

318B-AL-6464304 Serial 378

- 1 of 10 -

FD-302 (Rev. 5-8-10)

FEDERAL BUREAU OF INVESTIGATION

Date of entry 05/17/2021

Peter Shumlin, former governor of Vermont, [REDACTED] was interviewed via video conference by AUSAs Paul Van de Graaf and Nicole Cate, DOJ Trial Attorney Jesse Alexander-Hoepfner, and FBI Special Agent Jennie Emmons. Vermont Assistant Attorney Generals Bill Griffin and David Groth were also present as legal counsel for Shumlin.

AUSA Van de Graaf explained that the purpose of the interview was to discuss text messages between Shumlin and Ariel Quiros and EB-5 related videos featuring Shumlin.

AUSA Van de Graaf referred to an August 2011 video featuring Shumlin. The video, made during an AnC Bio press conference, was filmed inside a Jay Peak facility. Shumlin appeared in it with Quiros, Bill Kelly and Bill Stenger.

Shumlin advised that his role in the videos was typically scripted. The video that got so much press was the one in which he used the word "audit." Shumlin understood that the state had the responsibility, as the only state-wide EB-5 district, to dig into the books to make sure the state was "compliant with federal rules," and to ensure the information presented to investors in presentations and materials was realistic.

When Shumlin got out of the car at the event (where that video was made), a staffer told him a video person that would be asking him some questions. Stenger was involved, working with the video person on the video at the event. Shumlin was asked to speak about the EB-5 projects. Shumlin tried to regurgitate material from other video sessions.

Shumlin did not understand the EB-5 program early in his governorship. He asked questions such as "how do we describe what we do to vet these projects?" and "how do we decide what ones we will do?" He understood that projects were audited to understand what jobs would be created. The audit word had been used before.

Investigation on 04/29/2021 at Burlington, Vermont, United States (, Other (Video conference))
File # 318B-AL-6464304 Date drafted 04/30/2021
by EMMONS JENNIE MCGLYNN

318B-AL-6464304 Serial 378

318B-AL-6464304

Continuation of FD-302 of (U) Interview of Peter Shumlin, On 04/29/2021, Page 2 of 10

Shumlin is not sure when the video in the office was made—though his staff will be able to tell. He was in many videos.

Stenger definitely directed Shumlin in the video. What Shumlin said was based on what had been scripted before. For an impromptu video, Shumlin was asked to sit in chair at a Jay Peak event, which he attended with Senator Leahy. This video was the one in which he made the audit comment. Shumlin is pretty sure the Tram Haus Lodge is in the background. It was a windy and cold day. Jeb Spaulding may have attended one such event with Shumlin, but that one may have been a later one.

AUSA Van de Graaf asked about Shumlin's engagement with Stenger before the Northeast Kingdom (NEK) initiative press conference and about Shumlin's personal interactions with the Jay Peak projects in 2011 and 2012 (other than the press conference).

Shumlin advised that he went to see the projects many times in that early period. Later, around election time and after the water park was completed, he attended an event at Jay Peak which did not involve a press conference. He got tour of the various facilities, to include the ice rink. Otherwise, he was not at Jay Peak. Stenger served on his economic council (Stenger had also been on Governor Douglas's). On the council, Stenger represented the NEK. Shumlin went to all the council's meetings. He would catch up with Stenger at those meetings about what was going on in the NEK.

AUSA Van de Graaf asked about Alex MacLean's hiring at Jay Peak.

Shumlin recalled that after the election was over, MacLean, who had run his campaign, was burned out. She wanted to be Shumlin's chief of staff, but did not get that position. She was going through a divorce or a separation at the time. She felt she needed to do something different. She is a Vermonter and an avid skier. MacLean told Shumlin she was going to apply for a job at Jay Peak, but was not going to tell anyone at the state. She said it was her dream to make the Jay Peak projects happen. She reached out to Stenger, who was a respected person at the time, and met with him. She later told Shumlin she was hired.

