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June 6, 2017 2:07 p.m. Updated 06/06/2017

# 'Fraudster' Steven Croman cops a plea, but the landlord's legal woes are just beginning

Croman will serve a year in jail at Rikers Island and pay \$5 million

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Steven Croman

Manhattan landlord Steven Croman will serve a year in jail and cough up \$5 million after pleading guilty Tuesday in a tenant-harassment and tax-fraud case.

Croman, who owns more than 140 buildings across the city, had a history of purchasing rental properties, [quickly moving to force out rent-regulated tenants](#), then refinancing the loans at more favorable terms. At times he even employed an ex-NYPD officer to intimidate lodgers into moving out. But that shady business is not what did him in.

In several instances, when Croman couldn't actually rid a building of low-paying residents, he would simply lie and tell banks that he had. The more market-rate units his buildings contained—even if only on paper—the better Croman's loan terms would be.

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"Steven Croman is a fraudster and a criminal who engaged in a deliberate and illegal scheme to fraudulently obtain bank loans," Attorney General Eric Schneiderman said in a statement announcing the plea.

But Tuesday's guilty plea represents just part of Croman's legal woes. In addition to his Rikers Island sentence and the payment of \$5 million in income taxes he failed to withhold from one of his employees, Croman faces a separate civil case brought by Schneiderman that focuses on his alleged harassment of tenants. The attorney general has also penned legislation to make future efforts to prosecute landlords easier.

Schneiderman argues that current tenant-harassment laws make it effectively impossible to bring criminal charges against a landlord, which is why it hasn't happened in the past two decades. In this case, the attorney general's office had to take a circuitous route by pursuing a tax case in criminal court and then filing a separate civil action.

Several state and city agencies had a hand in gathering evidence against Croman, and some also weighed in on his sentence.

"Seeing one of the city's most notorious landlords receive jail time as a



direct result of his actions sends a powerful message to those who would prey on vulnerable tenants," Maria

Photo: New York state attorney general's office

Torres-Springer, head of the Department of Housing Preservation and Development, said in a statement.

The case was referred to Schneiderman by the governor's Tenant Protection Unit.

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