

## Owner of 43 Essex St. Indicted on Mortgage Fraud Charges



Photo: NYS Attorney General's Office.

A Lower East Side landlord has been arrested and indicted in an alleged mortgage fraud scheme.

State Attorney General Eric Schneiderman announced yesterday that Dean Galasso faces multiple charges in connection with the financing of 43 Essex St., a tenement he purchased for \$6.9 million in 2014. The building was previously owned by the Zerling family, which operated G&S Sporting Goods from the ground floor storefront for decades.

Prosecutors say Galasso fraudulently obtained a \$5 million mortgage for 43 Essex St. by submitting false mortgage documents to Investors Bank, including a falsified rent roll. The AG believes he forged residential leases to back up the false information contained in the rent roll.

In a statement, Attorney General Scheniderman said, "Bad landlords are now on notice: if you attempt to break the law, we will find you and prosecute you to the fullest extent of the law... Our task force will continue to identify, investigate, and prosecute those who try to game the system."

Charges faced by Galasso include grand larceny, forgery and falsifying business records. If convicted on all charges, he could be sentenced to as long as 25 years in prison.



43 Essex St.

In a statement, City Council member Margaret Chin said, "These felony charges should serve as a reminder to bad landlords in the Lower East Side, Chinatown, and throughout my Council District that fraud and tenant abuse come with serious consequences, including jail time."

Authorities were first alerted to problems at 43 Essex St. by Asian Americans for Equality (AAFE) and Manhattan Legal Services. The non-profit organizations [helped rent stabilized tenants take Galasso to court](#). They won a settlement for the tenants, who claimed harassment by Galasso and deplorable living conditions.

"As soon as Dean Galasso purchased 43 Essex he immediately began making life miserable for the building's rent-regulated residents," said AAFE Executive Director Chris Kui. "With (Thursday's) indictment it is now clear that Galasso had targeted the residents for eviction before he even purchased the building. This case shows the lengths that predators are willing to go to cash in on a hot neighborhood, all while destroying the lives of the people in it."

The case was initially investigated by the joint city/state Tenant Harassment Prevention Task Force.

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By [Ed Litvak](#) in [Crime](#), [Featured](#), [Real Estate](#) on **April 7, 2017 9:27 am**

[43 essex st.](#) [dean galasso](#)

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