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Landlord Steven Croman, holding a folder to cover his handcuffs, is walked into Manhattan Supreme Court on Mon., May 9, to be arraigned on his charges. A police detective is on the left and Croman's attorney is on the right. Photo by Jefferson Siegel

BY COLIN MIXSON | State Attorney General Eric Schneiderman unleashed 20 withering felony criminal and civil charges against landlord Steven Croman on Monday, accusing him of using "harassment, coercion and fraud" as tools for driving out rent-stabilized tenants amid schemes to convert their apartments into lucrative market-rate units.

Croman, who owns 140 buildings across Manhattan, is among the city's wealthiest and most influential landlords to encounter such devastating allegations in recent years, and the charges represent a state willing to prosecute high-profile targets suspected of flagrantly violating tenants' rights, according to Schneiderman.

Based on the A.G.'s lengthy investigation, Croman has already been indicted on the criminal charges.

"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 attorney general said. "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."

The criminal charges focus on Croman's alleged schemes to defraud the New York Community and Capital One banks. Schneiderman claims Croman — along with mortgage banker Barry Swartz, who was also indicted on 15 charges — colluded to submit false mortgage documents to their lenders, including rent rolls describing market-rate units that were, in fact, occupied by rent-stabilized tenants, along with inflated rents charged for commercial spaces located in buildings Croman owned.

In reporting an allegedly exaggerated income, Croman hoped to obtain honeyed terms when refinancing, and, over the course of three years, Croman obtained more than \$45 million in loans under false pretenses, according to the attorney general.

All told, the various criminal allegations leveled against Croman could net him 25 years in prison.

But it's the civil charges brought against the lightning-rod landlord, which allege a widespread, institutional policy of harassment against rent-stabilized tenants, which have renters giddy with excitement.

"All the tenants are very happy about this," said George Tzannes, a rent-stabilized tenant of Croman's living on E. Sixth St. between Avenues A and B.

Croman directed his employees to offer rent-stabilized tenants meager buyouts worth a few months' rent, and, in the event they declined the offers, to utilize less-seemly tactics to persuade them, according to the attorney general.

These included filing baseless lawsuits against rent-stabilized tenants, and investigators claim to have uncovered internal e-mails sent by company employees acknowledging that the bogus suits would "aggravate" tenants into accepting a buyout.

Furthermore, the embattled landlord incentivized property managers to gain access to tenants' apartments in an effort to falsely accuse residents of violating their leases, according to Schneiderman.

In particular, Croman employed private investigator Anthony Falconite — a former New York Police Department officer whom the landlord referred to as his "secret weapon" — to enter tenants' apartments under false pretenses, usually pretending to be a city worker, according to the state prosecutor.

Falconite himself referred to obtaining buyouts as a "team sport," to which one property manager responded in an e-mail, "I know that!! Who's our next target? We have to start lining them up!!!," according to Schneiderman.

Croman purchased the building where Tzannes has resided for 45 years in 2007, and the East Villager's experience exactly matched the charges leveled against the alleged slumlord.

The local claims it was soon after Croman bought the property before lawsuits started flying, with the landlord's lawyers claiming Tzannes and his wife were in rent arrears, despite the company routinely cashing the couple's checks.

"It started immediately," Tzannes said.

Croman ultimately dropped each of the three suits he brought against Tzannes, but not before the E. Sixth St. resident had wasted thousands of dollars on lawyers' fees preparing to fight the baseless claims.

Amid the alleged harassment, Croman's contractors went about renovating unoccupied apartments in the tenement, with work causing potentially lead-tainted dust to spread throughout their homes. At one point, gas was shut off for 15 months due to the construction, and complaints from tenants were taken as invitations by Croman to send contractors — along with his wife — into their homes in attempts to suss out violations, according to Tzannes.

"They have ways of weaseling their way in," Tzannes said. "At one point his wife, Harriet, came by and started grilling me."

Tenants' excitement over Croman's indictment is tempered by anxiety about the future of their homes, and the expectation of decreased services as their landlord turns his focus toward combating the state's allegations.

A spokesperson for the attorney general's office said they'll be filing a request with the courts to appoint an operator to manage Croman's various properties, though a timeline for that appointment is not readily apparent, and the landlord is expected to challenge that motion in court.

Also unclear is the scope of the attorney general's civil claims, and the amount of fines the prosecutor is seeking as restitution for Croman's alleged crimes. But the penalty is expected to be in the tens of millions of dollars, with the money split between former renters and the state, according to an A.G. spokesperson.

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Write: there is a error in the article. Croman victim is not rent stabilized apt tenant. It is tenants of rent stabilized, rent control, section 8, market rate renter. Croman has seen also picking private home owner and hud subsidy building own and manage by other landlord and their tenant uses their apt to claim it belong to his tenant to files frivolous lawsuit. He picks federal housing landlord take their business activity turn it around for self use to play court. Hon fern fisher need to help Ag investigation.

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the article writes: "State Attorney General Eric Schneiderman unleashed 20 withering felony criminal and civil charges against landlord Steven Croman on Monday, accusing him of using "harassment, coercion and fraud" as tools for driving out rent-stabilized tenants amid schemes to convert their apartments into lucrative market-rate units."

Reader comment: this is false claim.... it looks like only the rent stabilized tenants are the high % coming forward complaining that is why the media only has been documenting Rent Stabilized tenant all alone and nothing else.

The real true claim should be Croman victim is rent stabilized, rent control, section 8, private home owner, building own and manage by other landlord and their tenant (on this last one all you need is a tenant there that has a croman tenant as a caretaker, family member, worker, friend etc...) croman will pick that apt to attack and keep pushing they want that building landlord to come down also to attack you for illegal renting 2 apt so the easiest way out is to surrender the croman apt and save the other on or threat and harassment will come to you until you drain your wallet and leave. this is croman goal for many years.

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Croman had a in house attorney Mr. M.F. helping him taking his dirty trick and go outsource to bring in innocent law firm and attorney to help him with his legal needs while holding back proof that can proof this case to be filed into court is actually frivolous lawsuit. Attorney who trusted Croman to be honesty client many did start to support him but later left the case after finding out after they started coming in as a incoming attorney or as a replacement attorney. Many also signed false claim affidavit for Croman employee false certify facts into court. Hon. Fern Fisher needs to investigate this matter.

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 guest · 23 weeks ago

0

Thank A.G. for his efforts but, there are others like Cremen ruining lives and putting tenants in danger on the UWS.

M-G in Yorkville 3rd ave using Police and Fdny to steal homes and evade regulations.

The L&T courts are horrible look at the lost of people.

Are law firms, certain judges and clerks complicit, they have to know who the bad actors are?

Officer of the court see the misconduct yet they never report it as required.

Reply



@Rt51986221 · 23 weeks ago

0

It's OK that Preet Bharah (hurah hurah) is so self-congratulatory about sending up Silver and Skelos- But meanwhile the lowlife landlord developer parasites who pay these bribes are the ones who have forever corrupted this system using their wallet to spread misery among tenants as they nourish their own greed!!

Wake up Bharah, you're no hero, you're just another two-bit ego prosecutor playing to the cheap seats while the big boys walk and swagger. One or two of the small potatoes like Croman get thrown over the side, or not, on appeal. Bull. Go after Trump, Witkoff, Glenwood, Maklow, Swig, Goldman, and others of the permanent LL tenant killer class, then if you can survive that, call me in the morning and I'll vote for you for governor.

Reply



Yemach shemo · 23 weeks ago

0

SRO tenants gassed by old dirty HVAC destroying people's health in their rooms, illusory fake management and ex-cons.

All the harassment, the stealing tenants property, when will they be held accountable? UES Roberts family burnt, working Shroo had everything stolen, false documents with APS fleecing seniors, it's sickening! Forcing the upsurge in homelessness.

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