

TELEPHONIC WITNESS STATEMENT

DATE: [Not Provided]

TIME: [Not Provided]

INTERVIEW OF: Representative Rene Menard

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. Corporal, how are you?

2. Q. How are --? This is Rene?

A. Yeah, this is Rene. Yup.

3. Q. Okay. Do you have a few moments?

A. Sure I do.

4. Q. All right. I'm sure you've already heard in the media we're going to give all the reps ...

A. Yeah, that's fine. Yup.

5. Q. -- in 2010 a -- Okay. And it won't -- this won't be too long. Mr. Menard, how long did you serve ...?

A. Oh ... Listen, you -- you -- you can -- you can call me Rene.

6. Q. Excellent.

A. All right?

7. Q. How long did you serve ...?

A. [Indiscernible]

8. Q. How long did you serve in the House?

A. Twenty-four years.

9. Q. Okay. So what – what would you – what's that time period, what – what dates?

A. I served from '88 to two thousand and – two years ago. So '12, right?

10. Q. Two thousand twelve. Excellent.

A. Yup.

11. Q. I'm sure you served on my ch- many committees during that time period.

A. Many committees. And I was also the whip in the House.

12. Q. Okay. And when was that, when did you serve as a whip in the House?

A. Under John Harwood and under Billy Murphy till '04 when I gave my title back.

13. Q. Okay.

A. So, ... I'm going to tell you I have them in my – at home, maybe like from '98 to 04.

14. Q. Okay.

A. Yeah, and I – Maybe, maybe '96, and I actually forget to be honest, but it was '98 for sure.

15. Q. That's – That's fine. No problem. Okay. Now as a – a mem- as a whip in the House, would you also serve on committees or no?

A. Yes, I would.

16. Q. Okay. So let's say most recently from maybe 2008 to 2012, what committees did you serve on?

A. I think I was on Municipal Government.

17. Q. Mm hmm.

A. And then I was on Oversight. And – I'm trying to think here. I was on HEW, I believe, as the whip, because at that point, I didn't care what committees I was on because my duties were more important than me being a committee member.

18. Q. Okay. All right. Okay. Going back to 2010, do you remember the Jobs Creation Guaranty Program coming through the House?

A. Absolutely.

19. Q. All right. Did it go through any of your – your committees?

A. I was not on any [Indiscernible] – I did not – Yeah, that only came through, through Finance.

20. Q. That – Okay. All right.

A. And I – and I didn't serve on – on Finance.

21. Q. Okay. It came through the House floor in May, like May 25th, 2010. Did – did you know or hear about it prior to that?

A. Not really.

22. Q. What does that mean, "not really?"

A. No. Like, you know, certain bills have a [Indiscernible] to them that ...

23. Q. Yup.

A. -- they, they attach, that, that they create attention.

24. Q. Yup.

A. And this one really didn't create any – any attention.

25. Q. Okay. Did anybody ...

A. Prior to.

26. Q. Yup. Pr- Prior to, yeah, it being passed ...

A. Prior to the – prior to the House floor. So, yeah.

27. Q. All right ...

A. Sort of like during – like during the budget process or during the year there are certain bills that gather a lot of attention.

28. Q. Right. Was there much ...

A. And this one ...

29. Q. -- debate?

A. Go ahead.

30. Q. Go ahead. Was there much debate on the floor during the ...?

A. Oh, the job creation bill? Yes, there was.

31. Q. Okay.

A. I mean, yeah, I don't think it lasted three hours, but there were significant questions asked.

32. Q. Okay. Any questions asked by yourself?

A. No. Be honest with you, I sat next to Representative MacBeth, and instead of me asking the questions, she asked a couple of questions.

33. Q. Okay. Well what type of questions was she asking, do you remember?

A. Well, sp- specifically she wanted – she asked, you know, was -- And the one that stuck in my mind was the one she asked specifically, and I'm sure you've seen the tape, ...

34. Q. Mm hmm.

A. -- where how was this – she asked Chairman Costantino how this money was going to be disbursed, and he said *in small – in increments*. And I believe his comments were *between one and two million*.

35. Q. Okay.

A. And I also think she believed if this – if the taxpayers would be responsible for any of

the bonds that were given out, and I believe the Chairman said, no. But I'll stand corrected on that one.

36. Q. Okay. All right, no problem. Okay. All right. What -- So what did you think the purpose of this -- this particular bill was for?

