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## Notorious Landlord Steve Croman to Serve 1 Year in Rikers: Attorney General

By Allegra Hobbs ([//www.dnainfo.com/new-york/about-us/our-team/editorial-team/allegra-hobbs](http://www.dnainfo.com/new-york/about-us/our-team/editorial-team/allegra-hobbs)) | June 6, 2017 1:51pm | Updated June 6, 2017 5:45pm

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Notorious landlord Steve Croman struck a plea deal with the Attorney General that will result in a year in a Rikers Island jail and a \$5 million tax settlement.

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MANHATTAN — Notorious landlord Steve Croman (<https://www.dnainfo.com/new-york/people/steven-croman>) will serve a year in a Rikers Island jail and cough up \$5 million to the state after pleading guilty to several fraud charges Tuesday, Attorney General Eric Schneiderman (<https://ag.ny.gov/about-attorney-general>) announced.

A year-long investigation by Schneiderman's office revealed Croman had lied about his rental income to banks in order to score more than \$45 million in refinancing loans. The false documents he gave to banks for this purpose included claiming rent-stabilized units in his buildings were market rate, according to the attorney general's office.

He also committed tax fraud by not withholding the correct state taxes from employee paychecks, Schneiderman's office said. He was indicted (<https://www.dnainfo.com/new-york/20160509/east-harlem/tenants-celebrate-indictment-of-controversial-landlord-steve-croman>) roughly a year ago on 20 felony charges and could have potentially served up to 25 years in prison as a result.

Under the plea deal struck with the attorney general, Croman pleaded guilty to three of those 20 charges — grand larceny in the third degree, falsifying business records in the first degree, and criminal tax fraud in the fourth degree — and will serve a year in jail in addition to paying a \$5 million tax settlement to the Department of Taxation and Finance, Schneiderman's office said. Croman will be sentenced on Sept. 19.

The city's top lawyer billed the sentencing as a victory against corrupt landlords, noting it will serve as a warning to others who try similar scams.

“Steven Croman is a fraudster and a criminal who engaged in a deliberate and illegal scheme to fraudulently obtain bank loans,” Schneiderman said in a statement.

“He went to outrageous lengths to boost his bottom line — including falsely listing rent-stabilized units at market rates when his efforts to displace those renters had failed. Now Mr. Croman faces a year in Rikers and a \$5 million settlement — and unscrupulous landlords are on notice that we’ll pursue them to the fullest extent of the law.”

The attorney general also brought a separate civil case against Croman alleging the landlord attempted to oust rent-stabilized tenants with aggressive harassment tactics. That case is still ongoing, Schneiderman's office said.

While those allegations could not lead to criminal charges under the current state law, Schneiderman recently introduced legislation (<https://ag.ny.gov/press-release/ag-schneiderman-introduces-legislation-criminally-crack-down-tenant-harassment>) that would make it easier to prosecute landlords for harassment tactics.

While current state law requires physical injury must be proven to merit criminal charges, the legislation would change the standards so that landlords could be prosecuted for trying to drive out tenants by stripping amenities or making the apartments unlivable.

Croman's attorneys said the landlord is owning up to his misdeeds by entering the guilty plea.

"Mr. Croman has agreed to accept responsibility for certain criminal conduct in satisfaction of the charges in an Indictment filed last year by the New York State Attorney General's Office," said Benjamin Brafman, Jacob Kaplan, and Joel Cohen in a joint statement. "Mr. Croman intends to fully satisfy the obligations imposed by his Plea Agreement and looks forward one day soon to putting this matter behind him."

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