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AG opens \$8M restitution fund for Croman tenants

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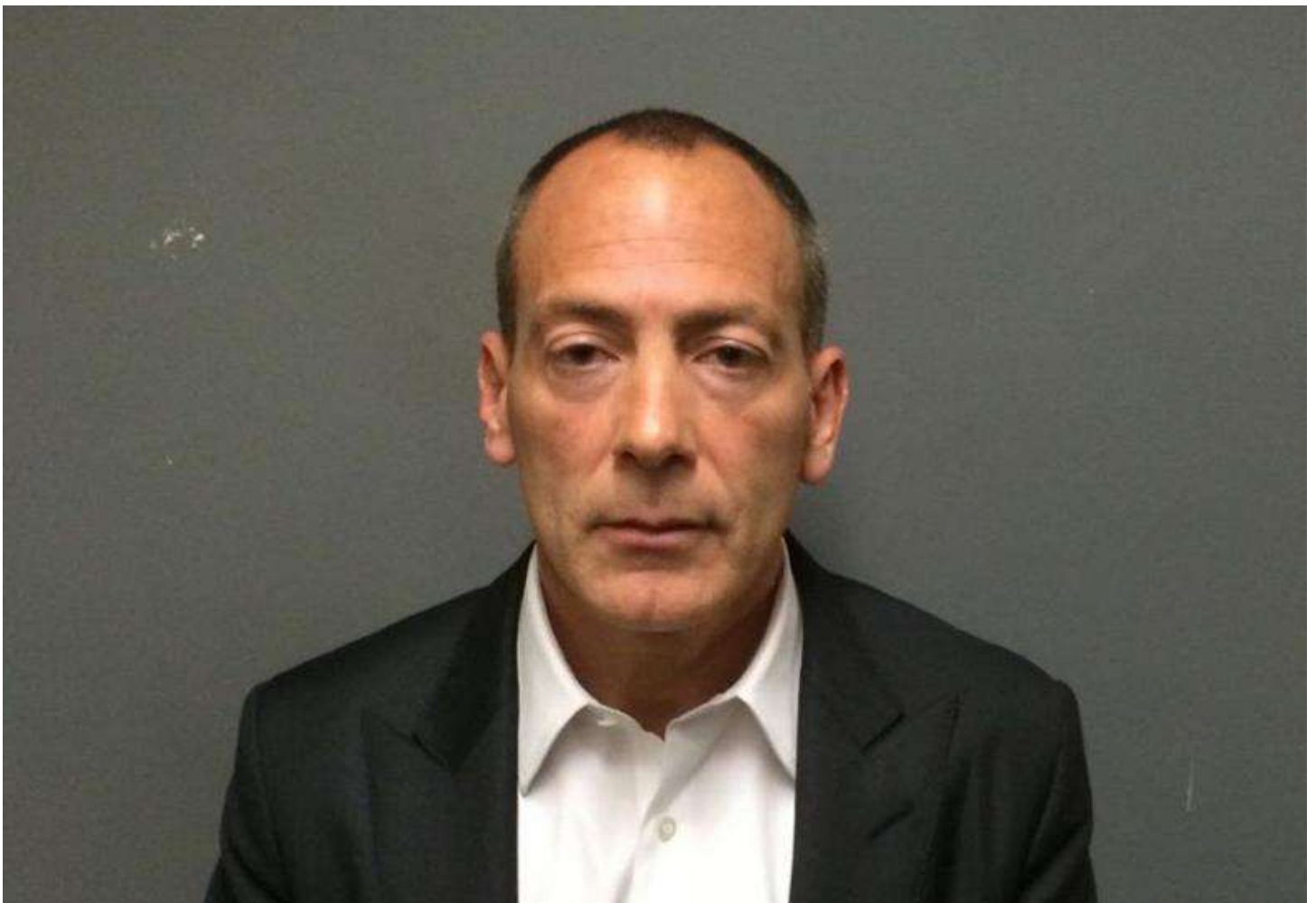
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The state opened an \$8 million restitution fund for current and former tenants of disgraced landlord Steve Croman this week.

Croman—who was recently released after serving a sentence on Rikers Island—had to pay for the fund as part of a settlement with the attorney general late last year amid allegations of tenant harassment.

"This office has zero tolerance for predatory landlords who seek to line their pockets at the expense of their tenants' well-being," state Attorney General Barbara Underwood said in a statement today announcing the start of the claims process.

The fund will be split evenly among the potentially hundreds of current and former tenants who are eligible to receive a cut. To qualify, they must have lived in a rent-regulated Croman apartment between July 1, 2011, and Dec. 20, 2017, and have taken a buyout of \$20,000 or less.

In 2016 the attorney general's office, under its [scandal-scarred former leader, Eric Schneiderman](#), filed a civil suit accusing Croman of harassing rent-regulated tenants. The complaint cited a variety of tactics, including intrusive construction practices and intimidation by former NYPD officer Anthony Falconite, who was deployed to homes across Croman's portfolio. The goal was to get the residents to leave their apartments so the vacant units could be goosed toward market-rate rents by making renovations.

As part of the consent decree announced last year, Croman had to fork over the \$8 million for the restitution fund and agree to have a third-party manager oversee 100 of his properties for five years. Falconite is barred from interacting with tenants, and an independent monitor will oversee the terms of the agreement for seven years—provisions that Underwood said were unprecedented.

The attorney general's office also filed a criminal complaint that accused Croman of tax fraud and fraudulently refinancing his buildings. As part of Croman's [guilty plea in the fall](#), he had to pay \$5 million in fines and serve a yearlong jail sentence.

Correction: An earlier version of this story said Steve Croman is currently serving a yearlong sentence on Rikers Island. He was released in June after serving eight months.