A. I -- I didn't hear you, I'm sorry?

37. Q. What did you think the purpose of this bill was for?

A. Well it was for small business. I mean -- And it was hard because honestly, I was known as the labor guy, because I was a firefighter in Woonsocket, ...

38. Q. Mm.

A. -- and there -- we're a small business state, so it was kind of hard to vote against a small business jobs creation bill.

39. Q. Yeah.

A. So you -- you're damned if you and damned if you don't. So at the end, I voted for it. But I -- And as I say, in hindsight, if I knew, and I -- I'm going to brag a little bit -- I paid attention to every vote I took, and if I would have known that 75 million of it was going to one company specifically, I would have not voted for this bill.

40. Q. Do -- do you -- do you think that they knew ahead of time that 75 million was going to go to ...?

A. Well let me just say this, and I -- I -- I have to be very honest with you, I called the Colonel the other day, ...

41. Q. Mm hmm.

A. -- because I think -- and I'm not sure who's in charge there, because I don't want to do your job, but I think whoever is doing this has to understand the legislative process.

42. Q. Mm hmm.

A. And the legislative process is such that – [Indiscernible] – Yeah. Uh, yeah – is that is, that if certain decisions are made. Like for – And I'm going to be very honest with you. For the most part, a sitting committee member really doesn't have a say. You know, come the budget time, these members sit there and are given brand new articles they haven't seen, and they vote on it. So someone's made that decision beyond the committee process.

43. Q. And why – why can't the committee, you know, not pass it or not – not move it through?

A. Because the committees are set up that are supportive of leadership.

44. Q. Mm hmm.

A. So for the most part, whatever leadership wants or doesn't want, is really the outcome of the committee vote.

45. Q. Right. Okay. So ...

A. So I think – I think this thought process has made it part of that jobs bill go from 50 million to 125 million. I mean, Steven Costantino just didn't pick 125 million dollars out of a – out of the air and say, oh this is the number we're going to use.

46. Q. Right.

A. I mean, and I'll be honest with you, at the time I was the whip and Gordon was the -- Gordon Fox was the – the Majority Leader, and Billy Murphy was the Speaker, if something was on the calendar, and I went to Gordon and I said to Gordon, Gordon, *why are we doing this for, because I don't know*. This is true. I says, *well let's go ask Billy. We were at the Speaker's office. Steven, nothing for nothing, I said, I'm the whip, he's the majority leader, we don't know why we're doing this; can you please tell me why we're doing this?* He literally sat behind his desk and shrugged his shoulders. So I said to him, *who is running the f'n store?* is exactly what I said there.

47. Q. Yup.

A. The Speaker's response was for everything, anything. Nothing happens in that building without the Speaker or the Senate President. And I think those are the – that's where I think you – And I'm not trying to say that Billy had anything to do with it or Gordon had anything to do with it. But what I'm saying to you is that is someone had to make the choice to amend that bill, and a bill can't get amended without the chairman to [Indiscernible]

48. Q. Right.

A. So if someone knew, someone knew that 75 million of this 125 was going somewhere, that we as the rank and file House members had no recollection. And then to find out that – I don't know if you spoke to ... Larry Ehrhardt, but Larry Ehrhardt had an amendment that would cap this bill at 10 million. And he was convinced by the EDC director not to put it in.

49. Q. When you say "cap," you'd cap per – per loan you mean?

A. Yes.

50. Q. Right.

A. And then at 10 million, or it had to come back to us.

51. Q. Okay.

A. And, and he was convinced not to. So someone knew.

52. Q. Right.

A. And this was ... -- And how – how did the EDC director --? Now your [Indiscernible] by your amendment. Only leadership gets those and the sponsor. They're not public.

53. Q. Yup.

A. So someone had to ... the director that this amendment was out there.

54. Q. Okay. So let me ask you something. Let – let's say we – we – we – Well let's say we just accept that as being the truth, or let's say that that did happen, factual, what – what rules, regulations or – or statutes prohibit that from happening, is there anything? Because I can't seem to find anything that

prohibits that from happening.

A. Prohibits what from happen?

55. Q. You know, this type of back door information being withheld from the – the rest of the body.

A. There's nothing.

56. Q. Right.

A. I'm going to tell you honestly, and I said this publicly, if the – if the average person in this state really knew how the legislative process worked, they'd vote everybody out.

