One Man's Bid to Clear His Name Online: 4 Years, $3 Million and Some Dead Turtles; An adversary defamed real-estate investor Bradley Cohen by suggesting his company was a Ponzi scheme. Fighting back led to a historic legal case and a $38 million award

By John R. Emshwiller | Photographs by Jason Henry for The Wall Street Journal

Bradley Cohen, a wealthy Los Angeles real-estate investor, was enjoying a vacation dinner with his wife on the shores of Italy’s Lake Como when a Google alert flashed on his phone.

The alert linked to a website carrying the headline: "Is Bradley S. Cohen the Next Bernie Madoff?" It showed a photo of Mr. Cohen alongside a photo of the notorious swindler with a list of allegedly "alarming similarities" between the two men. It falsely suggested Mr. Cohen had criminal convictions for fraud and money-laundering and that his industrial real-estate firm, Cohen Asset Management Inc., was a Ponzi scheme.

That eight-word headline was the start of a surreal, four-year odyssey through the dark alleys of the internet, where he encountered a pistol-packing federal judge, a website offering fetish sex and a felon angry over some dead turtles. It stretched from England to the Seychelles to Seattle to Las Vegas, involving Federal Bureau of Investigation agents and more than two dozen lawyers and investigators, cost him millions of dollars and left him guarded by armed men.

As he sat in the restaurant staring at his phone, his wife, Cheryl, asked if anything was wrong. He told her he was fine, but inside "I’m like freaking out," recalled Mr. Cohen, 60 years old. Who could have done this, he wondered. And why?

The internet is littered with demeaning, defamatory and just plain nasty statements. Tracking down an anonymous critic can be frustrating and expensive.

Internet sites where people post comments typically don’t readily reveal user identities, and federal law gives them broad protections against being sued over the messages they carry. Plus, the First Amendment protects individuals’ freedom to be unpleasant about others as long as the attacks are deemed opinion.

A relatively few hardy souls have felt aggrieved enough to file lawsuits; some have won judgments, a few in the multimillion-dollar category.

The Cohen case is the internet defamation battle on steroids, bringing together a wealthy victim willing to spend more than $3 million to identify and bring to court an attacker, who turned out to be well-heeled, sophisticated and persistent. That combination produced a cyberwar that climaxed last year with one of the largest internet defamation awards ever: a $38 million jury verdict for Mr. Cohen. The judgment is being appealed.

As he studied the website that ruined his Lake Como dinner, he saw hints of who might be behind it. It titled together a wealthy victim willing to spend more than $3 million to identify and bring to court an attacker, who turned out to be well-heeled, sophisticated and persistent. That combination produced a cyberwar that climaxed last year with one of the largest internet defamation awards ever: a $38 million jury verdict for Mr. Cohen. The judgment is being appealed.

The internet was pending at the time, was an effort "to scam former tenants out of millions of dollars."

The defendants in that suit were Ross B. Hansen and his company, Northwest Territorial Mint, which manufactured commemorative coins and medals and marketed precious metals.

The suit was prompted by Mr. Hansen’s refusal to clean up an environmental mess his company left behind when it vacated the building, said Mr. Cohen.

In court filings and depositions, Mr. Hansen, who declined to be interviewed for this article, vociferously denied the allegations. The judge in the case eventually found for Mr. Cohen’s side and, after an unsuccessful appeal, Mr. Hansen paid some $3 million.

A onetime Alaskan bush pilot, Mr. Hansen had founded and built Northwest Territorial Mint into a company with $200 million in annual sales and over 300 employees. His firm provided medals for the military and Christmas tree, and had a retail shop in the Pentagon.

In the early 1990s, Mr. Hansen spent nearly three years in federal prison for violating currency-transactions reporting requirements, rules generally aimed at preventing money laundering and other crimes. He was separately convicted of possessing two unregistered automatic weapons. In a 2012 deposition in the Cohen Seattle lawsuit, Mr. Hansen said he had been disciplined for fights with prison staff and other inmates.

During that 2012 deposition, Mr. Hansen made what Mr. Cohen considered a threat.

"I’m going to inflict lots of pain on your client,” he warned, enough so "your client will roll over on the lawsuit.” He said he wouldn’t physically harm anyone or break the law. About three months later, the Cohen-Madoff website appeared.
Mr. Cohen's attorney, Robert Mitchell, a partner in Phoenix-based Tiffany & Bosco, said he put in a call to Mr. Hansen's attorney, who was noncommittal about any possible connection between his client and the website.

Mr. Cohen hired a firm to try to push the Madoff website off the first page of Google or other search results involving his name. The firm created numerous websites with benign or positive information about the businessman in hopes they would crowd it out, he said.

Mr. Cohen spent more than $100,000 on the six-month effort. It failed. His opponent kept finding ways to keep the Madoff comparison as a first-page entry on a Google search, generally in the top spot.

It appeared someone was creating links to the negative website at least as fast as the Cohen team was building links to the positive sites, Mr. Mitchell said. Plus, since the Madoff website used Bradley Cohen in its domain name, it was difficult to direct someone to a positive website without also benefiting the negative one in any internet search.

"It was driving me nuts," said Mr. Cohen.

The search led investigators to a house outside of London, home of a firm that hosted the site. Mr. Cohen suggested somehow infiltrating the house to gather evidence—a suggestion his lawyers nixed.

Instead, his lawyers and investigators confronted the web-hosting firm's owner, who agreed to stop hosting the site. He said it had been set up and paid for by a man using the name Steven Finch, who had the email address 80teasel@gmail.com.

The Cohen team traced the 80teasel email back to an internet address in an area of Nevada where Mr. Hansen's company had a manufacturing operation, said Mr. Mitchell, the attorney. But weeks of investigating a person named Steven Finch with a connection to the area, including tailing the man, would eventually show he wasn't connected.

Mr. Finch, through his attorney David L. Perrault, declined to comment. Mr. Perrault said his client "was unnecessarily brought into the case."

After the first Madoff website came down in 2012, a second, almost identical one, appeared, although it dropped the references to past criminal convictions, which belonged to a different Brad Cohen. This new site used a web-hosting service in the Seychelles. Mr. Cohen's attorneys tried but failed to reach anyone there.

Mr. Mitchell wrote to Google asking for help. In a written response, Google cited federal law and said it "does not remove allegedly defamatory material from our search results."

A Google spokesman declined to comment beyond what the company said in its previous correspondence with the Cohen camp. As a general practice, Google will voluntarily remove material that has been found unlawful by a court.

Mr. Mitchell sent a letter to the 80teasel email address demanding the second website be taken down. Part of that letter soon showed up on the new website with the question: "Why is the truth such a danger to Cohen and his business?"

"We were thinking, how brazen is this guy," said Mr. Mitchell.

By August 2012, Mr. Cohen felt he had enough information to file a defamation suit against Mr. Hansen and his company.

Within a month, a cybercrime investigator new to the team, Michael Mitama, uncovered the real identity of the person who had used the Steven Finch pseudonym to set up the websites: It was Steven Firebaugh, an employee of Mr. Hansen's firm.

The email address used to set up the anti-Cohen websites had also been employed by Mr. Firebaugh to set up a personal profile on a website that describes itself as a "fetish and bondage play destination online for the worldwide alternative dating community."

Mr. Mitama said he used information from that profile to match it to a profile Mr. Firebaugh had created under his real name at the professional networking website LinkedIn. He said he discovered another Firebaugh email address tied to the 80teasel address to further verify the identification.

With that information, Mr. Cohen added Mr. Firebaugh to the suit as a co-defendant.

Mr. Firebaugh didn't respond to requests for comment. In a deposition during the lawsuit, the 66-year-old Mr. Firebaugh said he created his personal profile only for the purpose of dating. In court papers, attorneys for Messrs. Firebaugh and Hansen and Northwest Territorial Mint said their clients had done nothing wrong in setting up the websites.

Mr. Cohen had to wait three years to get to trial. The second website remained online during that wait. Mr. Mitchell said a defamation claim isn't enough to get a court to order a website be taken down. The court turned down a motion to move up the trial date.

Once identified, Mr. Hansen embraced his role as creator of the two websites. In a deposition, Mr. Hansen said he created them partly to show Mr. Cohen "for the liar, the thief, and the cheat that he is." He said he came to that conclusion after being a tenant and defendant in the building litigation, which he felt Mr. Cohen improperly pursued.

There were also the dead turtles.

While a tenant, Mr. Hansen said he had used ponds on the property to create a habitat for fish and turtles, which he fed daily. But then he said another tenant poisoned the ponds, and the Cohen representatives shrugged off his complaint.

Mr. Cohen, in an interview, said the ponds were polluted by Mr. Hansen's metal-fabricating operations.

In his deposition, Mr. Hansen said he had hoped the websites would help him resolve the building litigation, whose cost "was killing me." He said he had used the same tactic with a vendor in a dispute over money he said he didn't owe. When he put up a website criticizing that company, "they went away."

From the start, Mr. Cohen had worried about how the websites would affect his reputation among investors. He decided it would be better if they learned about the sites from him directly. "I called and started self-incriminating," he said.

Jeffrey Stern said he had invested and partnered with Mr. Cohen in dozens of real-estate projects since 2000 and had always found him trustworthy.

But because of the website allegations, Mr. Stern said he passed on putting millions of dollars into half a dozen Cohen-related projects. As a fiduciary for other investors, "only a fool would ignore charges like that," said Mr. Stern, chief executive of Los
Angeles-based Stern Investment Co. After doing a new round of due diligence, Mr. Stern said he was satisfied enough to resume investing after several months.

Mr. Cohen wondered how many would-be investors simply never contacted him because of the websites. "You just don't know when the phone doesn't ring," he said.

Mr. Cohen spent hours a day following the progress of the lawsuit, reading every scrap of information. He would wake up in the middle of the night to peer at the website. Sometimes Mr. Hansen would be in his nightmares. Normally outgoing, Mr. Cohen started staying home almost every night.

Late in 2015, Mr. Cohen was home at his gated, west Los Angeles estate, with its swimming pool and tennis court, after having spent several days in the hospital with a bacterial infection. He was asleep around 10 p.m. when he received an urgent call from an FBI agent saying the agent needed to come over to the Cohen house immediately.

About an hour later, the agent said someone was trying to pay to have him killed. Shocked and frightened, Mr. Cohen still managed to ask, only half-jokingly, if there were any way to put out a higher offer not to kill him.

An FBI spokeswoman declined to comment.

Mr. Cohen quickly arranged for 24-hour armed security for himself and his home. He built a guard house at his front gate.

The defamation trial in Las Vegas federal court finally began last February, presided over by U.S. District Judge James C. Mahan, whose courtroom attire included a licensed pistol in a shoulder holster under his robes.

The opposing attorneys portrayed their clients as self-made men who had built successful businesses they cared deeply about. "This man has broken my company," said Mr. Hansen from the witness stand, referring to Mr. Cohen and the litigation.

Dean von Kallenbach, Mr. Hansen's defense attorney, told the jury the websites only raised questions and expressed opinions about Mr. Cohen. Under the First Amendment, he said, "we have the right to express our opinions and beliefs even if they offend other people."

Mr. Mitchell wanted Mr. Cohen to be able to testify about the late-night meeting with the FBI. The attorney told the judge federal officials had informed Mr. Cohen that Mr. Hansen was being investigated and was suspected of involvement in the murder-for-hire plot. "This now colors everything that Mr. Cohen sees, feels, hears about these websites," said Mr. Mitchell.

Judge Mahan rejected that request. "The FBI can investigate anybody," he said.

Jim Frush, an attorney for Mr. Hansen, said his client "has no knowledge, much less any participation, in any plot to murder or physically harm Mr. Cohen." Mr. Frush said he wasn't aware of any investigation of Mr. Hansen related to such a plot.

After six days of testimony and arguments, when Mr. Cohen listened to the jury find in his favor on the defamation and invasion-of-privacy claims, four years of pent-up emotions finally burst forth. He broke down and cried.

Now, Mr. Cohen is searching for ways to recover at least some of the $38 million verdict. After the judgment, Mr. Hansen had his company file for bankruptcy protection.

Mr. Firebaugh, who was found liable for some of the monetary damages in the defamation case, joined the appeal. He subsequently filed for bankruptcy protection.

Mr. Cohen seized about $200,000 from a Hansen-related bank account and turned it over to the bankruptcy trustee, saying he didn't want to hurt other creditors or company employees.

He recently filed suit in Las Vegas federal court against a Northwest Territorial Mint insurer, arguing the company's insurance policy should pay at least $7 million. The insurer hasn't made a response in court.

Besides now owning both the Madoff-related websites as a result of the litigation, Mr. Cohen has also spent about $5,000 to purchase more than 450 internet domain names to head off possible future attacks. The names range from the vanilla bradcohenreview.com to the provocative bradcohenfraud.com.

Finally getting the Madoff websites taken down was "like a load of bricks off my back," said Mr. Cohen. At the top of a recent Google search of his name is a link to his firm's website and a press release his team put out about the defamation verdict.

Yet, Mr. Cohen still has guards. And while things are better, agreed his wife, Cheryl, "it isn't the same and it never will be."

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