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New York City landlord to pay \$8M in tenant-harassment suit

By The Associated Press

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NEW YORK - (AP) -- A major New York City landlord who was accused of bullying tenants out of rent-regulated apartments has agreed to pay them \$8 million to settle a lawsuit -- while he's in jail for mortgage fraud.

State Attorney General Eric Schneiderman announced Wednesday he had reached an agreement with landlord Steven Croman. In addition to the \$8 million restitution fund, the settlement also says an independent property management company will run more than 100 Croman buildings for five years.

"Over and over again, Steven Croman acted as though he was above the law, putting profits before his tenants' safety and wellbeing," Schneiderman, a Democrat, said in a statement.

Croman's company, 9300 Realty Inc., said in a statement it was pleased to end the case and looked forward to "continuing to provide quality rental housing throughout New York City."

Schneiderman also prosecuted Croman in the mortgage fraud case, which accused him of overstating rent revenue to snag millions of dollars in loans. Croman pleaded guilty to charges including grand larceny and was sentenced in

The civil suit accused Croman of such tactics as filing baseless lawsuits against tenants and sending an intimidating investigator to accuse them of living in their homes illegally.

The goal was to get them to leave, sometimes for buyouts worth just a few months' rent, and then hike the price for the next tenant, the suit said. New York landlords can sometimes charge triple the rent or more after renovating vacant rent-stabilized apartments and getting them deregulated.

Croman would walk through his office chanting "buyouts, buyouts!" and called investigator Anthony Falconite his "secret weapon," the lawsuit said. It said Falconite, a former police officer, sometimes posed as a delivery worker to get tenants to let him in, confronted them at work and tracked down their relatives.

Falconite continues to deny the allegations against him, his lawyer, Edward M. Spiro, said.

The settlement bars Falconite from interacting with Croman tenants for five years.