

# Plea Deal Will Send 'Bernie Madoff of Landlords' to Prison

ADAM KLASFELD June 6, 2017

MANHATTAN (CN) — Roughly a year after describing multimillionaire Steven Croman as the “Bernie Madoff of landlords,” New York Attorney General Eric Schneiderman announced a plea deal Tuesday that will send him to Rikers Island prison for one year.

Croman, a regular on “worst landlord” lists from local publications, will also pay a \$5 million settlement to resolve a 20-count fraud indictment.

“Steven Croman is a fraudster and a criminal who engaged in a deliberate and illegal scheme to fraudulently obtain bank loans,” Schneiderman said in a statement on Tuesday. “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.”

Croman copped to three felonies — grand larceny, falsifying business records and criminal tax fraud — in the courtroom of State Supreme Court Justice Jill Konviser this morning, in what the attorney general said may be the first time that such practices could lead to imprisonment.

Described by the Real Deal and the Village Voice as a slumlord, Croman landed on Schneiderman’s radar after the establishment of a task force with Mayor Bill de Blasio investigating the harassment of rent-stabilized tenants.

Croman, whose companies own more than 140 Manhattan apartment buildings, was the highest-profile target of the task force, and his arrest fell a year after that of a Brooklyn landlord who owned only one apartment.

New York Gov. Andrew Cuomo said that Croman’s plea signals a “zero tolerance” policy for landlords who badger tenants.



“The Tenant Protection Unit was created to crack down on these unscrupulous practices and this prosecution sends a clear message that New York stands united and the full force of the law will be used to ensure the rights of renters are respected and protected,” the governor said in a statement.

Croman will be sentenced on Sept. 19.

His attorneys, Benjamin Braman and Joel Cohen, said their client has accepted responsibility for his conduct.

“Mr. Croman intends to fully satisfy the obligations imposed by his plea agreement and looks forward one day soon to putting this matter behind him,” they wrote in a statement.