

EV GRIEVE

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TUESDAY, JUNE 6, 2017

AG announces guilty plea of landlord Steve Croman, who'll serve 1 year at Rikers



This just in from the Attorney General's office...

Attorney General Eric T. Schneiderman today announced the guilty plea of Steven Croman, a major New York City landlord with more than 140 apartment buildings across Manhattan, for fraudulently refinancing loans and committing tax fraud. Under the terms of his plea, Croman would serve one year of jail time on Rikers Island and pay a \$5 million tax settlement – marking a significant precedent in the effort to combat landlords who base their business model on the displacement of rent-stabilized tenants.

Rarely, if ever, has a landlord been sentenced to serve time in jail for engaging in these practices. The jail time and multi-million settlement announced today send a strong message to landlords that the Attorney General will pursue anyone who engages in these types of practices to the fullest extent of the law.

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

Per The Real Deal:

Appearing at the courthouse at 100 Centre Street Tuesday morning in a dark blue suit and blue tie, Croman read an allocution in front of state Supreme Court Justice Jill Konsiver admitting details of his scheme directing employees to file documents – including inflated rent rolls – that would allow him to secure bigger mortgages on his multifamily properties.

“I knew the documents were false,” he said.

His sentencing is scheduled for Sept. 19

The AG's office still has a pending civil case against Croman accusing him of forcing tenants from their rent-controlled apartments. His next court date for the civil case is June 22, the 10th time it has been adjourned, according to the Cromans' Tenant Alliance.

Croman's real-estate empire includes 47 buildings with 617 units in the East Village. As previously noted, Croman owns more buildings in the East Village than any other landlord.



POSTED BY GRIEVE AT 11:30 AM

LABELS: STEVE CROMAN

8 COMMENTS:

Anonymous said...

Wow.

I wonder what his expression was and thoughts were when his lawyer told him Rikers was really in his future.

Yikes.

Right On to the AG!

Yaay!

JUNE 6, 2017 AT 11:49 AM



Luis Lopez said...

Law and Order!

JUNE 6, 2017 AT 11:56 AM

Anonymous said...

what happened to the part about how he abused tenants? is that a separate court case?

glad he's going to jail for something, though.

JUNE 6, 2017 AT 11:58 AM

Anonymous said...

He had better serve the full year. No early release for such a criminal.

JUNE 6, 2017 AT 12:01 PM



Giovanni said...

A year in jail is better than the 8 months that the NY Post reported, but it's still not enough to stop all these greedheads that buy up real estate to make outrageous profits that increase the costs of food, clothing and housing for everyone. It's also important to note that CroMagnon is not going to jail for all the tenant harassment he is famous for, he is going to jail for defrauding a bank. The banks are the ones being protected by this case, not tenants. There is a separate Schneiderman case that deals with the tenant harassment, but it is a civil case, not criminal, so Creepy Crobar will not do any jail time for those offenses. He will probably lose some money and his brokers license, but so what? He can just hire a broker to do the dirty work for him.

Still, a year in jail for a guy who is used to summering in the Hamptons is a good start. Hopefully He will be a pariah when he gets out, I have a neighbor who spent a month on Rikers Island for defrauding the city, and he hasn't been the same since. He's like a zombie now, the social disgrace of being a convicted felon broke him. I also know a guy who has spent 20 years behind bars and it didn't change him one bit. Now he's in jail in a massive case of identity theft and had his bail set at \$1 million. I doubt we will ever see him again. I wish we could say the same about Steve CroMagnon.

JUNE 6, 2017 AT 12:03 PM

cmarrty said...

EV Wins! EV Wins!!! The EV Wins!!! This is a great victory for the EV and all Nyers. Big thanks to Schneiderman.

JUNE 6, 2017 AT 12:06 PM

Anonymous said...

On a city year, he does 8 months. It's statutory, not "time off for good behavior." And it might even be only weekend, which they don't need to tell anyone about.

JUNE 6, 2017 AT 12:38 PM

Anonymous said...

Schneiderman says Croman is "the Madoff of the real estate industry" except that Madoff stole from the rich, while Croman screwed over the poor one tenement unit at a time. This is a shamefully short jail time for the multiple heinous offices Croman committed. The fine is minuscule in comparison to the ill gotten wealth that was accumulated. Schneiderman

shamefully sold out here, there is certainly a story behind this plea deal.

JUNE 6, 2017 AT 12:45 PM

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