

## WITNESS STATEMENT

**DATE:** October 22, 2014

**TIME:** 3:22 p.m.

**INTERVIEW OF:** Mr. Steven Costantino

**INTERVIEW BY:** Detective Sergeant Kenneth Buonaiuto  
Rhode Island State Police Financial Crimes Unit

**PRESENT:** Assistant Attorney General Patrick Youngs  
and  
Attorney Scott A. Lutes

**LOCATION:** 1 Turks Head Plaza, #1440  
Providence, Rhode Island

**SUBJECT:** 38 Studios

### DETECTIVE SERGEANT BUONAIUTO:

1. **Q.** The date is October 22<sup>nd</sup>, 2014, and the time is 3:22 p.m. This is an interview of Mr. Steven Costantino. It's in – taking place in a-, in his attorney's law office, Mr. Scott Lutes, at 1440 Turks Head Building, Providence, Rhode Island. The interview is being conducted by Sergeant Ken Buonaiuto and Rhode Island Assistant Attorney General, Patrick Youngs.

### AAG YOUNGS:

2. **Q.** I think calling this interview is probably giving it more weight than it's worth.

**A.** Okay.

3. **Q.** As you know, Ken spoke to every single person that was in – up at the State House.

**A.** Yes.

4. **Q.** And you being one of them.

**A.** Yes.

5. **Q.** I listened to your – He recorded you, and I read your transcript; I gave one to Scott. [REDACTED]

- [REDACTED]
- A. Hmmph.
6. Q. Not – That's not a bad thing.
- A. Oh k... Yeah. [Laughs]
7. Q. That's not a bad thing. You have a little bit more to say than the, the a—I think you're, you're – you understand this, than the average run-of-the-mill State rep that, that voted for the Jobs Guaranty ...
- A. Right.
8. Q. -- Program, and you were the chairman of the committee, you visited 38 Studios. I think you were a little more involved. And I say 'involved' with a small 'i' not a capital 'I.'
- A. Yeah.
9. Q. I'm not trying to ...
- A. Yup. I ...
10. Q. I
- A. -- I understand.
11. Q. There's no suggestion ...
- A. I understand.
12. Q. -- you did anything ...
- A. -- what you're ...
13. Q. -- illegal.
- A. I understand what you're saying.
14. Q. But given that, to do our due diligence – And nor am I saying for – that anybody has committed a crime here at all.
- A. Right.
15. Q. But we have been investigating this for a long period of time, under the radar, we don't hold

press conferences, ...

A. Right.

16. Q. -- and we're not having kangaroo courts like the Secretary of State's having.

A. Yup.

17. Q. We're, we're just been talking to people, interviewing people, [REDACTED]

[REDACTED]

[REDACTED] Scott  
knows all this. It would be [REDACTED]

[REDACTED] ...

ATTORNEY SCOTT: [REDACTED] ...

18. Q. [REDACTED]

ATTORNEY SCOTT: [REDACTED]

19. Q. [REDACTED] ..

ATTORNEY SCOTT: Okay.

20. Q. [REDACTED]

A. All right.

21. Q. I'm just telling you in general what that would be about. I noticed when I was reading your transcript of when Ken interviewed you, you -- you took a trip up to Maynard?

A. Yes.

22. Q. Yeah. And you went with Speaker Fox?

A. Speaker Fox.

23. Q. Uh ...

A. Yeah, and I think I explained that ...

24. Q. Yeah, you did.

A. Un-- Yes.

25. Q. Yeah. Keith Stokes.

A. Yes.

26. Q. Do you remember who else went with you?

A. That's the -- I was just going to say that. I wasn't sure who the, the rest of the people were, and I think I said that.

27. Q. Mm hmm.

A. I don't remember who w--. Like, I don't remember the people who worked for um, 38 Studios, ...

28. Q. Okay.

A. -- and their names. Um.

29. Q. Uh ...

A. And I was vague on whether Corso was there or not.

DETECTIVE SERGEANT BUONAIUTO:

30. Q. Yup.

A. Because I think you asked me that.

31. Q. Yeah.

AAG YOUNG:

32. Q. How about ...

A. Uh ...

33. Q. -- Zaccagnino? Does that ring a bell? Do you know him?

A. I know him.

34. Q. Yeah.

A. I mean, I -- Um. [Sighs] I think he was, but I'm not sure.

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35. Q. Okay.

A. And that's just how I, you know. I think he was, but I'm not sure.

36. Q. How about Donald Brewer?

A. That name doesn't -- Again, could be.

37. Q. Could be.

A. But it doesn't ...

38. Q. But that ...

A. It doesn't jog my, ...

39. Q. [Indiscernible]

A. -- my brain.

40. Q. Okay.

A. Right.

41. Q. Zaccagnino maybe. You, you ...

A. Yeah.

42. Q. You've met Mr. Zaccagnino?

A. I have met Mr. Zaccagnino.

43. Q. Okay. When you went up to 38 Studios, did you go with a group or did ...?

A. Yeah, I went with the Speaker. You know, he called me up that and said ...

44. Q. Yeah.

A. -- why don't you come and visit 38 Studios.

45. Q. Did you ever go to a meeting at Mr. Corso's office over on Chestnut Street about 38 Studios?

A. No.

46. Q. All right. There's been -- and I'm not suggesting this is true -- there's been some suggestion you -- Some people thought you might have been at a meeting with Speaker Fox, Curt Schilling, um,

Corso, Keith Stokes, Michael Saul, ...

A. No.

47. Q. -- Curt Schilling. You'd remember that.

A. No.

48. Q. No? No meeting over there?

A. No.

49. Q. Okay. Some people have suggested they thought you might have been at that one. But you have no -- You'd ...

A. No.

50. Q. -- remember that.

A. Yeah, I'd remember that.

51. Q. Yeah. You'd remember if you saw Curt Schilling.

A. Yeah.

52. Q. All right.

A. How- I mean, most of the things I've said ...

53. Q. Yeah.

A. -- when I -- Because mostly I remember that, you know, ...

54. Q. Yeah.

A. -- because of his presence, it's ...

55. Q. Okay.

A. It's hard, ...

56. Q. Did you ever ...

A. -- not to remember that.

57. Q. Did you ever visit 38 Studios over here ...

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A. Never.

58. Q. -- when they were build—building it up? No.

A. Never.

59. Q. Did you ever attend any meetings out- outside of the State House where 38 Studios was discussed? For instance, Tazza Restaurant.

A. No.

60. Q. All right. Have you ever been to Tazza?

A. Yes, I know Tazza, I saw it.

61. Q. [Indiscernible]

A. I don't know if it's still there.

62. Q. It's not.

A. Yeah. [Laughs] I, I heard it's ...

63. Q. Not. It's not. And you know Corso owns that.

A. Yes. [Indiscernible utterance]

64. Q. Did you ever go to any meetings at Tazza restaurant? There's been some thought you may have done that. I'm not ...

A. Um, ...

65. Q. I'm not saying you did or didn't, I'm just asking you.

A. Now when you say a 'meeting,' what you -- how are you describing that?

66. Q. When there was a back room in Tazza,

A. No.

67. Q. -- did you go?

A. No.

68. Q. Okay.

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A. No.

69. Q. Okay. Did, did you ever discuss 38 Studios with Mike Corso in Tazza restaurant?

A. No.

70. Q. The Jobs Guaranty Program that this, you know, the umbrellas it's un...

A. Yup.

71. Q. -- that went through your committee.

A. Yes.

72. Q. Do you remember who -- how you first heard about it or how it was first presented to you?

A. Well I think how I first learned about it is um -- We had a hearing, ...

73. Q. Okay.

A. -- on kind of their package, what they wanted to do that year; that being one of the ...

74. Q. Yup.

A. -- programs.

75. Q. Was this the \$50 million ...

A. Well every -- That's interesting.

76. Q. -- that ...

A. You know, I, I've always thought about this 50 million, and, and, you know. Again, you can research this, but ...

77. Q. I understand.

A. -- um ...

78. Q. I just, I just need your help ...

A. I don't know of any -- I don't know if there was a bill that said 50 million.

79. Q. Okay.

A. I don't know if it was just EDC saying it was 50 million originally.



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80. Q. Okay.

A. But I'm not quite sure I -- You know, as I've heard this 50 million thing, um, uh, I don't remember, like, a bill that said 50 million. They might have said at the time the need was 50 million.

81. Q. Mm hmm.

A. And so -- And I don't -- I -- Again, we're talking four-and-a-half years ago.

82. Q. Yup.

A. I, I don't ...

83. Q. More than four-and-a-half years ago ...

A. Right.

84. Q. -- now, and ...

A. Right. Exactly.

85. Q. Yeah.

A. Um, I don't know what they exactly said in the hearing.

86. Q. Okay.

A. Um --

87. Q. Do you remember who testified? Well I assume Mr. Stokes.

A. I remember Sto-sun [phonetic] was there. I'm trying to remember if Keith was there.

88. Q. Okay.

A. I would assume he would be, but I ...

89. Q. Yup.

A. -- don't want -- You know, I ...

90. Q. Yeah.

A. It's, it's public, so you could ...

91. Q. Yeah.

A. -- check that.

92. Q. And we've talked to other people, I'm just trying to get your recollection, ...

A. Yeah.

93. Q. -- I'm not trying to ...

A. Yeah.

94. Q. -- suggest answers to you. Did you, did you perceive that this was a good idea, this, there was a need for this?

A. There was um, a general consensus that EDC needed more programs ...

95. Q. Mm.

A. -- and more, you know, the ability. There was a lot of small businesses. Them businesses were having difficulties with it. And I remember this was the kind of scene that was uh -- Access to capital was very hard at that time, it was ...

96. Q. Mm.

A. -- uh, you know.

97. Q. Coming out of the recession.

A. And coming out of the recession. And there was a -- You know, there were f- This wasn't the only program, but there was, there was a sense that EDC as a corporation needed more of a portfolio to offer small businesses and businesses a, alike, to assist in, in their success. And particularly within certain kind of uh, uh, sectors that they wanted to focus on.

98. Q. So you -- It sounds like a good thing. I mean ...

A. No,

99. Q. -- you ...

A. -- everybody. I mean, by the way, ...

100. Q. How do you vote against a jobs guaranty?

A. Well, not only that, ...

101. Q. Yeah.

A. -- I don't know if there was many people opposing it ...

102. Q. Yeah.

A. -- at the hearing. Again, I, I ...

103. Q. That's uh ...

A. You're -- You know, I think there was just the sense that we needed to do something.

104. Q. When did you become aware that 38 Studios was going to be kind of a lockstep with this bill?

A. Well, again, I visited, um ...

105. Q. Yeah.

A. As I said, I visited -- I knew they were interested in it. But I gotta tell you, and this is how I, I felt this. We always visited businesses. I mean, that was part of our, you know, as a legislator you get invited to businesses, they tell you what they want, they, you know, they tell you the kind of needs that they have. Um, this was an authorization. So it wasn't a guarantee that anybody who applied for that authoriza- And you -- It was just authorizing the program.

106. Q. Right.

A. All right. It wasn't designed for any one business. The idea, actually -- Oh, I remember, I don't know if it was before I was chairman or in the early days I was chairman, previous EDC directors also were interested in this type of um, program.

107. Q. Mm hmm.

A. You know, it's not only in the state of Rhode Island, I believe, I believe there's other states that have this kind of program, so.

108. Q. You have be - compete with other states ...

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A. Right. So, what I'm saying is, it was an authorization. I – To me, I, I never had a sense that any one company that was looking for this absolutely had it, you rely on EDC to do their due diligence. That's kind of the mentality of anything we do.

109. Q. W-, w-, was there a time that it went f- Because ... read that it went from 50 million to 125 million. Do you have a recollection ...?

A. My only recollection was that is I remember asking the question. And again, I can't tell you when and I can't tell you who, but I have a sense it's what, um, what is your need for the entire state. That's how I remember why it was 125 million, what is your need. And one of the concerns I – is that one company would actually use most of it if there was a large request. So I, I was concerned about small business, other small businesses having the opportunity. And I said, what is the, what's the inventory out there, what – who's – how mu- how many are actually asking for it and what does that add up to? So that's how I looked at it.

110. Q. So you had a concern – And I'm not, I'm not trying to put words in your mouth, I'm ex--

A. I had a concern that other businesses had the same needs as anybody else. So as you, you add ...

111. Q. You're talking about mom and pop stores and ...

A. Well, ...

112. Q. -- smaller busi...

A. -- mom – mom and pop ...

113. Q. ...Bigger than that. But ...

A. -- is probably ...

114. Q. It's bigger than that, but ...

A. Yeah, bigger than that, you know.

115. Q. But, yeah, that – we've heard talk about, you know, ...

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A. So now here's ...

116. Q. -- businesses at Quonset ...

A. Yeah, ...

117. Q. -- and businesses ...

A. -- businesses in Quonset ...

118. Q. -- in Lincoln and Smithfield

A. -- and Lincoln, and ...

119. Q. -- and all that. It was gonna be not mom and pop, but they're not ...

A. Yeah.

120. Q. -- 75 million either.

A. Right

121. Q. Yeah.

A. Right.

122. Q. They needed five million, 10 million.

A. Five, 10, ...

123. Q. Yeah.

A. -- 12, 15. I don't know what the ...

124. Q. Yeah.

A. -- numbers were, but m—That's why I said, what do you need to satisfy the whole state? That's -- that's why, in my mind, it became one-twenty f- 125.

125. Q. That was their answer?

A. Yeah.

126. Q. They needed 125. When did, when did you fir- Was it before you took the trip to Maynard that you knew 38 ...

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A. I didn't ...

127. Q. -- was in --? When did you become ...

A. I did not ...

128. Q. -- aware 38...

A. -- know about ...

129. Q. -- was ...

A. -- 38 until that trip.

130. Q. And is that when you became aware that they were interested in ...?

A. Yes.

131. Q. Was 38 ever discussed during the hearings, the deliberations ...

A. I don't ...

132. Q. -- the votes?

A. -- think so, ...

133. Q. -- or?

A. No. No.

314. Q. Did Speaker Fox ever talk to you about 38 Studios prior to the ...?

A. I mean, I think, again, it's -- I can't remember a specific.

135. Q. Okay.

A. But I, I think what the direction was, to have our staff, finance staff, ED staff work out the particulars of the legislation, you know, what -- how it should be written in.

136. Q. Did any reps, anybody on your committee, or any other senators and representatives have concern that one -- that a lot of this could go to one company?

A. Yeah, I think there was um -- Oh God, he was on my committee.

137. Q. Yeah.

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A. Um, ...

138. Q. ... name?

A. Larry.

DETECTIVE SERGEANT BUONAIUTO: Right. Larry.

139. Q. What's his last name?

A. Ugh.

140. Q. Ehrhardt or?

A. Yes.

141. Q. Ehrhardt?

A. Yes.

142. Q. Ehrhardt.

A. Because Larry ...

143. Q. Yeah.

A. -- I actually think had some -- wanted ...

144. Q. Yeah.

A. -- to cap it or ...

145. Q. Yeah.

A. I forget he wanted to -- Yeah.

146. Q. Yeah. Did Speaker Fox talk to you about those -- Ehrhardt's concerns or ...

A. No.

147. Q. -- Speaker Fox get all involved and?

A. Actually, ...

148. Q. To, to your knowledge ...

A. Actually, ...

149. Q. -- or persuades?

A. Well actually how I learned about it, Ehrhardt's um, uh, real request in my recollection was on the House floor when he -- I think he ...

150. Q. Yeah.

A. Did he go off on a amendment or ...

151. Q. Yeah.

A. -- he discussed amendment.

152. Q. But it got withdrawn.

A. Right.

153. Q. Yeah.

A. Mm.

154. Q. And you have no idea how that came to be.

A. That's -- No.

155. Q. Okay. I'm not suggesting you did anything ...

A. No.

156. Q. -- I just ...

A. No, I can't do it, even if I had that ...

157. Q. I'm just asking if you heard.

A. Yeah.

158. Q. Or you ...

A. No.

159. Q. -- knew or anybody ...

A. I don't know...

160. Q. -- came to you ...



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- A. -- how that, that um, played itself out. And my role is, as the chairman, is to floor-manage the bill.
161. Q. Yeah.
- A. And that's what ...
162. Q. What you did.
- A. -- what, what I did.
163. Q. So nobody -- and I, and I can't -- I ... start naming ... names, but nobody came to you and said we gotta get this done for 38 Studios.
- A. And ...
164. Q. Keith Stokes, Gordon Fox, Mike Corso, uh, Saul, whatever his first name is?
- A. I don't ...
165. Q. Yeah.
- A. I don't remember if that happened.
166. Q. All right.
- A. You know. You know, you're in the hot -- It -- One of the things, you're in the halls ...
167. Q. Governor Carcieri?
- A. You know. No.
168. Q. All right.
- A. And -- That I can tell you.
169. Q. Okay.
- A. No. You're in the halls and whether one of them said, you know, we'd really like to see this get done, I mean, that's possible, but I don't remember it.
170. Q. Did you ever see anybody, like when it all fell apart, *what the hell*, or ...
- A. [Laughs]

171. Q. -- *what did you get us sucked into?* Did you ever say that to Gordon Fox?

A. Um. I think I may have said that I believe that EDC let us down.

172. Q. That would be Stokes and ...

A. The, the corporation.

173. Q. Yeah.

A. I didn't mention names.

174. Q. Okay.

A. But ...

175. Q. Yeah.

A. -- I, I, I may have said that, you know, we relied on, you know, departments ...

176. Q. Yeah.

A. -- to do their due diligence. And I can tell you one of the things I was very s— And again, I will say this: I don't remember saying this to people, like I – to you or ...

177. Q. Yeah.

A. -- to this, but I remember saying I hope that there are protections and s- and standards that have to be met for this program – in -- within this program. And I got a sense from EDC that all that was in place.

178. Q. Yeah. So you think you were let down?

A. [Laughs] Was I let down?

179. Q. [Indiscernible]

A. Yeah, I do.

180. Q. By EDC? Anybody else?

A. No. I think it, it was ...

181. Q. Yeah.

A. -- mostly -- Given what I knew about it on, on my end, it's like E- And it doesn't have to do with this program. But I gave another department, you know, if we appropriated X-million dollars and they didn't do their jobs, ...

182. Q. Mm hmm.

A. -- you know, they didn't have, you know, you'd be disappointed. You rely on -- We appropriate. We authorize. We don't administer.

183. Q. Yeah. I understand that. The 75 million is what they needed to survive is my understanding. Because of all the, the reserves and the fees and whatnot, they really got about 49 to 50 ...

A. Fifty ...

184. Q. -- million.

A. -- million dollars.

185. Q. Did you know -- Were you aware that that was not enough, that, that gross amount, or that net amount was ...

A. Ab...

186. Q. -- not enough?

A. -- solutely not.

187. Q. All right. In retrospect, do you think anybody was aware of that? When I say 'anybody,' I'm talking about ...

A. I don't know, because ...

188. Q. -- the government.

A. -- for some reason I remember, you know, I, I would, I would think that EDC would have had pro formas, ...

189. Q. Mm.

A. -- you know, five-year forecasts at that point before they let a, you know -- or the

financing companies, you know, um.

190. Q. Did you see anybody that you felt was – or did you feel anybody inappropriately try to influence your ...

A. No.

191. Q. I'm cutting to the chase here. No. Did you see any of that going on with anybody else?

A. No.

192. Q. This – In your perspective ...

(cell phone chime)

A. I – My role was ...

193. Q. Is that me?

A. -- to, to get – That's probably – No, that's me.

194. Q. Oh, okay.

A. My role was simply to get the, the kind of, the, the two staffs to work on it through any which ...

(cell phone chime)

A. -- and the floor manage it.

195. Q. Who were you floor-managing for, who do you? What, what, what's that?

A. Or a floor-managing member that – who originally was in the budget.

196. Q. Yeah.

A. It was a budget article. Um, and that the year the budget went over to the senate and the senate sent it back over pension issues and not ...

197. Q. Yeah.

A. -- [Indiscernible] And that's what caused it to be pulled out as a bill.

198. Q. Right.

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A. Okay. And being a chairman, I had to put my name on the bill, ...

199. Q. Yeah.

A. -- you know, um, and now I have to floor-manage it because it, you know, leaves Committee, goes onto the floor, and you floor-mana- The Committee chairs floor-managed the bills that come ...

200. Q. What's that? I'm not, I'm not, I'm not fluent in ...

A. Um, it's basically ...

201. Q. -- State House ...

A. -- any bill that comes out of your committee, whether it's my committee, judiciary, or any -- The chairman of the committee floor-manages the bill whether you're the sponsor or not. There are some exceptions to that: if there's a sponsor who's really engaged in the bill and knows it and has done the work on ...

202. Q. So when you floor-manage, you go on the floor and you ...?

A. You go on the House ...

203. Q. -- have the floor and you ...

A. -- and you introduce it, ...

204. Q. Yup.

A. -- you get a s- there's a second, ...

205. Q. Second.

A. -- and then you ...

206. Q. You work the floor?

A. Well, no. You ...

207. Q. I don't know ...

A. -- answer the questions.

208. Q. Well you answer the questions, ...

A. You answer the questions. You, you kind of like, ...

209. Q. Mm.

A. -- you know.

210. Q. Was there much opposition?

A. There was a lot of debate.

211. Q. Yeah.

A. There was a lot of debate. But the, the vote was overwhelmingly I think -- I don't remember the vote.

212. Q. Right.

DETECTIVE SERGEANT BUONAIUTO: It was overwhelming.

A. It was overwhelming.

DETECTIVE SERGEANT BUONAIUTO: Right.

A. Yeah.

213. Q. Well the Governor wanted this, Gordon Fox wanted this.

A. Right.

214. Q. The Governor's the head of the EDC.

A. Yup. And I, you know, basically -- You know, it wasn't a program, I -- You know, I, I ran the hearing, I kinda got some of the, the layout of it. But ultimately, there was a lot, a lot of support of it, you know. Um, and as I said, there wasn't many people at the time vocally opposing it, you know.

215. Q. You would think everybody was opposing it now when you ...

A. Well its' ...

216. Q. -- hear people talk.

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A. That's ...

[Laughing]

217. Q. Everybody said they saw it coming.

A. Yeah.

218. Q. Yeah.

A. Yeah.

219. Q. Yeah. I understand that. All right. [REDACTED]

Nothing's been -- I can tell you nothing's been ...

A. [REDACTED]

220. Q. [REDACTED]

[All Laughing]

221. Q. [REDACTED]

A. [REDACTED]

222. Q. [REDACTED]

A. Well, you're making me worry now ...

223. Q. No.

A. -- because of what you ...

224. Q. But, but, but ...

A. - said earlier someone ...

225. Q. -- but, but what ...

A. -- suggested this and ...

226. Q. No.

A. -- suggested that. [Laughs]

227. Q. Nope.

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A. [Laughs]

228. Q. Going to Tazza restaurant is not a crime. And going to ...

A. No, I know.

229. Q. -- that meeting is not a crime either.

A. All right. But ...

230. Q. [Indiscernible]

A. -- I didn't ...

231. Q. You did. Okay. That's fine.

A. Mm.

232. Q. And not -- And much like you s- And much like you said a little while ago, you know, I can't exact -- maybe Zaccagnino was there, I'm not sure. People have said maybe Costantino was there, I'm not sure.

A. Right.

233. Q. You know it's -- which is fine.

A. No.

234. Q. Because I'm asking ...

A. [Indiscernible]

235. Q. -- people ...

A. It's a long -- It's almost --

236. Q. Four years ago.

A. It's a long time ago.

237. Q. Yeah.

A. Right.

238. Q. And that's kind of the crowd that you might have been with. Right?



A. Right.

239. Q. You might have been with Fox; you might have been with Stokes. You might have been.

A. Well, the interesting ...

240. Q. You were up in Maynard. There is no reason you wouldn't have been there.

A. No, I would have remembered that.

241. Q. I know you'd remember it, but for people ...

A. Yup.

242. Q. -- to think you might have been ...

A. Yeah.

243. Q. -- there, that's not ...

A. And, and sometimes what happens in all of this, and I said this, you're in the corridors or you go to Tazza for something, for a fundraiser for somebody else, ...

244. Q. Mm.

A. -- right, and two people are there and they see you and they think they're discussing 38 Studios and they're not, it's not, not even, you know. But um -- I mean, the other thing is ...

245. Q. Did you go to the fundraiser, and this is going back a long time, 2007 at the Peerless Lofts for Gordon Fox, does that ring a bell, where you recommended Gordon Fox and Steve Nappa? Do you know Steve Nappa?

A. I know him, yes.

246. Q. What do you think about him?

A. [Laughs] I have no comment, really. I don't know him that well. I know he's a, you know, he's in construction. It doesn't sound like I went to that thing though.

247. Q. Okay.

A. All right.

248. Q. And a lot of ...

A. Yeah.

249. Q. -- ton of people, yeah. I'm just curious.

A. Two thousand seven. Is that?

250. Q. Seven. Seven, right?

DETECTIVE SERGEANT BUONAIUTO: In ...

251. Q. Two thousand seven.

A. Yeah.

252. Q. I know it was 2007.

A. Yeah.

253. Q. Buff Chace might have put it on.

A. No, probably not.

254. Q. Okay.

DETECTIVE SERGEANT BUONAIUTO: Catered by ...

A. I ...

DETECTIVE SERGEANT BUONAIUTO: -- Tazza.

A. For background purposes.

255. Q. Yes.

A. The historical people, tax credits and all that.

256. Q. That's Corso too?

A. He didn't like me. [Laughs]

257. Q. Really?

A. [Laughs]

258. Q. Buff Chace?

A. Maybe.

259. Q. Zach Darrow? He's either upstairs or downstairs from here.

A. Yeah. Um.

260. Q. He's in this building.

A. I um, ...

261. Q. Right?

DETECTIVE SERGEANT BUONAIUTO: Yeah, I think he ...

A. I, I changed ...

[Indiscernible]

A. -- the whole program.

262. Q. Really?

A. Yeah. They weren't very happy.

263. Q. I didn't know that.

DETECTIVE SERGEANT BUONAIUTO: Yup, ...

264. Q. I did not know that. So Corso's no fan of yours.

A. Well, ...

265. Q. As far as you know.

A. A- Again, I don't, I don't want to say [Indiscernible] ...

266. Q. Yeah.

A. [Laughing] I think that ...

267. Q. How did you -- And I don't ...

A. But in the history of this thing, ...

268. Q. Yup. [Indiscernible]

A. -- the tax credit issue, we -- we -- we kinda stopped it. Not stopped it, but ...

269. Q. "We" being your committee or?

A. Yeah, ...

270. Q. Okay.

A. And I forgot what we did it, but we capped it ...

271. Q. Mm hmm.

A. -- and -- The historical tax credit.

272. Q. Yup. Yup.

A. The other one, and uh, I capped that one too. So I have never been ...

273. Q. The movie credit?

A. Yeah. So I was a, a [laughs] ...

274. Q. So are ...

A. I wasn't on the top of their -- On that issue. On that issue.

275. Q. So you're not going to Steven Feinberg's house for Thanksgiving?

A. No. No. No. Although, I get along with Steven, I say hi to him, right, you know.

276. Q. He's, he's a interesting guy.

A. Yeah.

277. Q. Yeah. All right. So you capped the historical and the movies. Wow. So you were the reason we can't film a big budget movie here in Rhode Island.

A. Probably. But they restored a little bit.

278. Q. Okay.

A. Steven got little, you know. Well when something is costing the State in the last say, ten years, before we capped it, \$500 million of revenue.

279. Q. Really?

A. Oh yes. [Laughs]

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280. Q. I [Indiscernible] from him.

A. Oh well. Think about it.

281. Q. Yeah.

A. Think about tax credits, what they do.

282. Q. Yeah.

A. They offset what you will pay to State of Rhode Island.

283. Q. Right.

A. Because you have a tax credit.

284. Q. Right. I know, ...

A. So if you didn't have that tax credit, ...

285. Q. I know how they work.

A. -- you would be giving the State ...

286. Q. Yeah.

A. -- money, right?

287. Q. But the flipsi- I mean, I'm not here to debate tax credits,...

A. But [Indiscernible] The ...

288. Q. I, I just know what I heard.

A. This side is that there is an economic impact that ...

289. Q. Outweighs ...

A. -- you know, outweighs the uh - I ... I looked at ...

290. Q. The, the, the, the \$2 million ...

A. Right.

291. Q. -- that Blue Cross doesn't have to give you anymore, ...

A. Right.

292. Q. -- or whatever it is.

A. Well, I would say that ecstatically the historic tax credit did some great things.

293. Q. Yeah.

A. Okay, other than the [Indiscernible] projects, but.

294. Q. The, the what?

A. The Streever projects. But, you know, the -- the ones that 160 million that just with the -- Remember Streever, he did the, the old National Grid, that thing over there.

295. Q. Oh that thing over there.

DETECTIVE SERGEANT BUONAIUTO: Oh. Right.

A. Yeah. Right.

DETECTIVE SERGEANT BUONAIUTO: Right.

A. And some of ...

296. Q. That was supposed to be the museum.

DETECTIVE SERGEANT BUONAIUTO: Heritage Museum.

A. That was the Heritage Museum, right.

297. Q. Yeah.

A. And a couple of other products that -- But it made -- Ascetically, it did a lot.

298. Q. Yeah.

A. Whether you got taxes, income taxes and other kind of taxes ...

299. Q. The buzz to ...

A. -- to offset the ...

300. Q. Yeah.

A. I'm not quite sure.

301. Q. Okay.

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A. So, I just wanted to give you a little background on, on that issue that – Yeah.

302. Q. [REDACTED] only because I've heard a lot about tax credits.

A. Right.

303. Q. Okay? [REDACTED]

A. Well, and I'll tell ya ...

304. Q. Yeah.

A. -- on the tax credit issue, um, it never came – it didn't really come up ...

305. Q. Okay.

A. -- in the 38.

306. Q. I'm not suggesting it did.

A. All right.

307. Q. W—Well, not with ...

A. No.

308. Q. -- you. The, the movie tax credits is [Indiscernible] ...

A. Well yeah, but when?

309. Q. At the end.

A. Right.

310. Q. Back end. And I'm not ...

A. Yeah. Yeah.

311. Q. I'm not sticking you with that ...

A. No, I just want – I'm just telling you.

312. Q. I'm not sticking you with anything.

A. All right.

313. Q. But you're – I'm not – You're not – I'm not your t- You were at where you are now when all that happened.

A. Right. Yup.

DETECTIVE SERGEANT BUONAIUTO:

314. Q. Do you know has authorization to issue?

A. [Sighs] I think that changed over time. At one time I think it was the – When I was there, it was the tax administrator, I think, and the film office, there was some joint effort. I think the law changed a little bit. So I don't know. It might have changed after I left.

315. Q. But nobody other than them? Like State House can't issue them or ...

A. Oh, no. No.

316. Q. -- legisla—legislators, legislators can't issue them.

A. No.

317. Q. EDC couldn't issue them.

A. No, it had to be – Again, they may have changed ...

AAG YOUNGS:

318. Q. Sullivan and Fein...

A. Sullivan and Feinberg was what I think the original – I don't know if they changed it subsequent to when I left.

DETECTIVE SERGEANT BUONAIUTO:

319. Q. Okay.

AAG YOUNGS:

320. Q. So somebody's – Well. That's okay. [REDACTED] I don't have to do that.

A. Yeah. I mean ...



321. Q. Um, ...

A. - [REDACTED] ..

322. Q. And, and I, and I recognize that.

A. I kinda - You know.

323. Q. [REDACTED]

[REDACTED]

A. [No audible response]

324. Q. C'mon, that's a walk in the park.

ATTORNEY LUTES: Go ahead.

325. Q. Have you?

A. Yes.

326. Q. Yeah.

A. [REDACTED]

ATTORNEY LUTES: [REDACTED]

something was ...

A. [REDACTED] [Laughing]

327. Q. I've been over there too, ...

A. [Laughing]

328. Q. [REDACTED]

[REDACTED]

A. Cool.

329. Q. [REDACTED]

[REDACTED]

A. [REDACTED] [Laughs]

330. Q. No.

A. [Laughing] It's such a ...

331. Q. I can tell you ...

A. There's a civil case going on right now, right?

332. Q. Um, ... some - Yeah.

A. Right?

333. Q. Yeah.

A. There's a civil case. It's like, it's amazing how many people know what's going on with that civil case.

334. Q. [REDACTED]

A. [REDACTED]

335. Q. [REDACTED]

A. [REDACTED]

336. Q. [REDACTED]

A. [REDACTED]

337. Q. [REDACTED]

A. Listen, I don't want to be ...

338. Q. And nobody ...

A. [Indiscernible] as possible.

339. Q. [REDACTED]

A. And I, I don't have an ego here, so don't ...

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340. Q. [REDACTED]..

A. -- worry about it. [Laughs] I don't care.

341. Q. [REDACTED]

A. You know.

342. Q. [REDACTED]

A. No.

343. Q. [REDACTED]

A. Right.

344. Q. People in my ...

A. No, I ...

345. Q. -- office will see you walk by and go, [REDACTED]

A. I know. I mean ...

346. Q. [REDACTED]s

[REDACTED]

A. And one of the reasons I wanted to meet here had nothing to do with you guys ...

347. Q. Yeah.

A. -- or anything. [REDACTED]

[REDACTED]

348. Q. I'm ...

A. -- if I ...

349. Q. I totally ...

A. --you know what, [laughs] and ...

DETECTIVE SERGEANT BUONAIUTO: We understand ...

A. Yeah.

350. Q. ... a lot better -- You couldn't ... places with better people. Um. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

A. What worries me, and I was telling Scott just what worries me is, you know, this, this issue has gotten so much political and ...

351. Q. I know.

A. -- coverage.

352. Q. I know.

A. You know.

353. Q. We're not, we're not looking to hurt ...

A. No.

354. Q. -- you.

A. No, no, not me, I don't mean that...

355. Q. Yeah.

A. -- it's just, it's, you know.

DETECTIVE SERGEANT BUONAIUTO: Understand, politics doesn't drive us.

356. Q. It, it, and it could be ...

A. [REDACTED]

[REDACTED]

357. Q. [REDACTED]

A. [REDACTED]

358. Q. [REDACTED]

A. [REDACTED]

376. Q. Yup.

A. -- I'm losing here ...

377. Q. Yes.

A. [REDACTED] ..

378. Q. Yes.

A. [REDACTED] ..

379. Q. [REDACTED] ..

A. [REDACTED] ..

380. Q. [REDACTED] ..

A. [REDACTED] , ...

381. Q. [REDACTED] ..

A. [REDACTED] ..

382. Q. Yeah. And I have done cases. I don't know how this is going to end, ...

A. Right.

383. Q. [REDACTED]

[REDACTED]

[REDACTED] This could be ...

A. Well ...

384. Q. -- a colossal, colossal debacle, it's not a crime. It could be. But there's enough of a whiff of it that we have to do our due diligence. Okay?

A. Okay.

385. Q. So if you think of anything else, be sure to tell me. Next time ...

A. I am telling you ...

386. Q. -- I'm ...

A. -- that ...

387. Q. I know - And, and ...

A. I will - Yeah, I'll ...

388. Q. [REDACTED]

ATTORNEY LUTES:

389. Q. [REDACTED] ...

A. [REDACTED] ...

390. Q. [REDACTED]

A. [REDACTED] ..

AAG YOUNGS:

391. Q. Yeah, I'm not - You can discuss that without me.

A. Yeah.

392. Q. [REDACTED]

[REDACTED]

[REDACTED]

A. [REDACTED]

ATTORNEY LUTES:

393. Q. Okay. All right.

AAG YOUNGS:

394. Q. [REDACTED]

A. [REDACTED]

395. Q. [REDACTED]

ATTORNEY LUTES:

396. Q. [REDACTED]

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AAG YOUNGS:

397. Q. [REDACTED]...

A. [REDACTED]

ATTORNEY LUTES:

398. Q. [REDACTED]

AAG YOUNGS:

399. Q. [REDACTED]...

A. [REDACTED]..

400. Q. [REDACTED]

A. [REDACTED]

[LAUGHING]

401. Q. [REDACTED]..

A. [REDACTED]

402. Q. [REDACTED]

A. [REDACTED]

403. Q. [REDACTED]

[REDACTED]

A. [REDACTED]

404. Q. [REDACTED]

A. [REDACTED]

405. Q. [REDACTED]

A. [REDACTED]

406. Q. [REDACTED]

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A. [Pause]

407. Q.

A.

DETECTIVE SERGEANT BUONAIUTO: I'm going to -- I'm going to end this. This  
conclude the interview. It is now ...

408. Q. Did I leave anything out?

DETECTIVE SERGEANT BUONAIUTO: -- 3:55 p.m.

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STATEMENT TAKEN BY:

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WITNESSED BY:

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WITNESS STATEMENT OF COSTANTINO, STEVEN #3

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