

Slumlord Steve Croman is Headed to Rikers, Must Pay \$5M Settlement

Posted on: June 7th, 2017 at 5:18 am by Elie
(<http://www.boweryboogie.com/author/elie/>)



Croman shining light at a tenant to prevent filming

Steve Croman, a prolific New York City landlord (140 buildings) known for harassing his tenants and destroying quality of life, plead guilty yesterday to charges of fraudulently refinancing loans and committing tax fraud. Under the terms of his plea,

Croman will serve one year on Rikers Island and is forced to pay a \$5 million tax settlement.

Do not pass go, do not collect \$200.

This plea deal was expected, and was first reported last month (<http://www.boweryboogie.com/2017/05/report-slumlord-steve-croman-cop-plea-deal-light-sentence/>).

In his announcement yesterday, Attorney General Eric Schneiderman noted the rarity of a landlord netting prison time for engaging in such practices. It's a significant legal precedent in the effort to combat the worst city slumlords who rely on the displacement of rent-stabilized tenants to line their pockets.

“Steven Croman (<http://www.boweryboogie.com/tag/steve-croman/>) is a fraudster and a criminal who engaged in a deliberate and illegal scheme to fraudulently obtain bank loans,” Attorney General Schneiderman said. “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. 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.”

From the press release:

Croman entered into the guilty plea before State Supreme Court Justice Jill Konviser, to Grand Larceny in the Third Degree (a class D felony), and Falsifying Business Records in the First Degree and Criminal Tax Fraud in the Fourth Degree (both class E felonies). Croman fraudulently obtained several multi-million-dollar refinancing loans between 2012 and 2014, and committed tax fraud in 2011 by failing to withhold appropriate NY State payroll tax from certain Croman Real Estate employee paychecks. In addition to serving jail time, Croman also must pay a \$5 million tax settlement to the State Department of Taxation and Finance. Croman will be sentenced on September 19, 2017.

A year-long investigation by the Attorney General's office found that Croman purchased buildings with rent-stabilized units and, immediately after purchase, began the process of displacing rent-stabilized tenants while simultaneously attempting to refinance the initial mortgage.

The criminal referral in the Croman investigation was provided to the Attorney General's office by the New York State Department of Housing and Community Renewal's Tenant Protection Unit (TPU).

Of course, the legal battles certainly haven't stopped him (<http://www.boweryboogie.com/2017/02/facing-25-years-prison-slumlord-steve-croman-spotted-wilds-mott-street/>) from purported harassment, though. Just look to 159 Stanton Street, his tenement property that was stripped of its fire-stopping material and became a purported death trap (<http://www.boweryboogie.com/2017/03/fearing-fiery-death-in-croman-owned-159-stanton-street/>) for more than a year (unbeknownst to residents). Not to mention the brief displacement of two tenants thanks to ceiling collapse. Will the lesson be learned?



159StantonSt
@159Stanton

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#Croman will go to Rikers but there are still rodents at @159Stanton St.

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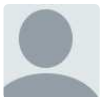


Croman tenant • 2 days ago

— | 🗨

The civil case will have a greater impact on tenants. The criminal case set a precedent, and will likely affect the civil case. Our building is pleased, and looking forward to civil case.

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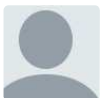


Donnie Moder • 3 days ago

— | 🗨

Tax fraud and mortgage fraud, that he is punished for. What about making life for his tenants hell on earth? Harassing tenants? No criminal charges for that. Civil cases are what's left.

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Steven Yee • 3 days ago

— | 🗨

No, no lessons learned, 1 year means 4 months and home confinement, 5 million is a drop in the bucket. I know landlords and scum lords alike, I don't care if you approve of my comments or not. More time and less fine...the fine gets devoured into the NYC political system and the tenant gets nothing. You have a problem with not making money on your rent controlled apartment building, then you should

have never applied for it, you thought getting some gov sub would put cash into your pockets, reduce some taxes and now 50-60 years later you go bitching about how you are not making money...save that bullshit.

As for the new buyers like Mahfar and Co...they took a shot and now they face the piper...problem is that these little wins with small punishment means nothing to billionaire landlords...no fine just time....that's where the lesson comes from send them to an upstate prison where they will sign into Protective Custody, too many dirty cops on Rikers...watch for the news all..."Slumlord Croman gets early release for good behavior, to serve remaining sentence in home confinement"...

You don't like what I'm saying?...tough shit, time for you "computer tough guys" to come and comment behind a hidden name, time for you slumlords to have your little people start defending you...I'm looking forward to landlord responses and your lines of bullshit. Bring it boys...

FYI...my real name/real login...I don't give 2 shits about any of you complaining landlords or slumlords. I hate this outcome...and so should everyone else.

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