

## The 'Madoff of landlords' accused of swindling \$45million in fraudulent loans threw lavish parties in the

- Steven Croman has been charged with a \$45million mortgage fraud in NYC
- He is charged with inflating his rent income to get loans worth millions
- Now it has emerged he would hold lavish parties at his home in Hamptons
- One year he recreated Studio 54 nightclub while another he held a Playboy mansion-style party

By [JENNIFER NEWTON FOR MAILONLINE](#)

PUBLISHED: 04:10 EST, 11 May 2016 | UPDATED: 05:23 EST, 11 May 2016

A wealthy New York landlord who faces up to 25 years in jail for an alleged mortgage fraud reportedly threw lavish parties at his home in the Hamptons where he recreated the infamous Studio 54 nightclub and the Playboy mansion.

Steven Croman, 49, is accused of running a \$45million fraud scheme after he gradually snapped up 140 buildings in Manhattan's gentrifying areas in recent years.

Earlier this week he was arrested in a dawn raid and later sat handcuffed in court where he was charged with 20 felonies.



© Getty Images for DuJour

Steven Croman and his wife Harriet. The pair allegedly held lavish parties at their home in the Hamptons during the summer



© John M. Mantel for DailyMail.com

+10

**Charged: Steve Croman faces 25 years in jail for allegedly lying about his income and driving working-class tenants out of their homes. He is pictured (center) sat next to his employee Barry Swartz, who is also charged**



+10

**Facing 25 years in jail: Attorney General Eric Schneiderman branded Croman 'unscrupulous'**

He was accused of deliberately driving 'countless working-class and low-income families out of their longtime homes' while lying to authorities to amass a million-dollar fortune.

And now it has been revealed that while allegedly running the multi-million dollar fraud, Croman would hold massive parties during summer season in the Hamptons attracting celebrities including Scott Disick, the ex-partner of Kourtney Kardashian.

According to [Page Six](#), in 2013, Croman, dubbed the Bernie Madoff of landlords and his wife Harriet turned their rental property in Bridgehampton into Studio 54, which included a performance by disco band Chic, and fake lines of cocaine and pills for guests.

Meanwhile the year after, they recreated Hugh Hefner's Playboy mansion, which included creating a grotto swimming pool.

Now the couple own their own \$5.5million house in upmarket Sagaponack and are said to be carrying out a raft of renovations, including a basement and rooftop swimming pool.

**New York AG announces charges against landlord Steve Croman**



0:00 / 0:54

f

🐦

✉

🔗

🔗

</>

⚙

↗



© John M. Mantel for DailyMail.com

On Monday his success streak came to a halt as he was arrested at dawn then sat handcuffed in court





© John M. Mantel for DailyMail.com

+10

**Croman was released from police custody on Monday afternoon after each posting \$500,000 cash bail**

And after news of Croman arrest on Monday sources told Page Six that he was 'downplaying the charges against him' while his wife was 'keeping her cool'.

The source said: 'She is acting like everything is fine. He is acting like he didn't do anything wrong.'

It comes after a grand jury found Croman and an employee Barry Swartz, a 53-year-old mortgage broker, had inflated their rent income between 2012 to 2014 to land \$45 million in fraudulent loans.

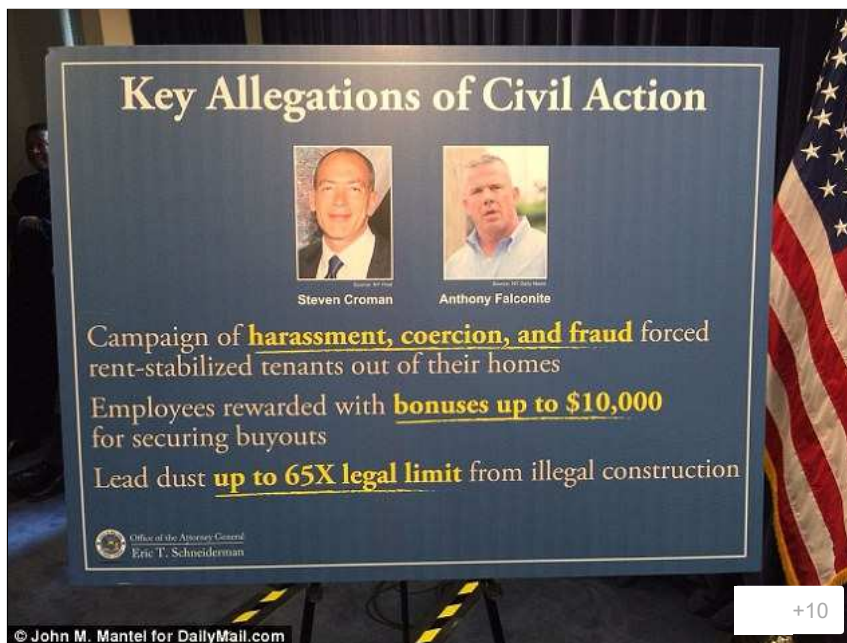
Croman was also slapped with a civil lawsuit, accused of paying a police officer-turned-PI Anthony Falconite to intimidate tenants into leaving their rent-controlled apartments.