57. Q. Hmm.

A. Because a rank and file member really doesn't have a say. It's leadership.

58. Q. Right.

A. So therefore, I think – And I'm not telling you what questions to ask, but those are kind of the questions you want to ask because someone knew something. I mean, the only smart one in the whole floor was Bobby Watson. But Bobby Watson used to vote against a lot of stuff.

59. Q. Yeah. Right.

A. And at that point, honestly, I was against Billy Murphy and Gordon Fox. Look at my voting record those years. I was the most tenacious person on that floor against them.

60. Q. Right.

A. Yet I didn't know a thing about this. Not one thing.

61. Q. So – so you're saying that the appointment of – of committees is such a sought after position that that really kind of holds everybody in line?

A. Yeah.

62. Q. And that's how the – And that's basically why everybody goes along with the – the leadership.

A. Yeah, everybody wants to be on Finance because that's the most prestigious

committee. You know, *I'm on Finance*. So for some point, lobbyists look at you differently. And do you have some say? Yeah, I think you have some say. But not to spend the hours you sit there and listen to testimony and testimony and testimony, and at the end, you really don't have a say.

63. Q. All right. So you want – everybody wants to be on Finance. What do you mean by the lobbyists treat you differently?

A. Well because if you're on Finance and if you have – if you -- ... you – If you look at Campaign Finance reports, very few people raise a lot of money.

64. Q. Yup.

A. Okay, so you're down for probably the leadership position and then people on Finance tend to – to be treated differently than someone who's on HEW.

65. Q. Yup.

A. Only because there's more stuff going through Finance that you may have a possible say with, but not compared to H.E.. So the – So the three big committees are Finance, Judiciary and Corporations. Those are the three big committees. After that, they created committees just to say that they – they give a chairmanship out to.

66. Q. And that's because you're – you're able to solicit donations pretty – pretty well or the – Is that right?

A. Yeah. Yup.

67. Q. Okay.

A. I mean, if you – if you walked in an attorney, you want to be on Judiciary.

68. Q. Okay.

A. Because most – most legal matters come through Judiciary.

69. Q. Right.

A. So at some point, I'm not saying to you as you can protect your profession, but at

least you have, you know, you can ask some questions that most lay people wouldn't know of.

70. Q. Yup. Okay.

A. So I – I think – I think really the thing of that is is that is the ... whoever is doing this has got to really got to know and understand the legislative process. Because if you don't, I think you're – And I'm not going to tell you how to do your job, you're spinning your wheels possibly asking the wrong ques- ques- questions.

71. Q. Right. No, no, I – We, we certainly understand that – that portion of it, the – the way it all kind of works up there. But what's illegal about it, what – what makes it so – what makes it interesting to the State Police? And I'm actually – I'm, I'm asking – I'm asking this, you know, kind of openly with you, not – not that we don't know where it's going, but tell me, what – what – what's illegal about it? I guess that's – that's – that's the big question, what's – what's illegal about it?

A. What – what's illegal about – about what?

72. Q. The way – the way it works.

A. Uh, the only thing that would possibly be illegal is that if someone cut a deal that helped someone specifically and the rest of us don't know.

73. Q. Yeah. No, we understand that. We understand that ...

A. Yeah.

74. Q. -- portion, or somebody got a – got a kickback because they were trying to drive – you know, we understand that part. But ...

A. Yeah.

75. Q. You know, and, and rightfully so, a lot of – a lot of reps like yourself were very upset of the way it actually, or realistically or actually worked, you know, as far as the leadership running this thing kind of through the – through the Finance and through the – through the body getting this thing passed, ...

A. Yup.

76. Q. -- getting the money increased, ...

A. And that ...

77. Q. -- you know, that's -- that's kind of the common theme from everybody. You know. But what -- what -- what is -- what is law enforcement going to be able to do? I'm a- I'm asking this question, what is law enforcement going to be able to do about that when -- when it's ...

A. Why ...

78. Q. -- it's not in violation ...

A. I guess the question you have to ...

79. Q. -- of any statute?

A. -- answer is that is who made the decision and why. And that's beyond the rank and file. And my gut to you, that decision was made between Steven Costantino, Gordon Fox and Billy Murphy.

80. Q. All right. Okay.

A. That's my opinion.

81. Q. Right. So do you have any information that, that would suggest that somebody got some sort of a kickback or something?

