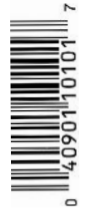


OHIO LAW ENFORCEMENT DATABASE MISUSED IN PAST

ENQUIRER WATCHDOG



\$1.00 RETAIL

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FRIDAY, SEPTEMBER 20, 2013



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OHIO

ENQUIRER INVESTIGATES

DEVELOPER LEAVES TRAIL OF LAWSUITS, BANKRUPTCY

New Yorker who acquired historic Terrace Plaza complex in June plans to renovate the hotel and the commercial space below, but some earlier projects have troubled track records.



In 1947, the new Downtown complex including a hotel, department stores and restaurants was a state-of-the-art development. ENQUIRER FILE



Downtown's Terrace Hotel, seen from across Sixth Street, has been closed since 2008. Its new owner, Alan G. Friedberg, hopes to reopen at least the hotel portion of the historic complex. No specific plans have yet been announced.

THE ENQUIRER/
AMANDA ROSSMANN

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Seven sections, 173rd year, No. 164
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COVER STORY | ENQUIRER INVESTIGATES



The Terrace Garden restaurant was just off the eighth-floor lobby of the Terrace Plaza in 1949. THE ENQUIRER/JERRY CORNELIUS

TERRACE PLAZA HISTORY

» **Developer:** John J. Emery Jr., whose company built Carew Tower.
 » **Design:** Modernist-style pioneer firm Skidmore, Owings and Merrill; first major project of architect Natalie de Blois, who went on to design New York's Lever House, an international-style icon.
 » **Built:** 1946-48; it was Downtown's first major post-World War II construction project.
 » **Originally included:** Two department stores (Bond, J.C. Penney) with offices above, 11-floor hotel tower, three restaurants.
 » **Noteworthy:** The hotel lobby was uniquely placed on the eighth floor – reached by fully automated elevators, a first. Commissioned works by modern artists Alexander Calder (a mobile), Joan Miro and Saul Steinberg (murals) were integral to the design. SOM's team, including de Blois and Louis Skidmore, a Lawrenceburg native, designed the interior, including the furniture, textiles, staff uniforms, tableware – even ashtrays and matchbook covers.

Source: Cincinnati Preservation Association



Pedestrians in May 1948 pass the Race Street display windows of Downtown's J.C. Penney store. The Terrace complex included two department stores. THE ENQUIRER/CARL WELLINGER

Troubled past projects trail landmark hotel's new owner

Records show bankruptcy filings, lawsuits over N.Y., Calif. developments; Friedberg committed to goal here

A man who announced plans to resurrect the shuttered Terrace Plaza Hotel in downtown Cincinnati has left behind a trail of bankruptcies and lawsuits in New York and California, The Enquirer has learned.

Federal bankruptcy records indicate that Alan G. Friedberg, who became owner of the historic hotel in June, has filed for bankruptcy twice in New York since 2006. He's also been a defendant in multimillion-dollar lawsuits stemming from troubled projects in both New York and California.

How this could affect the planned resurgence of the Terrace Plaza is unclear. When reached by The Enquirer, Friedberg denied that he'd ever filed for bankruptcy and refused



I'm your consumer watchdog, focusing on issues affecting you and your family. Contact me at ahunt@enquirer.com.

to provide details about his previous developments.

"You got the wrong person," he said in a phone conversation Wednesday, adding: "I don't want you digging up information on my previous projects."

If the Alan Friedbergs are indeed different individuals, the federal government has them overlapped. A

cross-referencing of phone numbers, addresses, relatives and Social Security numbers indicates that the Friedberg reached by The Enquirer is the same Friedberg who in 2006 filed for bankruptcy in the U.S. Bankruptcy Court's Southern District of New York.

The court records indicate that he claimed to have as much as \$500,000 in assets at the time of the filing but had debts between \$1 million and \$10 million.

Alan G. Friedberg again filed for bankruptcy two years later, this time estimating he had between \$1 million and \$10 million in assets and between 50 to 99 creditors. The document doesn't specify his estimated liabilities at that time.

Friedberg said in August that he's focused on reopening the hotel portion of the 20-story building that abruptly closed in 2008. Reached Wednesday by The Enquirer, Friedberg reiterated that goal and said that his "plans are in abstract form still because we're not sure yet."

"We're still compiling our feasibilities and our data," he said. "It's our plan to reposition the hotel – renovate and reposition it."

He said that he's talked to several hotel chains, or "flags," and wasn't sure yet which flag the hotel would be. He predicted that the portion of the building that previously was retail space – at one time serving as home to J.C. Penney's and Bond's department stores – would remain retail. He



Retailers remain along the eastern half of the Terrace Plaza's street level. The Terrace Hotel closed in 2008, but a developer hopes to reopen it. THE ENQUIRER/AMANDA ROSSMANN

COVER STORY

said he wasn't sure what would become of the middle portion of the building, which once housed an AT&T office.

"It's really a redevelopment rather than a renovation," he said, then added that while he couldn't predict a time line for the specific development, others of this scale tend to take up to five months of research and six months of design and development before construction could begin.

Friedberg named in 2 suits, one alleging \$5M theft

Friedberg grew terse when asked about his past developments.

"Most of my stuff has been residential," he said, adding that he's never worked on any developments in New York. He said he'd never filed for bankruptcy and said that publishing anything could jeopardize the project.

"I've gotta run," he said, before ending the phone call.

However, Friedberg's name and phone number are listed on New York state government documents that identify him as a general contractor. His sister, whom The Enquirer reached by phone Wednesday, is also listed in a bankruptcy-related lawsuit filed by Joseph and Lana Tso of Ellenville, N.Y.

Lana Tso on Wednesday said she and her 94-year-old husband are still paying down more than \$1.3 million they loaned Friedberg for a hotel renovation project called The Lodge in Rock Hill in December 2003. The couple's investments had bought 50 percent ownership in the project.

In a lawsuit filed in 2008, the couple alleged that Friedberg aimed to clear his debt with them by giving them half of the property but "failed to disclose" that he'd borrowed another \$1 million from a Florida company using the property as collateral.

The Tsos sued Friedberg to force him to pay back their investment, as well as the borrowed money, but a judge ruled against them. The property eventually sold for about \$1.2 million.

In addition to the project with the Tsos, Friedberg has been sued over other developments. The Obayashi Corp. of Japan filed a suit in California over a medical treatment and diagnostic center. The suit alleges that Friedberg stole more than \$5 million from the project between 2002 and 2005.

According to court records, Friedberg paid a chunk of the money back but was ordered to pay the remaining \$521,000 before he filed for bankruptcy.

Advocates hopeful for site 'we can really be proud of'

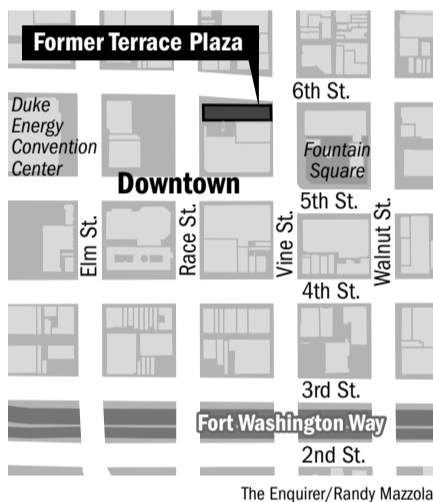
Those interested in the preservation of Cincinnati's historic properties hope the Terrace Plaza reopening isn't in jeopardy.

"It's really an important historic resource for Cincinnati," said Paul Muller, executive director for the Cincinnati Preservation Association. "It's something that, as a city, we can really be proud of."

Muller's association has been promoting the restoration of the modernist building for years. He said his organization has tried to reach Friedberg to "help guide him



The Sixth Street entrance to the former Terrace Hotel, Downtown, which closed in 2008. THE ENQUIRER/AMANDA ROSSMANN



The Enquirer/Randy Mazzola

toward historic tax credits."

Once developed, the property could qualify for 20 and 25 percent tax credits from the federal government and the state, respectively, he said.

Friedberg hasn't yet returned his calls, Muller added.

Documents filed with the Hamilton County Auditor's Office shows that the deed shifted to Friedberg's limited liability corporation June 14 via an exempt transfer, meaning no money exchanged hands.

Meg Olberding, a city spokeswoman, said the administration "does not have any formal proposals at this time."

Friedberg said that, once financing is in place, investors would hire a public relations firm to answer questions. He said the Terrace Plaza backers would likely be in place within 45 days.

Asked if she had any advice for potential investors in Cincinnati, Lana Tso laughed.

"That's a joke, right?" she said. "At least I get some laughs out of it between my tears." ■

SEE THE DOCUMENTS

Read four of the federal suits filed against the Terrace Plaza's developer at Cincinnati.com.

ENQUIRER WATCHDOG

State database for law enforcement misused in past

In 2008 case, attorney used system to obtain personal information



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I watch state government to look out for the interests of Southwest Ohioans. Email me at cthompson@enquirer.com.

The lead attorney for Ohio's law enforcement database resigned in 2009 after misusing the system but was not charged with a crime, The Enquirer has learned.

Attorney General Mike DeWine, responding this year to new concerns about access to the database now that Ohio is using facial recognition software, has said the threat of a felony prosecution is sufficient to prevent misuse.

Through the database, more than 30,000 police and court employees have access to information about nearly every Ohioan and to the state's new facial recognition software, which has been under scrutiny since The Enquirer reported last month that it was rolled out without telling the public or increasing security.

The 2008 case, in which the lawyer browsed information about a boyfriend and people who were dating her friends, raises the question: Without stronger restrictions and security measures, how many cases of abuse are slipping by in offices across the state?

Ohio does not audit use of the Ohio Law Enforcement Gateway, OHLEG, to try to catch people using the system for personal reasons, such as looking up an acquaintance's address. Instead, the attorney general's office keeps a record of every search made by all 30,000 users. If a local police officer is suspected of misusing the system — say, an ex-girlfriend calls the police department, wondering how he found her new address — the department accesses that record to see what, or who, the officer has been searching.

"I still think the protocol's adequate," DeWine told reporters last month. "We're not aware of any misuse. ... The best deterrent is putting people in jail, quite frankly."

That's not what happened in 2008 — well before DeWine took over as attorney general.

That year, then-Inspector General Thomas Charles investigated the attorney general's office, which was swirling with controversy after allegations that then-Attorney General Marc Dann promoted a culture of cronyism, sexual harassment, lavish spending and professional misconduct. Dann resigned in May 2008.

Charles' report included two pages about Erin Rosen, the lead

attorney for the OHLEG operation, who admitted using the system at least 16 times to look up people she and her friends were dating.

"Rosen's repeated use of the OHLEG system to run background checks on people who she and her friends were dating was clearly improper," Charles wrote in his report. "Her misconduct was aggravated by the fact that she was the OHLEG system's General Counsel and knew that using OHLEG for such purposes was an abuse of office."

Rosen was suspended for five days and then transferred to the attorney general's victim services division. She resigned in January 2009 but was not prosecuted. Rosen is now an attorney with Lyons and Lyons in West Chester.

"When the matter came up, I was transferred out of OHLEG, and my access was terminated. Then I resigned on my own," Rosen told The Enquirer. "That's typically how it was handled."

Steve Raubenolt, the official who oversees OHLEG, had the same responsibility in 2008. He declined a request for an interview.

Current OHLEG policy says misuse may result in loss of access to OHLEG for the entire police department or for one individual and may result in criminal prosecution.

Misuse of OHLEG was written into state law as a felony in 2010, but people were prosecuted for misusing law enforcement databases before then. For instance, former Cincinnati police officer Helen "Lanie" Bliss ran an illegal background check on a man to help her boyfriend decide whether to do a marijuana deal with him. She was convicted in 2005 of unauthorized use of state property.

Since 2010, at least four alleged misusers of OHLEG have been prosecuted, according to DeWine's office.

Whether to pursue a felony charge for people who misuse public property is up to county prosecutors, said Lisa Hackley, spokeswoman for the attorney general's office. Rosen's prosecution would have fallen to Franklin County Prosecutor Ron O'Brien, Hackley said. O'Brien's office did not respond to requests for comment.

DeWine has appointed an advisory board to review the security of OHLEG and the facial recognition system. The board is considering whether to restrict access to OHLEG and require audits of the system. ■

FOLLOW THE DEVELOPMENTS

At 10:30 a.m. Friday, Chrissie Thompson will cover the next meeting of the advisory board reviewing OHLEG and its facial recognition system. Come to Cincinnati.com for coverage, or follow her tweets via @CThompsonENQ.