

TELEPHONIC WITNESS STATEMENT

DATE: [Not Provided]

TIME: [Not Provided]

INTERVIEW OF: Representative Robert Watson

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. ... on this one, it actually ultimately meant something, and I'm kind of – I'm kind of proud that I saw it coming. Not for any particular reason, but I've always understood that when you put a pile of money with little over- oversight and you put it out there for an agency – agency to spend, more times than not you end up finding you guys showing up and catching embezzlement and all sorts of stug-ugly. So ...

2. Q. Right.

A. -- the point of my point was this was just a – just a scandal waiting to happen, and I was right, and I um, I – I wish I – I suppose I wish I had been more compelling at the time, but um, you know, had – had one other person agreed with me, I wouldn't be known today as the only vote against it, so, ...

3. Q. Yeah.

A. -- I don't know. So, ...

4. Q. Well, what was your term?

A. -- that's poli – that's politics, that's all ...

5. Q. Yeah. Right.

A. I mean, I mean you – you – you're ultimately going to find out if there's something more to it, but from whatever I saw, from what I saw was it was just bad politics. It was typical the lackadaisical behavior by rank and file members who are true to ... doing all sorts of mundane tasks for whatever reason and oblivious to the bigger issues flying through the room. It was a lot of teams go-along-to-get-along behavior, and a lot of people in the room that don't have the intellectual fortitude to understand a bill like that, ...

6. Q. Mm hmm.

A. -- let alone vote on it. And never [Indiscernible] And things like that always happen in – in – in like fast cash pays without any, you know, forewarning, that sort of stuff always to come out of nowhere. Or when it does – when it's been lingering, it'll always come – it'll – it'll just suddenly accelerate out of nowhere. And that's just generically what I know of that whole thing. And beyond that, I – I don't know as I'd ever have anything more to say, I – I -- When the shit hit the fan a year-and-a-half ago, or whatever, I was all over the media expressing my thoughts at the time so that they – there's a record of some of my comments and ...

7. Q. Sure.

A. -- beyond that, I really, you know, I'm – I, I'm not prepared to have any comments or, per se for public consumption or um ...

8. Q. Well this uh,

A. -- you know.

9. Q. -- any comments you make to us, you – you understand that that's not for the public, you

...

A. Yeah. No, I – I get that.

10. Q. Yeah. Okay. And in no way – it's – You know, your – your statement to us is not a -- it's – it's not public record, so no ...

A. Yeah.

11. Q. -- nobody's going to get a hold of that, so.

A. Yup.

12. Q. Did – did you – did you feel that somebody – I mean, obviously 38 Studios benefited from this. Unfortunately, they didn't benefit very long, but they benefited – the business benefited from this. Anybody else that you're aware of that benefited from this personally or professionally?

A. **Nothing other than what I'm reading about in the paper and speculating on. No. I wouldn't know anything of that – of that sort other than just without your public consumption.**

13. Q. All right. Were you on any committees that it just went through first before it came to the floor?

A. **I was ex officio as the minority leader, I was ex officio on every committee, so I could have sat in on that meeting and had the bill then posted under the proper procedures, and had it not been during the whip and frenzy of the end game, I perhaps might have sat in. Why I didn't is – is lost to me today. You know, I didn't sit on – in on a lot of things. Several times when I thought it mattered, I would go downstairs and be part of a debate, but in that – in that particular instance, on – I believe I'm aware Larry Ehrhardt was aware of it, and we reported to me that it – and reported out of committee, and I – if I remember, it was reported out of committee directly to the calendar.**

14. Q. O ...

A. I mean, uh, yeah, I mean, um, yeah, reported out of the committee I think directly to

the like following day's calendar or something, I – I'm very fuzzy on it at this point in time.

15. Q. All right. So the – the bills typically don't come out of committee and go right to the floor that quickly?

A. No, they'll get posted on the calendar, and usually the calendar requires several days' notice so people have a chance to see what's coming and what's lined up in the que.

16. Q. Right.

A. And but when we get to the end of the session, you'll no- you'll probably note a rule within our rules that allow – basically, we suspend the rules for expediency sake. Theoretically, everybody still tries to, you know, genuflect to the notion of fair play ...

17. Q. Mm hmm.

A. -- but just because, you know, time runs out and time of the essence, so maybe we don't necessarily need 48 hours on everything.

