

NYC landlord Steve Croman charged for threatening tenants

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Notorious landlord Steve Croman was hit Monday with a 20-count indictment and a civil suit related to his long-running campaign to harass rent-stabilized tenants into fleeing so he can jack up the rent.

Croman, who owns 140 apartment buildings across Manhattan, has long been the target of a criminal probe by state Attorney General Eric Schneiderman.

[EXCLUSIVE: RENT-STABILIZED TENANTS SAY LANDLORD'S AIDE STILL HARASSING THEM TO LEAVE EAST HARLEM BUILDING DESPITE WARNING FROM AG](#)

A grand jury indicted Croman and his mortgage broker, Barry Swartz, on multiple felonies charging they lied about rental income to get more than \$45 million in favorable mortgages.

The civil lawsuit alleges Croman routinely used threats, intimidation and bogus lawsuits to harass rent-protected tenants so they'd leave.



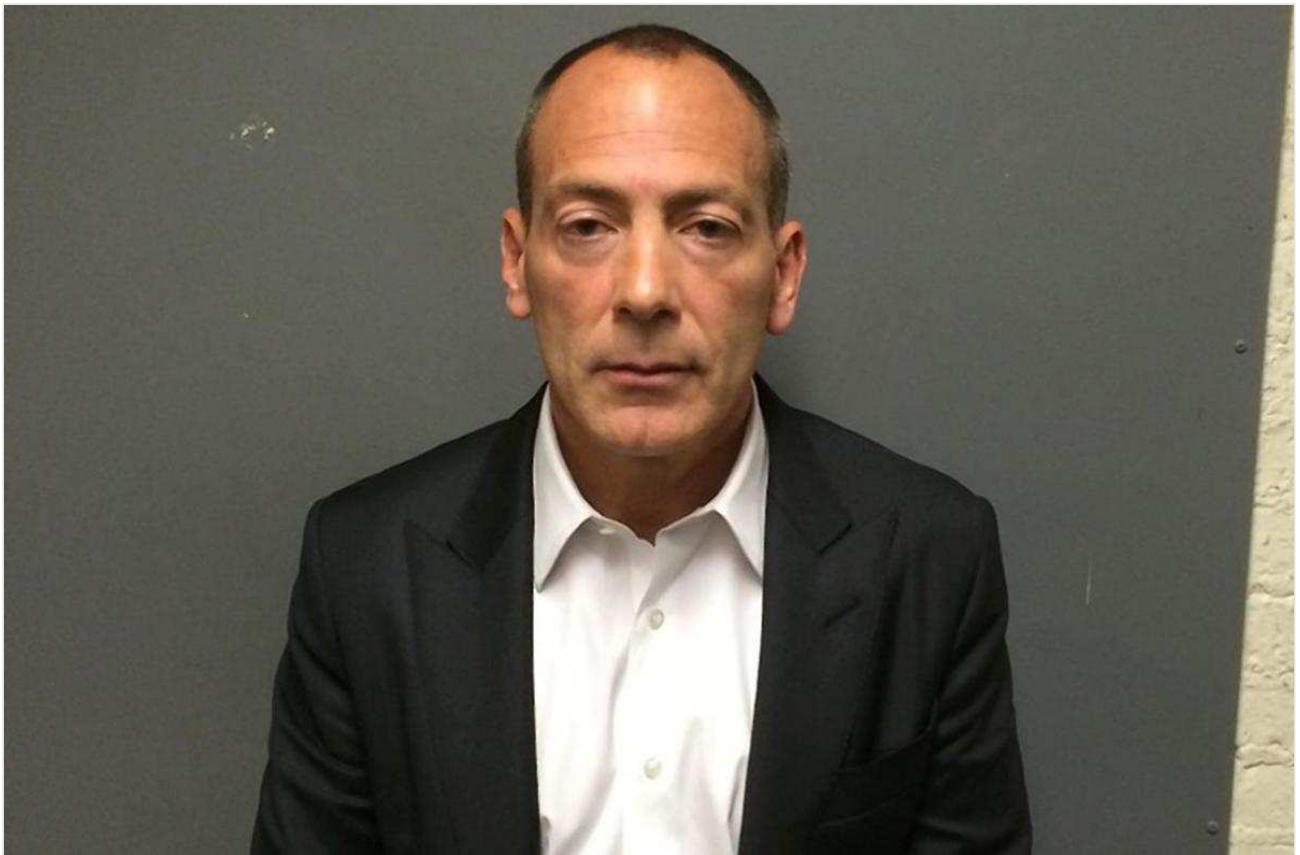
Barry Swartz (l.) and Steven Croman appear in Manhattan Supreme Court on Monday. (JEFFERSON SIEGEL/NEW YORK DAILY NEWS)

Schneiderman called Croman "the Bernie Madoff of landlords," adding, "My office will not tolerate anyone who attempts to line their own pockets by gaming the system. No one is above the law — no matter how rich or powerful.

"My message to unscrupulous landlords is simple: If you put your own profits over your tenants' legal protections, we will investigate you and prosecute you to the fullest extent of the law."

The high-living Croman, wearing a tie-less suit, surrendered to law enforcement at dawn and pleaded not guilty in Manhattan criminal court. Holding a folder to hide his cuffed hands, he was released on \$500,000 cash bail.

Croman is a regular on the black-tie fundraiser circuit, posing for photos with socialites and living it up in the Hamptons — exploits that provide an image in stark contrast to the source of his wealth.



Steve Croman is seen Monday after he surrendered to authorities.

Most of the rent-stabilized buildings he targets are in gentrifying neighborhoods such as the Lower East Side, where property values have rocketed skyward in formerly forlorn neighborhoods.

EXCLUSIVE: EX-COP ACCUSED OF HARASSING TENANTS IN RENT-STABILIZED HOUSING

A key player in Croman's campaign of terror is a former NYPD cop, Anthony Falconite, who regularly used deceptive tactics to gain entry to tenants' apartments and falsely accuse them of breaking rent-control rules, the civil suit charges. In emails, Croman referred to the ex-cop as his "secret weapon," and Falconite was caught admitting that he lied about his identity to get access to tenants' apartments, the suit states.



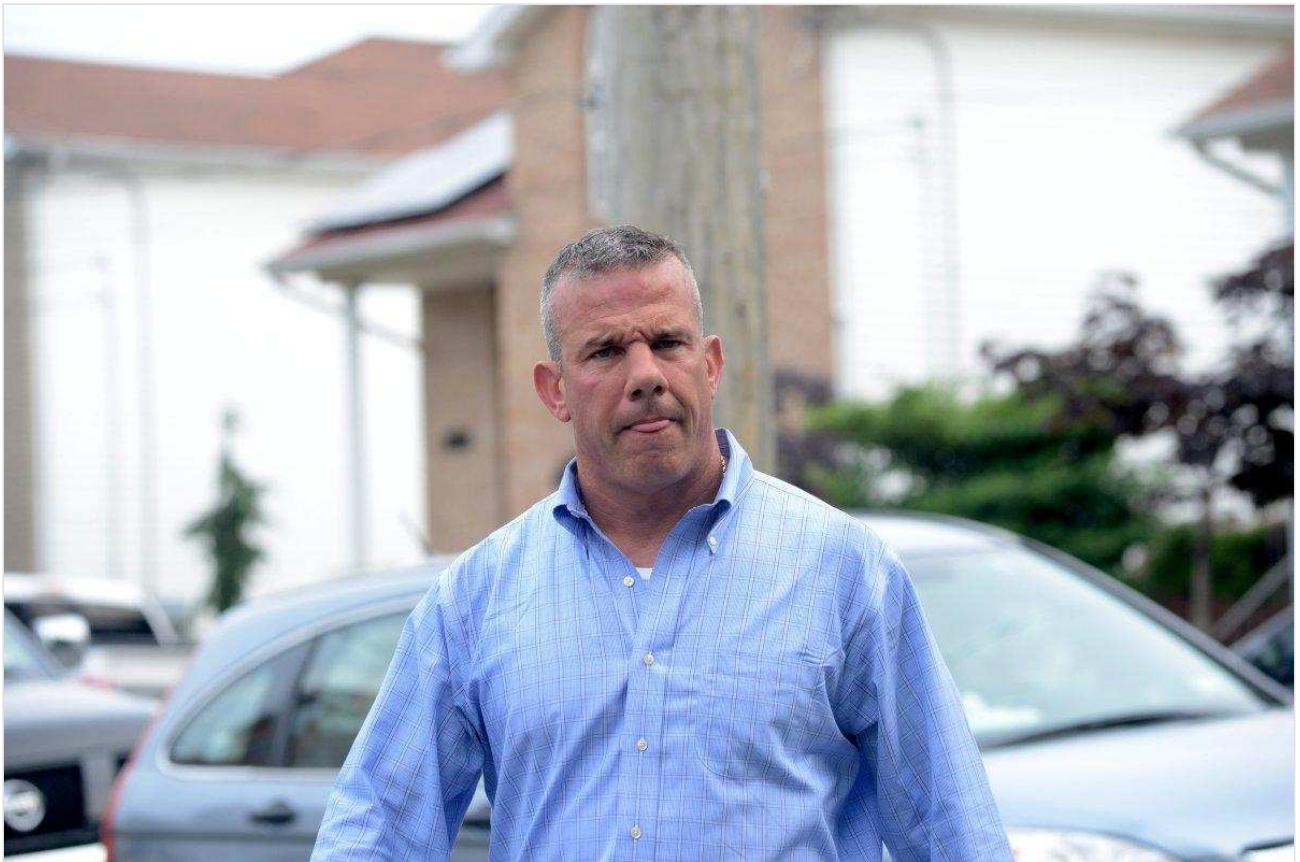
Residents at 301 East 108 St. in Manhattan have faced pressure to move out. (TOMAS E. GASTON)

Croman's use of Falconite to intimidate renters was first disclosed by the Daily News last year. On Wednesday Falconite was also hit with a civil suit.

Croman rewarded his employees for forcing out tenants who were often referred to as "targets," the suit alleges. In one particularly candid exchange, Falconite dubbed the push to remove rent-stabilized tenants from Croman buildings as "a team sport."

"I know that," a Croman property manager responded. "Who's our next target? We have to start lining them up!!"

Croman also frequently created dangerous conditions in his target buildings by initiating disruptive construction all around tenants, ignoring city stop-work orders and exposing tenants to lead-tainted dust, the suit alleges.



The State Attorney General's office ordered Anthony Falconite to stop harassing tenants. (KEN MURRAY/NEW YORK DAILY NEWS)

He regularly ignored court orders to remedy decrepit conditions caused by illegal construction, often performed without required permits, the suit alleges. In the last few years, he's been sued six times by the city for falsely claiming to have fixed illegal conditions.

In the last two years, dozens of Croman's tenants teamed up with Movement for Justice in El Barrio to bring a long list of complaints to Schneiderman.

Tenant Jose Garcia, his wife and three children endured years of harassment at their E. 108th St. apartment, with visits from Falconite and a frivolous suit tossed out by a judge. He said Croman refused to accept his rent checks, then claimed he was in violation of the lease.

"We are very happy," Garcia said of Croman's indictment. "We consider this a victory, a triumph. I believe that these buildings need to be taken away from him."

The lawsuit, filed in Manhattan Supreme Court, alleges Croman "directs an operation that wields harassment (and) coercion ... to force rent-regulated tenants out of their apartments and convert their apartments into highly-profitable market-rate units."

Outside courtroom, Croman's lawyer Benjamin Brafman noted that the criminal charges are not related to tenant harassment and predicted the charges "are defensible and Mr. Croman intends to address these issues in a responsible fashion."

Swartz was released on \$250,000 cash bail. His lawyer, Laura Brevetti, said, "We will vigorously defend these charges and we are very confident that he will be ultimately vindicated."

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