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Judge allows dozens of Harlem tenants to sue city's 'worst' landlord

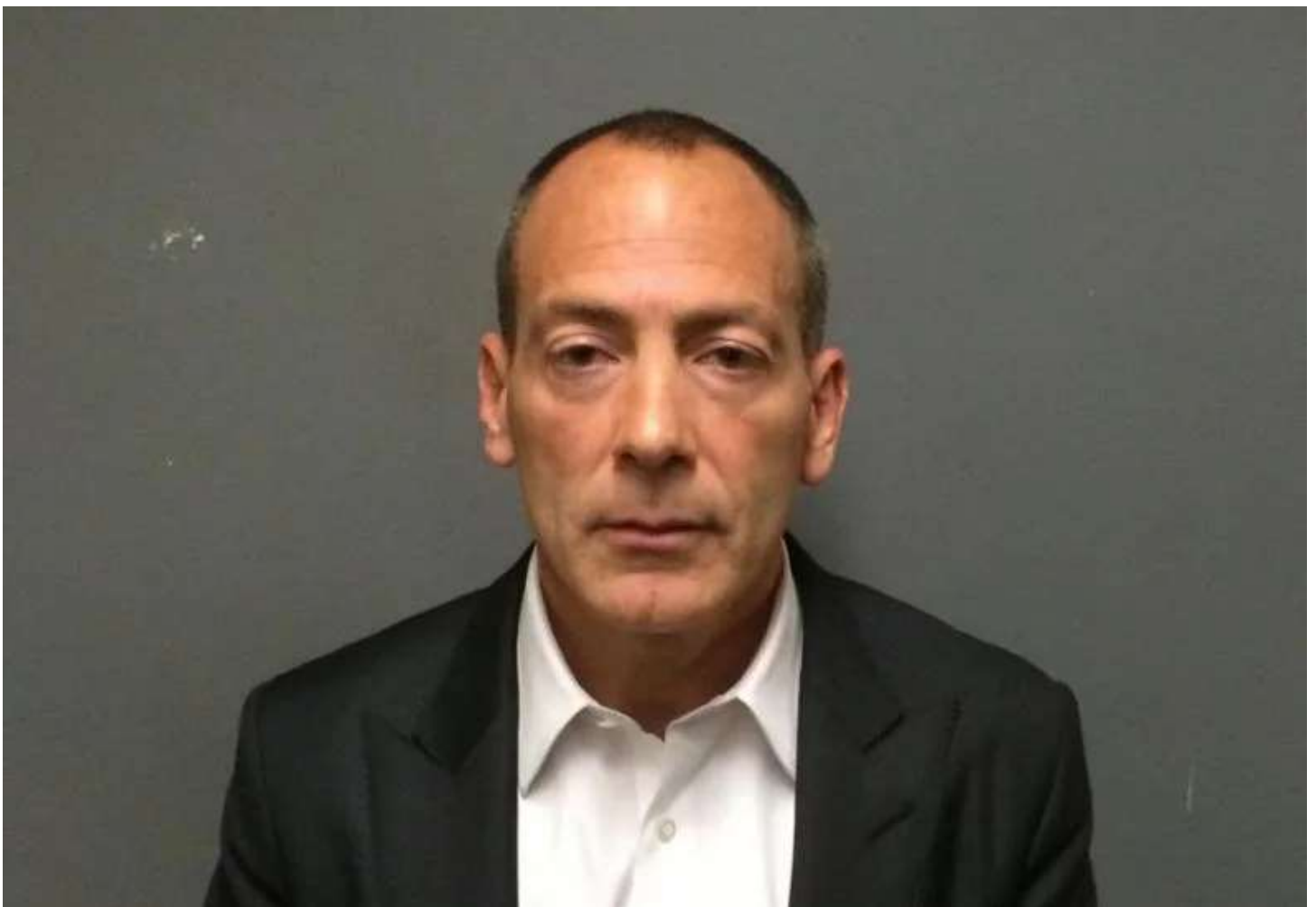
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A judge has granted a motion allowing more than 100 East Harlem tenants to sue notorious landlord **Steven Croman** for allegedly overcharging and neglecting to offer rent-stabilized leases in his building.

The motion was carried out by Manhattan State Supreme Court Judge W. Franc Perry and comes more than a year after the Housing Rights Initiative, a housing rights advocacy group, did an investigation that led to a suit filed by Manhattan-based **Newman Ferrara** and tenants at 326-338 E. 100th St., alleging that Croman illegally de-stabilized nearly 70% of the units in the building, all while accepting tax break benefits under the state's J-51 program.

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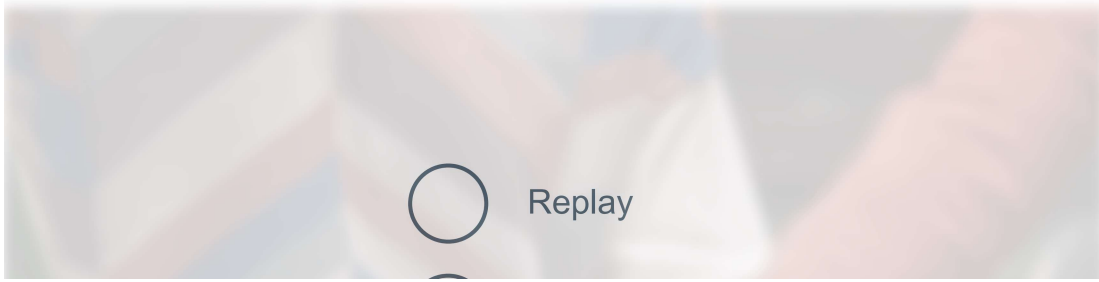
AG announces first round of payments to Croman tenants in \$8M settlement

The class certification is warranted because all the tenants “share a common goal in ensuring they are charged the legal maximum rent,” Perry wrote in court documents.

The suit originally charged that Croman illegally leased apartments at market-rate, never gave leases to tenants and failed to register the units with the state.

Croman's June 2015 property tax statements for the buildings, show that only 36 out of 92 units were listed as rent-stabilized, according to the suit.

Croman allegedly illegally deregulated one apartment and hiked the rent to \$3,745 from \$1,211.



The J-51 program's rules would require Croman to register all 92 units as rent-stabilized in order to receive tax break benefits. Croman has a long history of allegations of fraud, tenant-harassment, and coercion.

In October 2017, Croman was sentenced to a year in jail and paid \$5 million tax settlement following separate criminal charges for the fraudulent refinancing of loans and tax fraud.

And in December 2018 [the state opened a tenant-restitution fund](#), that would require Croman to pay \$8 million, which would be divided equally among eligible claimants and distributed to tenants in installments.

The settlement was a result of an investigation and lawsuit filed by then-Attorney General Barbara Underwood, which found he engaged in fraud, harassment and coercion tactics to force out rent-regulated tenants and convert their apartments into market-rate units.

The Housing Right Initiative has pursued a number of such lawsuits seeking class-action status, six of which have now been certified, and the "floodgates are open," said Aaron Carr, founder and executive director of the nonprofit.

Croman's lawyers have 20 days to file a response to the motion.

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