

RHODE ISLAND STATE POLICE  
 DETECTIVE BUREAU  
 311 DANIELSON PIKE  
 NORTH SCITUATE, RI 02857

CASE #: 12-3-IV  
 LEAD #:

CONTACT REPORT

Case Identification (Name/Offense):		Michael Corso/38 Studios	
Person Interviewed:	Larry Ehrhardt		
Address:	<small>First</small>	<small>Middle</small>	<small>Last</small> <small>DOB</small>
Place Interviewed:	RI AG's Office		
Was Person Previously Interviewed?	Y	Formal Statement to be Taken?	Y
Juvenile or Adult?	A	Parent or Guardian Present if Juvenile?	
Place of Employment:	Retired RI Legislative Member		

Assignment:

Detective:	Sergeant Buonaiuto	Supervisor:	
Date:	11/14/14	Time:	10:00am

Report:

Narrative - On Friday, November 14, 2014, at approximately 10:00am, Detective Sergeant Buonaiuto and RI AAG Patrick Youngs interviewed Larry Ehrhardt.

Mr. Ehrhardt is a retired Rhode Island legislator. He served eight years (4 terms) as a member of the House of Representatives for the Town of North Kingstown. Mr. Ehrhardt was a member of the House of Representatives and assigned to the Finance Committee in 2010 when the Jobs Creation Guarantee Program (JCGP) was voted on and subsequently passed into law.

Mr. Ehrhardt remembered the JCGP first coming to the House Floor as part of the supplemental State budget in April 2010. When it came to the house floor there was debate involving members that questioned the bill and expressed interest in limiting the amount one entity could borrow through the program.

Mr. Ehrhardt stated that when the supplemental budget got to the Senate it was signed with the JCGJ taken out of it. As a result, the JCGP program was resubmitted to the House and Senate as a separate bill, which was managed on the House floor by Finance Committee Chairman Steven Constantino. Mr. Ehrhardt explained that he was still concerned that there was no limitation on a maximum amount of money one entity could borrow through the program when it came back to the House floor, so he had an amendment drafted by Richard Ferri, who was Legal Counsel for the Republican Party in the House. Mr. Ehrhardt stated that when an amendment to a bill is being drafted, the Speaker is notified by staff members of the nature of the amendment. Ehrhardt described this as typical practice within the Legislature.

Mr. Ehrhardt explained that on the day that the JCGP came to the House floor for a full vote, Michael Cronan, who worked in Governor Carcieri's office, caught his attention from the cloakroom doorway leading into the House Chambers. Ehrhardt stated that Cronan motioned for him to come out of the Chambers. When Ehrhardt walked out into the cloakroom, Keith Stokes was also in the room and asked Ehrhardt not to submit his amendment to the JCGP bill because the amendment would interfere with a transaction the EDC was working on. Mr. Ehrhardt explained that he agreed to not submit his amendment in good faith because he and the

Governor Carcieri were in the same political party. Mr. Ehrhardt stated that Keith Stokes did not mention 38 Studios during their conversation about the amendment.

Mr. Ehrhardt stated that he was not aware of 38 Studio's interest in coming to Rhode Island until after EDC approved the 75 million dollar loan and he read it in the newspaper.

Mr. Ehrhardt stated that after hearing about 38 Studio he felt betrayed by Governor Carcieri.

Mr. Ehrhardt stated that Speaker Fox never tried to persuade him into not submitting his amendment.

Mr. Ehrhardt faulted the a legislative body dominated by one political party that does not allow questions, debates and full disclosure of facts as one of the reasons the 38 Studios deal was allowed to move forward. He also put blame on an EDC Board that rubber stamped a deal because the Governor wanted it.

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Detective's  
Signature

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Supervisor's Signature