



## FEDERAL BUREAU OF INVESTIGATION

Date of entry 07/22/2019

Lawrence Miller, former Secretary of the Agency of Commerce and Community Development (ACCD), [REDACTED] was interviewed by Assistant United States Attorneys Paul Van de Graaf and Nicole Cate and FBI Special Agent Jennie Emmons. Bill Griffin, a Vermont Assistant Attorney General, was also present as legal counsel for Miller. After being advised of the identities of the interviewers and of the nature of the interview, Miller provided the following information:

Currently, Miller is working in an advisory capacity for Colorado's health care system. Miller travels to Colorado once a month for a few days.

Miller was the owner of the Otter Creek Brewery, which he sold in 2002. In 2011, Miller came on as the secretary of ACCD under Governor Shumlin's administration. In August 2011, Hurricane Irene hit and the state was heavily involved in the relief response, which was a massive distraction for Miller. Later, in January 2014, Miller got heavily involved in the troubled launch of Vermont health care exchange. During the first half of 2014, Miller was out of the office all the time and Lucy Leriche, his deputy, handled day-to-day matters at ACCD.

When Miller came on at ACCD, he had no experience with the EB-5 program, though he did have some background in private placement investment. Brent Raymond had not yet come on board at ACCD, but James Candido was still there. Raymond arrived sometime in 2012.

One of the first matters to come to Miller's attention was a \$30,000 bill for the governor's trip to China. Miller took steps to ensure the state had the authority for ACCD to get paid for such travel. Miller found the EB-5 program was "loose" - the Memorandum of Understandings (MOU) had gaps and all the projects were operating less formally.

Before Miller started working at the state of Vermont, Miller had dinner

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Investigation on 05/24/2019 at Burlington, Vermont, United States (In Person)

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by EMMONS, JENNIE MCGLYNN

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with Stenger on one occasion.

AUSA Paul Van de Graaf presented Miller with an email (Bates ACCD0008267), in which Stenger was writing to Miller regarding the Hurricane Irene response (about six to eight months into Miller's time at ACCD).

In response, Miller advised that Bill Lofy was the governor's chief of staff at the time; and, Stenger was saying that the EB-5 program might be a tool to use for the state's hurricane recovery. Stenger was also pitching a trip to Miami. [REDACTED] Miller made it clear that if ACCD personnel went out for promotional purposes it would not be for one project, but rather for the portfolio of projects.

AUSA Van de Graaf observed that there had been an earlier MOU for AnC Bio Vermont in 2009, which did not go forward.

In response, Miller advised that the project did not seem to be ready at the time from ACCD's perspective. Miller does not know if a connection had yet been made between AnC Bio's Korean scientist and the University of Vermont (UVM) at that time.

AUSA Van de Graaf presented a February 2012 email regarding John Evans at the University of Vermont (Bates ACCD00008274).

In response, Miller stated that Evans was the chief of commercialization, a position attached to UVM's president's office. Miller thought it was a good idea to get UVM connected to the project because the state lacked knowledge in the biotech area. Miller believes he prompted the involvement of UVM.

The projects at Jay Peak were in full swing when Miller came on at the state. Candido and John Kessler made site visits to ensure the jobs were progressing.

AUSA Van de Graaf asked Miller if he met Ariel Quiros and Bill Kelly around this time.

In response, Miller advised that at that time Quiros and Kelly were still in the "woodwork." Miller understood that they were importing technology developed elsewhere. Miller had a little concern about ski people going into the medical device field.

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AUSA Van de Graaf presented a letter of support (Bates 5211981) and an email communication between Miller and Stenger, dated May 23, 2012 (Bates ACCD00008249). In response, Miller noted that such support letters were routine and such a letter was something Candido would have prepared for Miller to sign.

AUSA Van de Graaf noted that Stenger and Quiros rolled out the "Northeast Kingdom (NEK) Initiative" and that Stenger was sharing his vision about the Newport waterfront in the email. Miller advised that he understood the initiative to include the rejuvenation and economic development of Newport. The hotel/conference center plan was not clear: Who was going to come? was the big question. The area is Vermont's senior senator's district. The idea was to create capacity in Newport and companies could be recruited to come to the area. [REDACTED]

Miller went on a small number of trips in support of the EB-5 program - to include a trip to China and an AILA conference - to understand the industry better. The trip to China was mainly in support of the governor. Candido, Raymond, and Becky Fu, from ACCD traveled often for this purpose.

AUSA Van de Graaf presented an email, dated July 1, 2012 (Bates 5077437) involving George Guilsano, Kelly and Quiros, regarding an audit of the EB-5 projects requested by Stenger. In response, Miller advised that he cannot recall the original stressor prompting the audit topic. A clean audit would have been nice. Stenger originally agreed to one, but then said it was too expensive. Miller's agency looked for a way to demand an audit, but there was nothing in the MOU or in the subscription agreement or in a state statute that provided such authority; and they could not whimsically decide to add an audit.

AUSA Van de Graaf asked Miller about the governor's statement in a promotional video about an state audit of the projects (and noted that the investigators understood that the governor's talking points for the video were created by Candido).

In response, Miller advised that "we freaked out" about the governor's statements in the video. Audit was not the proper term. What people think at

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the political end of the hall, however, is different. The state has performance audits so the governor may have be thinking in those terms. However, the rest of the world thinks of a financial audit when they hear the word audit. Miller thinks the script came from Jay Peak people to the governor's office. Miller added, "We don't always see everything."

AUSA Van de Graaf presented an email, dated September 7, 2012 (Bates ACCD00007006), from Raymond to Miller, Pat Moulton, and Kessler, in which a NEK press event is noted. In response, Miller stated that he does not think he attended that event.

AUSA Van de Graaf observed that the revised AnC Bio Vermont MOU (Bates 0293862) was approved in October 2012. AUSA Van de Graaf asked Miller for details about the approval and what the state knew about the project at this time.

In response, Miller stated that the MOU was not saying "we are ready to move," but as to further detail, Miller does not remember this point in time.

In regard to the EB-5-related travel, Miller did go to Miami and San Francisco. Miller did not go on the trip to Brazil, but did go to China one time. The "China" trip also included stops in Hong Kong and Vietnam. Stenger, Alex MacLean, Governor Shumlin, Miller, Fu and two Vermont troopers on security detail were on the trip. Miller does not think Raymond came along. The governor liked the idea of these trips, but they were not very practical.

Miller did not recall anything related to EB-5 plans for light airplane manufacturing company when presented with a January 24, 2013 email from MacLean on this topic (Bates ACCD00007217).

Miller does not know anything about the appointment of Kelly to an state airport board. However, Miller noted that it is normal for someone with a related financial interest to be on a board.

AUSA Van de Graaf asked Miller about Diane Peel's report, which first went to Ann Cummings on January 21, 2013 (Bates 5153752; 5153751. The Diane Peel report then got to Kessler and Raymond, and Raymond sent it to Stenger and MacLean. Two months later Miller got a email with a response form Quiros to

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the information in Peel's report (Bates ACCD00005218).

In response, Miller advised that this was the triggering event starting the state inquiry. Eventually ACCD got a Korean intern and they became serious about looking into AnC Bio Vermont. They were more than curious at about this time. A major questions were "does Stenger know who the hell his business partner is?" and has Stenger done his "due diligence?" Miller assumed Stenger had a silent partner. Then Quiros started showing up and Kelly started asserting himself and showing authority over Stenger. In regard to the response from Quiros, Miller was surprised to get something directly from Quiros instead of Stenger.

Miller was getting reports from Raymond and Kessler about what was going on. Together they were trying to figure out the Korean part. They could not get clean information.

The China trip in September 2013 involved typical EB-5 events: a conference room or convention room in a hotel was rented; food and beverages were served; and, sessions for industry people or for individual subscribers were held. The state people representing the regional center would talk about Vermont and several of the projects. Stenger would do a pitch on the projects. Miller did not go to many convention events.

The state was trying to reel in Douglas Hulme with Rapid USA. Hulme touched all the Jay Peak projects. He may have sparked the audit conversations. He may have called to report that \$13 million was missing from accounts. AUSA Van de Graaf noted that Hulme separated himself from the Jay Peak projects in early 2012.

Miller had calls back and forth with Hulme. Miller called Stenger in and had a conversation with him about the missing funds. Stenger explained to Miller that money was not missing, but rather had been parked in treasury bills. Stenger presented transactions to show the money was not missing. However, this matter, along with Hulme's public allegations, triggered the audit conversation.

Miller thought that Hulme might be bailing out of the industry because he was not a licensed broker-dealer rather than his concerns about missing funds. [REDACTED] Miller asked Hulme to send him everything (i.e., about the allegation), but Miller is not sure that Hulme

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did.

A conference call with Hulme and Hulme's lawyer took place. Miller was probably on that call and he might have kept notes. Attorney Griffin added that the lawyer told Hulme not to talk, according to other witnesses.

Miller added that Hulme said money was gone from Chittenden Bank. Stenger was saying the money was being held elsewhere and was not leveraged. Stenger was saying that that he was surprised and baffled by Hulme's behavior. Stenger was postulating other motives for Hulme leaving.

AUSA Van de Graaf observed that Raymond wanted to do more monitoring of the projects. In response, Miller noted the "same dynamic tension" came into play: what authority did the state have and what did they need from the developers. The state had no money and no authority. Miller did not think it was in the state's authority to hire a forensic accountant. Miller and Raymond disagreed about the process but not the goal. What Raymond wanted to do needed to be put into an MOU.

AUSA Van de Graaf presented two sets of email communications from September 2013 (Bates 5214485) and October 2013 (Bates 5216162), in which Miller was being asked press questions. In response, Miller stated that every other regional center was the project - there was no intermediary. This was the distinction he was making in the email. An investor doing their own due diligence was key.

AUSA Van de Graaf noted that October 2013 Raymond sent an article in Korean to Stenger and MacLean stating that AnC Bio Holdings was under investigation. Miller added that this is when he asked Stenger if Stenger really understood who his business partner (i.e., Quiros) really is. AUSA Van de Graaf observed that ACCD then received notarized certificates (Bates 5216742, ACCD00007226, ACCD00007229, ACCD00007242, ACCD00007249), and asked if Miller examined this issue closely.

In response, Miller advised that Raymond would have dove into this matter. Miller read them and advised that he found this "alarming" and stated "we were having a hard time believing the documents were true." Miller was not sure if Stenger knew what was going on. Miller had a conversation with Stenger in which Miller expressed that "this was weird." By the time of the meeting about the auction of the AnC Bio Korea facility, Miller was barely

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at ACCD anymore (and AUSA Van de Graaf noted Moulton replaced Miller soon after).

Miller felt a significant heightened level of concern. He was troubled by the AnC Bio Holdings information. He had read about an abundance of clean rooms in New Jersey. He wondered what market survey made people think there is a market for clean rooms in the middle of nowhere. It was becoming clear that Stenger's partners were not who Stenger thought they were.

AUSA Van de Graaf asked Miller for more detail regarding specific conversations about the concerns with Stenger.

In response, Miller stated that the conversations were in-person and believes they were one-on-one conversations between himself and Stenger. Miller will look at his calendar from that time to see if he can be more specific about when they occurred.

AUSA Van de Graaf noted that records show Raymond and Kessler went to the Bogner property for a quarterly meeting (Bates 5217838) and that the state had some issues with the AnC Bio products. AUSA Van de Graaf asked if the state knew that AnC Bio Korea and Alex Choi were in trouble.

In response, Miller advised that at this point the state had suspicions but not enough information to bring things to a halt. The state was frustrated about its ability to understand things. They heard about the problems with Bioheart, which became part of "the fog." They had no power to investigate.

AUSA Van de Graaf presented an email, dated October 15, 2013, from MacLean to Miller and Raymond, providing a "relationship brief" (Bates MIG-R-E-00514696; MIG-R-E-00514698).

In response, Miller noted that the letter did not do a great deal to make the relationships better understood.

AUSA Van de Graaf noted an October 16, 2013 email (Bates 5217956) in which Stenger wrote to Quiros about the "alex choi letter," and his concerns about Miller seeing the public record of AnC Bio Holdings that included Quiros's name, and referenced a meeting he was to have with Miller later that day. AUSA Van de Graaf advised that he would like more information about this

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meeting between Stenger and Miller.

Miller advised that in the middle of the presentation in China, some Chinese investors became upset. At that time, Miller was working 100 hours a week on the Vermont health exchange and was stopping by the office about one to two times a week.

AUSA Van de Graaf referenced a March 22, 2014 email (Bates 5265029) from Raymond to Stenger about questions raised by the Chinese investors and in which Raymond was trying to set up a meeting that would include Stenger, Quiros and Miller (Bates ACCD013945, ACCD013946, ACCD013948 are related materials).

Miller advised that Leriche was the ACCD deputy secretary at the time. Stenger told the state that he was going to refund the Chinese investors' money, but that did not happen. Raymond informed Miller that the Jay Peak people had not followed through with the refunds. Raymond was telling Stenger "show me the paper." There were concerns that investors were coming to the state building and security had to be notified (Bates ACCD00007318; Bates ACCD00007197, 5265947 and ACCD00008074 are related documents).

AUSA Van de Graaf noted that the matter culminated in Miller receiving the "Chinese Refund Saga" memo from Stenger (Bates ACCD013946) and Fu sent information to investors, translated to Chinese, addressing their concerns. Miller added that MacLean requested Fu do that translation. (Bates 5267947, ACCD00007007 - ACCD00007010 are related documents).

ASUA Van de Graaf asked Miller how involved he was in these issues at the time, to which Miller replied, "Hardly at all." Miller added that he wanted to get to the truth, but at that point Raymond was leading that charge.

In his May 2014 email to Stenger, Miller was saying politely, "We need to see that." Raymond was telling Miller that he was not getting the information he (Raymond) needed from the developer group.

AUSA Van de Graaf presented a series of emails regarding the RFE response (Bates 5287834, ACCD00008245, 5279178, 527964, ACCD00008247, 5279891), and noted that the RFE response was sent to USCIS without going to the state first. And, around this time, a meeting took place at Miller's office.



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In response, Miller advised that he knew Moulton was replacing him at about this time. Miller thinks this meeting was the one that was "more spun up" because the state had learned about the AnC Bio Korea facility auction. Stenger said that was "all fire," but Miller knew a distressed auction was not "fire." The distress of Anc Bio Korea was important to ACCD.

Miller does not remember the meeting itself clearly. Raymond led the meeting. Miller was not getting much sleep at that time.

AUSA Van de Graaf noted that after the the meeting, materials from Korea arrived (i.e., a fax from K-Young Law Office [Bates ACCD020010]) (Bates ACCD00007005 and ACCD00005220 are also related to the May 2014 meeting). Miller advised that conversations were beginning at the state related to who could take inquiry/monitoring to a different level. Nothing happens quick in state government. This event marked his last engagement with this matter. Thereafter, Miller did not talk to anyone about it because he was located in an office in the governor's suite. Leriche was running ACCD around that time. Moulton came on around June 1, 2014.

Other Bates documents related to the interview include: ACCD00008273, ACCD00007965, 5206152, 5210616, 5212778, 5085472, 5214131, 5206824, ACCD00008275 and 5214327.