18. Q. Yup.

A. And you kind of hope that – that people are circumspective so you feel that they say Mr. Speaker, can we – can we hold this on the calendar? Or, you know, I'm a little confused on this. There was nothing ambiguous about this bill.

19. Q. Mm hmm.

A. You know, the – it was obvious to me what it was, it was a – it was a, um, a fund of money that was going to be administered by a group of unelected bureaucrats and it had very, very sketchy or – or – not sketchy, but just, just it was very um, bereft of any – any specificity.

20. Q. All right. And, and once – once the bill got passed, the legislature had no control over it, is that correct?

A. Once – once the bill passed, yeah, it – it left, went to the Senate, ... onto the

Governor and, and after that, the next I would have thought or heard about it was when I was told that the – the, the place blew up and they were going out of business and everything and people were calling me saying we – you know, you're the only guy that voted against it, what, you know. And it was, you know.

21. Q. Was there – Was there anything out there prior to the vote that, you know, this was going to go to 38 Studios?

A. Not that – Not specifically. I think – I think at the o- I think at the time – The best I remember, the first time I heard about Curt Shilling would have been in, in like, whispers in the building or in and about, like, they – the – the, the governing political community that there's – there's a shot of land in the, you know, Curt Shilling company can be – we might get them from Mass., and you got to keep it hush, hush because, you know, Massachusetts will want him and we'll be in a bidding war and Louisiana will, will want him. And to be honest with you, I've never been a baseball fan, could give two shits about Curt Shilling, ...

22. Q. Mm hmm.

A. -- don't want his autograph, wouldn't recognize him in a line, um, of people. And so when I heard the story, my thought was, wow, and didn't think much of it. And I don't have a recollection of when that would have been. I just know that the only reason that there might have been a theory of you got to keep a lid on it would have been in this context of we're in competition, every other state, if they knew Curt Shilling's shopping to – for a – for a home base, the, you can believe there'll be people lining up, so we got to keep it hush, hush. And in my view, there's nothing sinister, nefarious. In fact, that's smart – that's smart politics if ...

23. Q. Right.

A. -- you're trying to, you know, compete with neighboring states. We got New York

here advertising for our people, ...

24. Q. Right.

A. -- you know, to come there, so. When I heard that, my thought would have been, *yeah, big deal*, and I didn't think much of it after. And then months later when suddenly Shilling is known as 38 Studios, which is known as this big entity going for 75 million, I would have been thinking at the time, wow, well that's -- now it's out there, so I guess there's no, you know, now if they're going to land it, everybody knows. And it wouldn't have been in the context of thinking, wow, it's, you know, people now know, it would have been in the context of, well, I guess that's what it was, you know, that and -- and -- and I -- I would have [Indiscernible] like anybody. I would never have thought that -- that out of 125 million, 75 would have gone to any one entity. No, that -- that just would not have been a thought in my mind.

25. Q. What if they presented it that way and they said, yeah, we -- we need to up it to ...?

A. If they had -- they presented it that way?

26. Q. Right. Right.

A. Oh, I think -- then I think people would -- I think the I would have correctly probed how can you arrive at a number that high unless you've got an entity in mind, and who is it? And I would have asked to know. And -- and I -- I know that that's what I would have done because I like to -- to cause -- I like to -- to have at it on the House floor. Nobody else did, so I did.

27. Q. Yup.

A. So.

28. Q. Humph.

A. And – and I would have gotten up and if – if – if somebody – if somebody had said that. You know, the – the – the unfortunate thing is, is we the ... of the republicans is a small caucus, and I don't remember how many republicans were there at the time, but um, ... as a – as a minority leader, I – I could always get attention and, and get my name in the paper and get a quote, and I always let the members, if there was a good amendment or something, a good idea, I'd let them put it in. And the rules say that a member who offers an amendment is the only one. Whoever – You have to – you ha- you have to get your amendments in x-number of hours or days prior to the vote, and...

29. Q. Yup.

A. -- when ... the thing goes right to the calendar, if I had to guess, they would have required it by a certain hour the next day before the vote.

30. Q. Right.

A. And I let Larry go ahead with the idea, we had talked about different ideas on what to do, and he had always thought that, you know, generically, even long before this particular item was out there, his view was, you know, why not have a cap on any of these sort of programs. And I agreed and said put in the amendment. And then the next day after I had made my um, speech, I walked over to him not knowing that the – we were going to get close to a vote, and I said, when are you moving your amendment, and he said he chose not to.

