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## Landlord's indictment a 'bittersweet victory'

By Nelson A. King

Brooklyn Council Member Jumaane D. Williams has characterized as a "bittersweet victory" Monday's indictment of Manhattan developer Steve Croman on 20 felony charges related to allegations of tenant intimidation and fraud on May 9.

The charges include grand larceny, falsifying business records, a scheme to defraud, criminal tax fraud, and offering a false instrument for filing.

"Steve Croman's indictment on Monday is a bittersweet victory," said Williams, Deputy Leader and Chair of the City Council's Housing and Buildings Committee. "His indictment means that we are one step closer to stopping him from taking advantage of our City's housing crisis for personal profit."

"His surrender, and potential conviction, would mean there is one less greedy building owner harassing the City's most vulnerable so they can be replaced by higher-paying tenants," added Williams, who represents the 45th Council District in Brooklyn.

"I find it deplorable that former New York Police Officer Anthony Falconite, who took an oath to protect and serve, was the main instrument used in intimidating and forcing tenants out of their homes," he continued. "Croman continuously harassed, intimidated and manipulated rent-regulated tenants to force them out of their homes so he could convert their apartments into market-rate units.

Williams said that for every Steve Croman, "there are a handful more just like him, who are targeting New Yorkers who are struggling to make ends meet.

"I applaud Attorney General Eric Schneiderman and his office for making cases like these a priority," he said. "I am proud to be part of a legislative body that works every day to protect tenants' rights, as evidenced by the series of bills passed during this session to do just that."

In announcing the indictment on Monday, Schneiderman said Croman, a major New York City landlord with more than 140 apartment buildings across Manhattan, surrendered on multiple felony charges for his role in an alleged scheme to fraudulently obtain several multi-million dollar refinancing loans between 2012 and 2014.

Croman was also named, along with private investigator Falconite, in a civil suit filed on Monday by the Attorney General's office for allegedly engaging in illegal, fraudulent, and deceptive conduct in connection with Croman's real-estate business.

The lawsuit alleges that Croman directs an illegal operation that wields harassment, coercion and fraud to force rent-regulated tenants out of their apartments and convert their apartments into highly profitable market-rate units.

The lawsuit further alleges that Croman deployed Falconite to frighten and intimidate rent-regulated tenants into surrendering their apartments.

"My message to unscrupulous landlords is simple: if you put your own profits over your tenants' legal protections, we will investigate you and prosecute you to the fullest extent of the law," Schneiderman said. "My office will not tolerate anyone who attempts to line their own pockets by gaming the system. No one is above the law — no matter how rich or powerful."

Based on an extensive investigation by the Attorney General's office, Croman allegedly submitted false mortgage documents to New York Community Bank and Capital One Bank, including rent rolls that falsely reflected market rate rents for units that were actually occupied by rent-stabilized tenants.

Croman also allegedly inflated the amount of rent charged for certain commercial spaces in his buildings in an effort to show greater rental income. Croman allegedly falsified these rent rolls in order to inflate the annual rental income of his buildings, upon which his refinancing terms are partially based.

All told, over a three-year period, Schneiderman said Croman allegedly received more than \$45 million in loans under these false pretenses.

A grand jury indicted Croman on 20 felony counts, including seven counts of grand larceny in the 1st degree, seven counts of falsifying business records in the 1st degree, one count of scheme to defraud in the 1st degree, four counts of offering a false instrument for filing in the 1st degree, and one count of criminal tax fraud in the 4th degree.

Croman's mortgage broker, Barry Swartz, also faces 15 felony counts, including seven counts of grand larceny in the 1st degree, seven counts of falsifying business records in the 1st degree, and one count of scheme to defraud in the 1st degree.

If convicted of all counts, Croman and Swartz could face as much as 25 years in prison, Schneiderman said.

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