A. No. I really don't. Because if I did, I'd give it to you [Indiscernible] ...

82. Q. Right.

A. -- because the day that happened [laughing] to, to Gordon once. Because I actually -- I was part of a leadership team twice that tried to take Murphy out, and I did not vote for Gordon Fox as Speaker. So to me, I think ... I have my own opinion what I think is going to happen to Gordon. I told him all the time personally that the difference between he and I that he needed the building to live. We have -- The building to me was [Indiscernible] ...

83. Q. Mm hmm. Okay.

A. And that's my opinion. And I don't have any – and any factual. I mean – Well I did have factual. I mean, the – the years that he served on the Providence Licensing Board and he is the registered agent for numerous, numerous, numerous accounts that he's supporting the license to, I think he had an issue there and that's why he's done.

84. Q. Yup. Okay.

A. And that's why I figured I would tell you why, because I look at all – I gave the Minutes – I'll be honest with you, I gave the Minutes and everything else to [Indiscernible].

85. Q. Yup.

A. So I know all about that. And he even said to me, *You did this? Yeah, I did it.* I took the time to look at every single minute of those Providence Board, so it was at that point I – Gordon wasn't a good choice, in my opinion, for Speaker. So I was trying to prove that he needed the building to live and that was my thing.

86. Q. Yup. Okay.

A. So I think – I think your concentration has to be, you know, realistically – and I'm not sure anybody knew other than the three of them. I really don't know.

87. Q. Right.

A. That – that decision was made as the ex-chairman Paul Sherlock, who's now dead, always used to say that the bunk has flying capability. You can only fly the plane so high. And at some point, decisions are made beyond here that should carry ...

88. Q. Okay. Okay. And one other question. Do you know who ...

A. Yeah.

89. Q. -- Michael – Do you know who Michael Corso is?

A. No, I do not. Other than what I read in, in, in the paper.

90. Q. Okay. All right. Never ...

A. I've never.

91. Q. Okay.

A. Never met him, you know. I just know that if – if you look at Gordon's filings a long time, his name may have popped up, and I'm not sure, on one of the – the licenses or whatever else. You know, we knew that – we knew – Yeah, well, you know, well and maybe [Indiscernible] but I never met him. It was, you know, Alex Mosso [phonetic] and there was another name always around that ... around Gordon, you know.

92. Q. Yeah. Okay.

A. But, you know, I don't know who he is.

93. Q. All right. Anything else – anything else that you want to offer us? It doesn't even have anything to – It doesn't need to be anything to do with 38 Studios it can be something totally different.

A. No. My knowledge, you know, no. It's just uh, I think – I think the building needs a – an enema I think. I think uh the new Speaker is a wel- welcome change; I think he's doing things differently. But as why – You know, I just looked for Gordon and told him, *Hey, Gordon, I says, we're \$200 million dollars in the hole, we're at 10-percent unemployment, you've been on the job ... for eight years. I said, you're not part of the solution, you're part of the problem.*

94. Q. Okay.

A. And he said – His, his exact words were, "Interesting perspective."

95. Q. Hmm.

A. So, that's it. But if I can help you in any way or any questions you think I can, you know.

96. Q. Yup. And if there's – is there anything that you might think of, you know, after this conversation ends, that you think is ...

A. Yeah.

97. Q. -- important if you want to...

A. Yeah.

98. Q. -- give me a call back, I can give you ...

A. That's fine.

99. Q. I can give you my telephone number if you don't have it already.

A. That's fine. I can get it. To be honest with you, I – I'm, I'm very – very good friends with Brian Montminy.

100. Q. Okay.

A. So.

101. Q. All right.

A. Real good friends. And in fact, if you see the Colonel, the reason why I called him was specifically to try to enlighten some of the questions I thought possibly should be asked in reference to that decision was made way beyond the average member.

102. Q. Right. Yeah, that – that seems to be everybody's perspective on it.

A. In my 24 years and being part of the leadership for ... significant year, that decision was made way beyond the – the members.

103. Q. Right. Okay, Mr. Menard, I – I appreciate ...

A. But no, I'm still – I'm still – I'm still Rene.

104. Q. Okay, Rene. Thank you.

A. All right?

105. Q. [Indiscernible]

A. Okay... Good – good – good luck.

106. Q. Okay. Thank you very much.

A. Okay.

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107. Q. Have a good day.

A. [Indiscernible]

108. Q. Yup.

A. Bye bye.

STATEMENT TAKEN BY:

WITNESSED BY:
