

Lawsuit accuses Steve Croman of illegally deregulating East Harlem apartments

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Croman is serving a one-year jail sentence for mortgage fraud

A new lawsuit claims landlord Steve Croman, who is serving jail time for mortgage and tax fraud, illegally deregulated apartments in East Harlem.

The complaint alleges that Croman wrongfully removed nearly 70 percent of the units at 326-340 East 100th Street from New York's rent stabilization program. At the same time, he was receiving the J-51 tax break, which requires landlords to keep 100 percent of their units rent stabilized.

The proposed class action lawsuit, which was filed in state Supreme Court on Monday by tenant Stuart Davidson Tribbs, alleges that all tenants of the building post-Jan. 8, 2014, are entitled to rent refunds.

"We have not seen a copy of the lawsuit; however, we disagree with the allegations," a spokesperson for Croman's firm 9300 Realty told the New York Daily News.

Last month, Croman agreed to pay a record \$8 million to tenants (<https://therealdeal.com/2017/12/20/steve-croman-agrees-to-pay-record-8m-to-tenants-he-harassed/>) he harassed, according to the New York State Attorney General's office. The agreement settled a civil case that accused Croman of coercing and tricking tenants into leaving their rent-stabilized apartments. Croman is currently serving a one-year jail sentence

(<https://therealdeal.com/2017/06/06/steve-croman-pleads-guilty->

will-serve-1-year-in-state-prison/) after pleading guilty to felony charges of grand larceny, tax fraud and a fraud charge stemming from filing a false instrument. The scheme included inflating rent rolls in order to secure bigger mortgages.

In announcing Tribbs lawsuit, the Housing Rights Initiative called on Gov. Andrew Cuomo and the state's Division of Housing and Community Renewal to audit Croman's 140-plus building portfolio. [NYDN] (<http://www.nydailynews.com/new-york/corrupt-landlord-sued-breaking-rent-regulation-laws-article-1.3745764>) – *Kathryn Brenzel*

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