



NEWS RELEASE

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Chafee Calls on EDC for More Transparency, Further Delay on Closing of Risky 38 Studios Deal

(Warren, Rhode Island, August 27, 2010) Lincoln Chafee, independent candidate for Governor, today held a press conference at which he called on Governor Carcieri and the other members of the Rhode Island Economic Development Corporation (RIEDC) Board to push back the closing on its \$75 million 38 Studios loan guarantee until after the election in November. Urging greater transparency, Chafee cited the two-week delay on the first phase of the loan guarantee, which only came to light yesterday, as yet another reason that Rhode Islanders “need to know more about how their taxpayer dollars being risked.” The transfer of the first \$15 million of the loan guarantee was originally scheduled for August 31st.

“I have said again and again that this deal is too much of a gamble for Rhode Island taxpayers to bear the burden of responsibility,” Chafee said. “We’re talking about \$75 million of taxpayer money – 60% of our loan guarantee fund – to one unproven company in a risky industry segment, without seeking out any other firms or taking any other bids. Why the rush? And this delay of the first payment shows that we as Rhode Islanders deserve to know more about this deal before handing over millions.”

At the press conference, which was held in Warren, Chafee cited Alfred Verrecchia’s April 2009 report in criticizing the practices of the EDC. The report, Chafee said, called the EDC “fragmented, disjointed and lacking focus.”

“This is a state department, promising away taxpayer money, that just isn’t working right,” Chafee said. “And given the economic times, this is the one agency we want to be working well.”

Lincoln Chafee, former Mayor of Warwick and former US Senator, seeks to become the first independent Governor in Rhode Island history, running on a platform of honesty, proven experience and political independence.