
NYC landlord Steve Croman pleads guilty to mortgage, tax fraud

BY GREG B. SMITH

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Steve Croman (c.) leaves Manhattan Supreme Court on Tuesday, May 23, 2017. (JEFFERSON SIEGEL/NEW YORK DAILY NEWS)

A landlord notorious for harassing out rent-stabilized tenants to lease apartments at market rates pleaded guilty to multiple felonies Tuesday under a deal that requires he spend time behind bars.

Steve Croman, who owns 140 buildings in Manhattan, admitted to multiple counts of mortgage and tax fraud in a criminal case brought by State Attorney General Eric Schneiderman.

Schneiderman charged that Croman illegally obtained \$45 million worth of loans by inflating his rental income, claiming to lenders he was receiving market rate rent from rent-stabilized units.

Croman still faces a civil suit filed by Schneiderman charging that he used a retired NYPD cop to intimidate tenants into taking buyouts, mostly in the hot real estate markets on the Lower East Side and East Harlem.



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Croman called the cop, Anthony Falconite, his "secret weapon." Falconite stalked tenants, illegally entered their apartments to read their mail, and followed them to their jobs to interview colleagues about where they actually live, the suit alleges. On Tuesday Croman appeared in Manhattan Supreme Court and pleaded guilty to grand larceny, falsifying business records and criminal tax fraud.

He will pay a \$5 million tax settlement for failing to pay payroll taxes and agreed to accept a one-year jail term at Rikers Island.





The State AG's office ordered Anthony Falconite to stop harassing tenants. (KEN MURRAY/NEW YORK DAILY NEWS)

Schneiderman called Croman “a fraudster and a criminal who engaged in a deliberate and illegal scheme to fraudulently obtain bank loans.”

“He went to outrageous lengths to boost his bottom line, including falsely listing rent-stabilized units at market rates when his efforts to displace those renters had failed,” he said. “Now Mr. Croman faces a year in Rikers and a \$5 million settlement – and unscrupulous landlords are on notice that we’ll pursue them to the fullest extent of the law.”

Schneiderman noted that jail terms for landlords are rare. Croman will be sentenced by Justice Jill Konviser at a later date.