31. Q. Mm hmm.

A. And I was just – You know, I – I got confess, and ... this isn't for public consumption, because I like Larry, but I was frustrated.

32. Q. Yeah.

A. Because had I know that he was going to ultimately decide not to put it in, I would

have asked for the same amendment, so then I would have had the privilege to decide to do it myself. And I would have. I absolutely would have.

33. Q. Did he tell you why he didn't put it in?

A. Not until after. And then only after did I learn that it was the – it had to do with the um, you know, the meeting that he had with apparently Mike Cronin and Pete Stokes. I wouldn't have taken a meeting with them, I was not on a friendly basis with Donny Carcieri at that point.

34. Q. Mm hmm.

A. And so I wouldn't have taken a meeting with those guys. And, and when I found that the amendment wasn't going to be proffered, knowing that I can't move the amendment myself, I just went back to my desk and life went on.

35. Q. Right. Okay. No, I just – just for the record, so you know, let's see, one, two, three – I got Ehrhardt, Laughlin, Trillo, yourself, Newberry, Savage and it looks like it – so it looks like six republicans.

A. Yeah. Okay. Yeah, that's about it.

36. Q. [Indiscernible]

A. There weren't a lot of us. And, you know, and, and – and the Governor's office had almost from the beginning of his – of his ten-tenure, treated the republicans on a need-to-know basis. We were basically the tin soldiers that he had in his desk drawer.

37. Q. Mm hmm.

A. And it was always frustrating. So it's not like myself, Larry, any one of us would have been privileged with the type of intel that frankly we – we were entitled to...

38. Q. Right.

A. -- relative to things like 38 Studios and things of that sort. I think fairness, if – if – if it was something that – that was necessary or made sense or was worthy, I think that this should have been more people involved, and I certainly as a leadership of that, I wouldn't have liked it from the get-go. But I – I should have been more involved and I wasn't ...

39. Q. Were you ...

A. [Indiscernible]

40. Q. Were you the minority leader?

A. Yeah.

41. Q. Oh, you were. Okay.

A. Thirteen years.

42. Q. All right, so who – who – who do you think did know?

A. You'd have to – You'd have to figure that out, I don't. I mean, I'm – I'm not going to

...

43. Q. Well who do you speculate?

A. Speculation's ... is dangerous. I mean, I – it's – and it's unfair. I mean, you obviously have to conclude that the Speaker would be aware of why a bill is in play; you'd obviously have to believe that a Finance chair would have to sell the bill on the floor, as he tried to, so he'd have to be somewhat knowledgeable as to the moving parts of the bill.

44. Q. Yup.

A. Now, saying that, is that to conclude that those guys specifically knew that someday it was going to be the exact 75 million for that specific entity? I don't know.

45. Q. Yup.

A. I don't know. I mean, they – they could be the biggest dukes on the planet Earth

right along with them, I don't know. But having said that, somebody knew.

46. Q. Right. Okay.

A. So uh, I guess we leave it at that.

47. Q. Do you – do you know Mike Corso?

A. No.

48. Q. Okay. You know who he is ...

A. I don't ...

49. Q. -- now.

A. -- know as I've ever met him and I – I certainly wouldn't give him any money.

50. Q. Okay. All right, I do thank you very much for your time.

A. You're welcome. And again, your name is?

51. Q. Corporal Ken Buonaiuto. B-U-O-N-A-I-U-T-O.

A. Ken?

52. Q. Yup, Ken.

A. And, and your title again is?

53. Q. Corporal.

A. Corporal. All right, thank you very much.

54. Q. You want – you want my telephone number or you have it right there?

A. Well, if I need you I'll find you. I – I ...

55. Q. Yeah.

A. -- can't imagine I'm going to have more to add, but uh I wish you luck and – and,

and all the best.

56. Q. Yeah. I'm in the Financial Crimes Unit if you are looking for me.

WITNESS STATEMENT OF REPRESENTATIVE ROBERT WATSON

Ref: 12-3-IV

A. Okay.

57. Q. Thank you.

A. Have a good day.

STATEMENT TAKEN BY:

WITNESSED BY:
