

100. Q. It's in good hands.

A. That's good to know that ...

101. Q. Yeah.

A. -- hopefully we can find something out with ...

102. Q. Yeah.

A. -- that.

103. Q. Okay. So you have my telephone number. If you can share that name of that FBI agent that called you with me, I'd - I'd appreciate it. And then if something else comes up, something of interest that you think is important for me to know, if you can give me a call back I'd appreciate that too.

A. Okay. Will do. Thank ...

104. Q. Thank you for your time. Bye bye.

A. Okay, bye.

STATEMENT TAKEN BY:

WITNESSED BY:
