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UNITED STATES

# One of America's Shadiest Landlords Is Facing Possible Prison Time



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May 10, 2016



(whatsapp://send?  
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CEO of Croman Realty Steven Croman and his wife, Harriet, in New York City. The landlord faces a litany of criminal charges to which he pleaded not guilty Monday. Photo by Astrid Stawiarz/Getty Images for DuJour

"My only way to describe him is that he's evil," Cynthia Chaffee says (<https://www.youtube.com/watch?v=2IV9vHdwUK0>), sitting in her East Village apartment. "It's demonic what he's doing."

In a video posted to [CromanTenants.org](http://www.cromantenants.org/home) (<http://www.cromantenants.org/home>)—tagline: "You are not alone. Don't be afraid. You are not helpless. You have rights!"—Chaffee describes life under a landlord named Steven Croman. Ceiling leaks that destroyed her paintings. Pneumonia caused by long-term heat outages. Entire floors, flooded. And last but not least, vengefulness.

On one occasion, Chaffee recalls, Croman barged into a tenants' association meeting, furious after the *Village Voice* [listed him](http://www.villagevoice.com/news/landlord-steve-croman-targeted-by-his-own-tenants-with-these-flyers-7219367) (<http://www.villagevoice.com/news/landlord-steve-croman-targeted-by-his-own-tenants-with-these-flyers-7219367>) as one of the city's ten worst landlords in 1998. The man had seen three whole pages dedicated to him, and was none too pleased.

"He came in like a terror, an absolute terror," Chaffee says in the clip. "Like the Gestapo."

Chaffee and another tenant formed the "Stop Croman Coalition" in 2007, which documented alleged abuses by the notorious landlord—who, by then, owned properties across the island of Manhattan. They even hung posters around town, giving prospective tenants the heads-up. (At the time, a spokesperson for Croman said (<http://www.villagevoice.com/news/landlord-steve-croman-targeted-by-his-own-tenants-with-these-flyers-7219367>) the tenants had a "personal agenda.")

But on Monday morning in Downtown Manhattan, the tenants' testimony took on new power. After turning himself in to authorities, Croman, 49, was charged (<http://www.nydailynews.com/new-york/manhattan/nyc-landlord-steve-croman-arrested-threatening-tenants-article-1.2629980>) with 20 felonies, including grand larceny, criminal tax fraud, falsifying business documents, and a scheme to scrape off extra bucks on rental incomes to secure bank loans worth millions. (His mortgage broker, Barry Swartz, was also charged with 15 felonies.)

Now Croman, who pleaded not guilty to the charges, faces 25 years in prison, making him the most prominent landlord to face major criminal charges in America's largest city in some time.

The scheme, prosecutors say, was a simple one: Croman would buy buildings with rent-controlled apartments, push the tenants out using deceitful tactics, and then reap the rewards of one of the hottest real estate markets on the planet. According to a lawsuit filed by New York State Attorney General Eric Schneiderman, whose office investigated Croman and his management firm 9300 Realty for nearly two years—and is also suing (<http://www.ag.ny.gov/press-release/ag-schneiderman-announces-20-felony-charges-and-civil-suit-against-major-new-york-city>) him for restitution—the man often left behind units in disrepair, sometimes refusing court orders to fix them.

"Now, with today's filings, we're putting an end to this conspiracy and business plan built on fraud and harassment," Schneiderman said ([https://www.youtube.com/watch?v=f0\\_U0hPdm2I](https://www.youtube.com/watch?v=f0_U0hPdm2I)) at a press conference.

According to the lawsuit, some of Croman's actions carried *Wolf of Wall Street* levels of dick-ish behavior, with property managers allegedly referring to tenants as "targets," as the *New York Times* reports (<http://www.nytimes.com/2016/05/10/nyregion/steven-croman-regular-on-new-yorks-worst-landlords-lists-is-charged.html>), some earning \$10,000 bonuses for successfully forcing people out. Tenants have horror stories about racking up tens of thousands of dollars in legal fees warding off dubious charges in housing court. (Chaffee says she was sued 11 times.)

Meanwhile, Croman could apparently be heard yelling "Buyouts! Buyouts!" as he ran around his office, and a former cop who prosecutors say served as the landlord's henchman is charged with intimidating tenants, sometimes even following them out of state. The ex-cop also allegedly called buyouts a "team sport" in a text message to a property manager.

"I know that!!" the manager responded, according to the suit. "Who's our next target? We have to start lining them up!!!"

In a statement to reporters, Croman's defense lawyer, Benjamin Brafman—who also represents the vilified "[Pharma Bro](http://www.vice.com/video/drinking-wine-and-playing-chess-at-martin-shkreli-s-midtown-apartment) (<http://www.vice.com/video/drinking-wine-and-playing-chess-at-martin-shkreli-s-midtown-apartment>)," Martin Shkreli—said, "The charges in this case are defensible, and Mr. Croman intends to address all issues in a responsible fashion. The criminal charges have nothing whatsoever to do with allegations relating to tenant harassment."

By the time Croman was booked on Monday, he was no stranger to the residents of the city, repeatedly making its [official 'Worst Landlords' list](http://www.vice.com/read/does-publicly-shaming-landlords-make-them-better-people-1013) (<http://www.vice.com/read/does-publicly-shaming-landlords-make-them-better-people-1013>)—a public database launched by Mayor Bill de Blasio, when he was still the city's public advocate, in 2010. As a mayor who focused on issues of affordability, de Blasio went on to [launch](http://www.crainsnewyork.com/article/20150219/REAL_ESTATE/150219846/new-task-force-to-crack-down-on-bad-landlords) ([http://www.crainsnewyork.com/article/20150219/REAL\\_ESTATE/150219846/new-task-force-to-crack-down-on-bad-landlords](http://www.crainsnewyork.com/article/20150219/REAL_ESTATE/150219846/new-task-force-to-crack-down-on-bad-landlords)) a joint task force with Schneiderman to seek out bad apples in real estate. (More recently, though, de Blasio and Schneiderman's office have seen their relationship strained by an ongoing investigation into [an alleged city land use scandal](http://www.capitalnewyork.com/article/city-hall/2016/04/8595847/schneiderman-subpoenas-parties-linked-manhattan-real-estate-deal) (<http://www.capitalnewyork.com/article/city-hall/2016/04/8595847/schneiderman-subpoenas-parties-linked-manhattan-real-estate-deal>)).

Croman could be their biggest score yet.

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 But according to Joel Kotkin, an erstwhile New Yorker and expert on wealth and housing in America, what Croman is accused of doing is really no surprise. In fact, Kotkin believes, the real estate market—both in metropolises like NYC and those abroad—tacitly endorses this sort of behavior.

The convergence of increasingly limited housing stock, lax regulations, and a seemingly infinite number of buyers—both American and foreign—conjures up a "perfect storm," according to Kotkin, where people like Croman prosper. "The temptation is enormous," the expert tells me.

The quasi-incentivized hustle creates a market that is "tilted toward the high-end," Kotkin continues, which is "not good for the middle class, and certainly not for the working class." It transforms what were once affordable neighborhoods into new capital ventures, exclusively available to an upper echelon of society. It sends gentrification into hyper-speed.

And of course, it's not just New York City (talk to anyone about San Francisco lately?), and perhaps not even just America. "Nationally?" Kotkin gawks, when I say the word. "We're seeing this in Singapore, in London, in Sydney, where there's just this mad rush into these urban real estate projects, because you have all of this money floating around."

So it's highly unlikely that prosecuting the (so far just alleged) actions of one of New York City's shadiest landlords will slow down this market-rate merry-go-round, since Croman is almost certainly just one of many. But for those who live "under the Croman Real Estate / 9300 Realty regime," as the tenants describe their conditions, maybe this is a start.

*Follow John Surico on [Twitter](https://twitter.com/JohnSurico) (<https://twitter.com/JohnSurico>).*

## COMMENTS

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**Michael Germinara** · Monroe Woodbury High School

San Fran and NY have always been expensive. Whats happening in San Diego is exponentially worse. The apartment I rent was 500 per month cheaper just last year.

Like · Reply · May 11, 2016 12:07am



**Matt Marcinkiewicz** · Spin Supplier And Myth Creator at The Jefferson Society for Revisionist History

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Real estate investment in global hotspots is one thing; what Croman is accused of doing is another. 'These urban real estate projects' need not be predicated on fraud and deception. So, I fail to see the relevance of Kotkin's insights to this particular individual's alleged wrongdoings. I mean, does rent control even exist in, say, Singapore?

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**Guy Spiro** · Slacker Extraordinaire at Slackers Inc.

they had an episode of 'law and order' depicting this kind of landlord greed

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**Holly VanTilburg** · Lincoln College

Really? What episode?

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Holly VanTilburg <http://www.imdb.com/title/tt0629377> its the more sinister 'law and order' version of the alleged deeds depicted in this article

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**Brent Dutcher** · Kettering University

Don't forget his kid also went viral for screaming at an Uber driver in Ann Arbor. Real classy bunch.

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**Frank Garcia**

FUCK THEM

Like · Reply · 1 · May 10, 2016 4:03pm



**Padraig Goetz**

Frank Garcia I wouldnt fuck that man or his son but the wife? She's proper MILF material, I tell ya!