AUSA Van de Graaf noted that, at the beginning of 2012, Douglas Hulme broke away from Stenger and Jay Peak. AUSA Van de Graaf asked about a meeting in Miami during which Shumlin met Hulme (this meeting may have happened at the

318B-AL-6464304

Continuation of FD-302 of (U) Interview of Peter Shumlin, On 04/29/2021, Page 3 of 10

Epic Hotel conference in February 2013).

Shumlin advised that he attended two meetings in Miami. The first was related to a hotel conference. That particular meeting was a cocktail reception for the Jay Peak projects. People from the Miami area were invited. Stenger and Shumlin (but not Quiros) spoke at it. While in Miami, Shumlin and Quiros had dinner alone, at Quiros's invitation. Quiros really wanted to talk to him. Shumlin met Hulme earlier. A group (to include Shumlin, his staffers, Lawrence Miller, Hulme, and Stenger) had dinner before a big EB-5 conference. At that conference, Shumlin spoke about Vermont's EB-5 program. Shumlin does not recall Quiros being at that dinner, which included about 20 people.

AUSA Van de Graaf referred to the talking points for the 2013 conference. Stenger had sent a draft to Bill Lofy and the draft went to others for review, to include Liz Miller.

Shumlin advised he often did not use the prepared talking points, which drove people at the state crazy. Shumlin read over the talking points (in preparation for this interview). His guess is that they were prepared by the state agency and Stenger.

AUSA Van de Graaf observed that they say that the project is filling up quickly, and asked if Shumlin relied on that statement being factual.

Shumlin advised that he would not have said that. Shumlin supposed that Stenger hoped he would say that.

AUSA Van de Graaf observed that this draft has Liz Miller's and Sarah London's comments.

Shumlin advised those points came from Stenger or someone in Stenger's office. Shumlin would not have written the speech. His team would have looked at the talking points to make sure they were true and he would have consulted with the state agency. Shumlin's job at the Epic Hotel was not to talk about Jay Peak specifically, but rather to talk about Vermont's EB-5 district. He would have mentioned that Jay Peak was a huge success. The 2013 cocktail event would have been more about Jay Peak. Shumlin did not give a big speech at that event. He introduced Stenger and would have talked about the EB-5 program. The event with Hulme was more of a convention. Shumlin

318B-AL-6464304

Continuation of FD-302 of (U) Interview of Peter Shumlin, On 04/29/2021, Page 4 of 10

would have said was success because that is what was thought at the time.

AUSA Van de Graaf asked about Shumlin's phones during his governorship.

Shumlin advised that he used the hard line in his office for all state calls. His "campaign phone" (a cell phone) was his main phone. His former attorney at the state, Sarah London, could explain the state policy regarding phones. He understood that all state email was turned over to archive unless it was family communication. Shumlin did not pay attention to what got turned over and what did not. He did not have a state cell phone and his texts were not turned over to the archive. Shumlin gave out his cell phone number for campaign fundraising purposes. Any time there was a public records request, Shumlin would give his phone to his staff. They would examine it to see if contained anything related to the request. And, if there was, they collected it.

AUSA Van de Graaf asked about Shumlin's text messages with Quiros. The earliest one located is dated September 22, 2012. In it, Quiros texted about a potential project.

Shumlin advised that he reviewed this text (before the interview). At first he could not recall what it was about, but it came back to him. "Those guys were our heroes at the time," Shumlin commented. It is now embarrassing because "we know who they are," but at the time "we didn't know." The reason Shumlin wanted to go to dinner alone with Quiros is because he had never talked to him alone before. Shumlin wanted to get to know Quiros. Shumlin felt Quiros had a compelling life story. Quiros is a mixed-race person who grew up in Harlem. Quiros had created great wealth in his lifetime.

At dinner, Quiros asked Shumlin about Vermont's situation with heating oil. Shumlin told Quiros that topic that worried him. Quiros told Shumlin he was Venezuelan and that he had a relationship with Venezuelan leaders. Quiros said he could work out a deal with Venezuela like the one that the Kennedy's had. Quiros wanted a letter on governor letterhead (for credibility purposes) to work on this deal. Shumlin cannot recall when that oil conversation happened. The potential project Quiros was referring to in the text was the oil matter. Nothing ever came of the conversation. Shumlin never heard another word about it, which was typical with Quiros. Shumlin was busy and never brought it up either.

318B-AL-6464304

Continuation of FD-302 of (U) Interview of Peter Shumlin , On 04/29/2021 , Page 5 of 10

Shumlin stayed at Quiros's New York City address on three occasions. Shumlin recalls the dates being on or about March 20 - 23, 2013, on or about June 5 - 6, 2013 (for his daughter's birthday) and on or about September 12, 2013 (a one night stay at Quiros's friend's place in the building when Quiros's place was not available at the last minute). The last visit was while Shumlin's girlfriend Katie (now wife) was taking a class in Manhattan. Shumlin told Quiros he would reimburse him if there was any cost involved. Quiros told him there was no cost.

AUSA Van de Graaf referred to a November 2012 text regarding Shumlin's daughter, who was in New York City at the time during a power outage related to Hurricane Sandy.

Shumlin advised that he is sensitive to hurricanes. When his daughter was without power, he reached out to Quiros and another friend, hoping to get his daughter help. Quiros never answered him.

Only Shumlin, Katie, and Shumlin's friend's family stayed at Quiros's property. Shumlin invited the family (which had immigrated from Nepal to the U.S.) to attend an event in New York City during which they would have the opportunity to meet Bill Clinton. The family stayed one night with Shumlin in Quiros's apartment.

Katie was in school at that time and rarely traveled with Shumlin. Shumlin never met Quiros's wife. Quiros always wanted to discuss something that was not EB-5 related. Quiros always want things to be confidential and would say this is "just between you and me."

Quiros was an "airplane guy and so was his son." Quiros was excited about the notion of starting Green Mountain Airway. Shumlin was interested, for the sake of Vermont, in ideas that integrated skiing and air travel. He listened, intrigued and supportive, but understood nothing about the economics involved. After the idea was introduced, Quiros came back asking about colors. Quiros was excited about the seats being green and gold and wanted Shumlin's input. Shumlin told Quiros that he did not have an opinion about colors.

AUSA Van de Graaf referred to April 9 - 13 texts, in which a future meeting was mentioned and Shumlin thanked Quiros for a gift.

318B-AL-6464304

Continuation of FD-302 of (U) Interview of Peter Shumlin, On 04/29/2021, Page 6 of 10

Shumlin cannot recall the gift. People were constantly giving him gifts as the governor. Anything of value went to Lisa Cumin (phonetic). Items like maple syrup or donuts went to the staff.

AUSA Van de Graaf referred to a September 14, 2013 text in which Katie sent an article about [REDACTED] and in which a comment was made about Stenger.

Shumlin is not sure which [REDACTED] article is referred to in that text. Shumlin read something that was bad for public relations. Shumlin remembers saying "this story is bad." Shumlin was excited about the window deal. Shumlin supported real projects [REDACTED] was real and many jobs would be created. Shumlin never understood the AnC Bio one. Shumlin was told by people like Quiros that AnC Bio was something Governor Douglas liked.

Quiros had dramatic reactions. In the text, Shumlin was trying to point out to Quiros that all Stenger does is work and "do you really want to get rid of this guy?" At the time, Stenger seemed to be a saint. Shumlin observed Stenger would not come to dinner on trips. Stenger would get his meal sent to his door and go back to work. Shumlin might have been traveling at the time of the text - on the one international trip he took.

AUSA Van de Graaf noted that Quiros texted on October 11, 2013 about talking to Shumlin about situation in Korea. Shumlin responded that they should connect on Saturday. AUSA Van de Graaf asked if Shumlin recalls what Quiros wanted to talk about.

Shumlin has no memory of the topic. He remembers getting off the call and saying "smoke no fire." His vague memory is that he (Shumlin) was always asking about Anc Bio because he did not understand the heart and kidney technology. Shumlin's memory is that the heart stuff had not panned out, but he is not sure that was the topic. It was about some technical thing and about something they hoped to do that was not going to work. Shumlin's memory is that he told Quiros just to be transparent.

AUSA Van de Graaf referred to a March 2014 text to Quiros after Quiros got out of the hospital.

Shumlin advised that that text is related to fundraising for the 2014 election. The only time Shumlin did not get called back was when he was fundraising.

318B-AL-6464304

Continuation of FD-302 of (U) Interview of Peter Shumlin, On 04/29/2021, Page 7 of 10

AUSA Van de Graaf asked about a May 24, 2014 trip to New York City (during which time Shumlin used Quiros's apartment) during which Quiros asked to speak privately with Shumlin for a hour.

Shumlin advised that this New York City trip was the one related to Katie, not the Nepalese family. Shumlin had a meeting with Quiros on June 5th, which he recalls clearly. The meeting happened in Quiros's building, either in Quiros's apartment or downstairs. Quiros shared his concerns about the Newport project involving Tony Pomerleau. Pomerleau had pulled out because he felt the project was "bullshit." Shumlin understands how partnerships can become tense. Shumlin strongly felt the Newport project was a mistake. It was too much too fast for a town that did not have a lot going on. Shumlin understood that it was not an EB-5 project. Quiros felt his land in Jay was a better site for such a project. Quiros wanted to know if Shumlin could help him. Shumlin told Quiros there was nothing he could do and that Quiros would have to work it out with his partner. Quiros felt good to be able to get his concerns off his chest.

AUSA Van de Graaf read aloud a June 7, 2014 text about the Memorandum of Understanding related to Korea, noting that it appears that Stenger was communicating with Shumlin's staff.

Shumlin advised that he reviewed this text. He had asked Quiros for the history of AnC Bio. He does not recall the part about Stenger and his staff. Shumlin has never been able to find a record of AnC Bio/Governor Douglas.

AUSA Van de Graaf referred to late May time period. At this time, the Agency of Commerce and Community Development (ACCD), mainly Lawrence Miller and Brent Raymond, called in Stenger and MacLean to confront them with what they had found out about the AnC Bio building auction. ACCD officials were getting very suspicious. A couple days after the confrontation, Quiros texted Shumin to tell him things were going well with the agency and that he will keep Shumlin posted. AUSA Van de Graaf asked about Quiros wanting to have a separate line of communication with Shumlin.

Shumlin stated, "I just don't know." Shumlin probably did not know about that meeting. He has no memory of it. He knows that ACCD was "digging deep." A decision was made at the state to move oversight to an agency that could do more digging. Pat Moulton at ACCD had no authority to look into the

318B-AL-6464304

Continuation of FD-302 of (U) Interview of Peter Shumlin, On 04/29/2021, Page 8 of 10

financials.

AUSA Van de Graaf noted that on June 27 another meeting at the state took place. Marketing was halted due to all the questions. Lawrence Miller was busy dealing with state healthcare issues. Moulton was moved into the secretary role at ACCD in June and began to deal with the problems more aggressively. Liz Miller and Sarah London may have decided to bring in the Department of Financial Regulation (DFR).

Shumlin advised that Quiros might have been saying that Shumlin's agency was slowing him down. Shumin would have told Quiros to be transparent.

AUSA Van de Graaf noted that the Vermont Regional Center was turning up the heat and ACCD learned about Quiros's interview for the SEC investigation.

Shumlin agreed. Shumlin did not learn Quiros and Stenger were being questioned for a SEC investigation until about June or July. At some point, maybe in an August conversation, Quiros told Shumlin that the SEC had been asking questions. Shumlin was concerned. Quiros told him that the SEC was going through every EB-5 project because of an EB-5 project in Oregon had turned out to be a complete fraud. Shumlin asked his staff about Quiros's claim, and his staff confidentially asked Leahy's office, which confirmed that it was true that the SEC was investigating every project in the country.

AUSA Van de Graaf noted that Quiros said he wanted to talk on a private line for the August conversation.

Shumlin advised that he (Shumlin) had a landline in his office. If he was in the office he would use that phone, otherwise he would use the campaign cell phone. Shumlin does not remember the contents of the call as much as he does the location. The call took place during the week he was on vacation on an island without Internet. There was one spot on the island that had broken cell service. He would sit on his tractor on this spot on a hill to make his governor-related calls. The call went on too long. Shumlin wanted to get to the beach. Shumlin thinks this call was when the SEC matter was discussed. Quiros was mad at Stenger about something (Shumlin cannot remember about what). Quiros had promised Stenger 20% ownership of Jay Peak, but now was not going to give that to Stenger. It was almost like a father being angry at his son.

318B-AL-6464304

Continuation of FD-302 of (U) Interview of Peter Shumlin, On 04/29/2021, Page 9 of 10

AUSA Van de Graaf observed that in December 2014 things really heated up. ACCD (particularly Moulton and Raymond) was still asking questions and trying to get information. By December, the decision to bring in DFR had been made, but that had not happened yet. Quiros and others were frustrated. Quiros wanted to talk to Shumlin.

Shumlin advised that he can see in the texts that he was ignoring Quiros. Shumlin ignored Quiros until Christmas. He knew there might be problems. "I must have known that DFR was coming in. I didn't know the extent of the problems then." Shumlin had a meeting with Quiros. Looking at the the texts has helped Shumlin piece things together. They first met in Miami about Green Mountain Airways. The second meeting was a June 6th meeting in New York City. The third meeting was at Shumlin's home in East Montpelier on New Year's day. Shumlin's memory of the latter meeting was that he told Quiros to swing by his house. Quiros came and had a cup of tea. He was there for about 20 minutes. Quiros was concerned about the questions the state was asking about Burke. The state had obviously talked to Quiros and Quiros was afraid the project was being slowed down. Quiros thought a governor could just get on the phone and call them off. Quiros misunderstood the governor's job. The governor empowers people to do their jobs. Shumlin told Quiros: "We are doing amazing things. Give them the information they need, it will protect us all. Give them what they want." Quiros went home with that message.

AUSA Van de Graaf noted that around this time (early 2015), Stenger, in an email, wrote about a conversation he had with Shumlin about pushing Shumlin to release the projects. AUSA Van de Graaf asked if Shumlin recalls any such conversations with Stenger.

Shumlin advised that he does not recall discussing any one thing with Stenger.

AUSA Van de Graaf noted that MacLean had come back from maternity leave and asked if it was possible she called Shumlin for Stenger.

Shumlin suspects that is what happened. Shumlin and MacLean are good friends. The situation was awkward. "Once I knew there were problems I literally avoided her calls." In Shumlin's view, this is an example of good government. "When we started to smell a rat, Donegan and Piechek worked

318B-AL-6464304

Continuation of FD-302 of (U) Interview of Peter Shumlin, On 04/29/2021, Page 10 of 10

really hard to gather information." Shumlin does not recall a one on one conversation with Stenger.

AUSA Van de Graaf asked Shumlin to reflect on the arc of what happened and his perception of the impact.

Shumlin stated that what happened is the biggest betrayal of his life. Everyone was a victim. He thought they were creating jobs and he is not a naive person. Essex County beat Chittenden County in job creation. The situation is very personal to Shumlin. The businesses involved were deeply hurt. To this day, Shumlin cannot understand what would lead two persons, who would have made a lot of money legitimately, to go astray. The level of anger and hurt about this betrayal is intense. It is also a huge embarrassment. "We put our names on this. It is the biggest disappointment of my political life."