Under New York City law, a landlord can only raise the rent on a rent-controlled apartment if the tenants willfully leave and the property requires substantial renovations.

Residents in the once-gritty, now-gentrified Lower East Side and uptown's Spanish Harlem have been pressured to move out of their homes for small cash pay-offs, authorities claim.



The charges: The attorney general displayed the charges against Croman as a warning on Monday



'Paid a cop': Croman (left) was also slapped with a civil lawsuit, accused of paying a police officer-turned-PI Anthony Falconite (right) to intimidate tenants into leaving their rent-controlled apartments

There is even a website and a support group for the thousands of affected tenants, with a complete list of all Croman's properties.

Croman was released from police custody on Monday afternoon after each posting \$500,000 cash bail.

Swartz, who is charged with 15 felonies, posted \$250,000 bail.

Addressing the landlord case on Monday, Attorney General Eric Schneiderman slammed Croman as 'unscrupulous'.

'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,' Schneiderman said in a statement.

'My office will not tolerate anyone who attempts to line their own pockets by gaming the system.





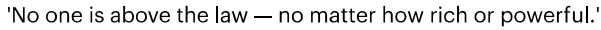
Residents in the once-gritty, now-gentrified Lower East Side have been pressured to move out of their homes for small cash pay-offs, authorities claim. Pictured: 134 Orchard Street, one of Croman's properties



It comes two months after Croman's son Jake (pictured) made headline news for abusing an Uber driver

University of Michigan frat boy filmed harassing Uber driver





It comes less than two months after Croman's son made headline news for abusing an Uber driver.

He was recorded calling Artur Zawada, 50, a 'minimum wage f\*\*\*\*\*' and mocking him because he had to work during a confrontation near the campus in Ann Arbor on March 20.

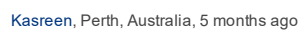
Madoff of landlords threw insane Hamptons megaparties | Page Six

Share what you think

FREE - On the Microsoft Store

View

The comments below have not been moderated.



Ohh the uber kid hahaha bet he is not so cocky now

**Click to rate**

2

0



Where was Donnie T while this was happening? It sounds like his kind of a deal.

Click to rate

8

4



Papa going to be late with your tuition boy time for you to download uber and get to work! lol

Click to rate

34

2



No surprise that the Kardashians were involved

Click to rate

19

1



Yea they're also good buds with Joe Francis who's a total schmuck!

Click to rate

15

1




Why do you think Trump is keeping his returns a secret

Click to rate

22

9


 [vicki](#), Washington DC, United States Minor Outlying Islands, 5 months ago

#TRUTH

Click to rate

9

3


 [sadacookies](#), miami, United States, 5 months ago

party like a rockstar

Click to rate

3

6

 [TheBigDog](#), Universal City, United States, 5 months ago

Put him in Bernies cell, so they can both go at it.

Click to rate

19

2


 [BaldEagle](#), Santa Monica, 5 months ago

What crime did Bernie commit besides trying to save the middle class and the planet fro Trump Sheeple?

Click to rate

2

19

 [heymoni](#), Philadelphia, United States, 5 months ago

Bernie Madoff, dummy

Click to rate

12

1

 [MarinHappy](#), Napa, United States, 5 months ago

Hopefully his d-bag son will now have to work for a living now too! What a disgusting family.

Click to rate

45

0

 [TheBabyDoll](#), Chicago, United States, 5 months ago

he must not have contributed enough monies to the clinton foundation...#ClintonCash  
#HillaryForPrison2016

Click to rate

20

10

+99

NEW

ARTICLES

Top

Share

View

MailOnline

FREE - On the Microsoft Store

have no shame or think they are above the law. Now, now about applying those same rules to Hillary Clinton.

Click to rate

55

10

View all

The views expressed in the contents above are those of our users and do not necessarily reflect the views of MailOnline.

We are no longer accepting comments on this article.

Back to top

Home | U.K. | [News](#) | Sports | U.S. Showbiz | Australia | Femail | Health | Science | Money | Video | Travel | Columnists

[Sitemap](#) | [Archive](#) | [Video Archive](#) | [Topics Index](#) | [Mobile Apps](#) | [Screensaver](#) | [RSS](#) | [Text-based site](#) | [Reader Prints](#) | [Our Papers](#) | [Top of page](#)  
[Daily Mail](#) | [Mail on Sunday](#) | [This is Network](#) | [This is Money](#)  
[Metro](#) | [Jobsite](#) | [Mail Travel](#) | [Zoopla.co.uk](#) | [Prime Location](#)

Published by Associated Newspapers Ltd  
Part of the Daily Mail, The Mail on Sunday & Metro Media Group

© Associated Newspapers Ltd  
[Contact us](#)   [How to complain](#)   [Advertise with us](#)   [Syndication](#)   [Work with Us](#)   [Terms](#)   [Privacy policy & cookies](#) 