

Steve Croman agrees to pay record \$8M to tenants he harassed

New independent manager will run more than 100 of jailed landlord's properties

By [Hiten Samtani](#) | December 20, 2017 08:34PM



From left: 204 East 13th Street, Steven Croman and 99-105 Third Avenue

UPDATED: Thurs., Dec. 21 @ 12:17 p.m.: [Steve Croman](#), a major multifamily landlord who is serving a jail sentence for mortgage fraud, agreed to pay a record \$8 million in restitution to tenants he harassed, the New York state Attorney General's office announced Wednesday.

An independent manager will run more than 100 of Croman's properties, and Croman will also have to pay for a court-appointed monitor who will ensure compliance.

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

The agreement is the largest-ever settlement with an individual landlord in New York, according to the AG. It puts an end to a [sprawling civil case](#) brought by the AG in which Croman was accused of ringleading an operation that harassed and tricked tenants into giving up their rent-stabilized apartments.

"Croman even walks through the office chanting, 'buyouts, buyouts!'" the AG claimed in the lawsuit. Anthony Falconite, a former New York police officer hired by Croman as a private investigator, allegedly described buyouts of rent-regulated tenants as a "team sport" and used various tactics to intimidate tenants.

As part of the announced settlement, Falconite will have to stay away from tenants at Croman-owned properties.

Croman is currently serving a one-year jail sentence on the Manhattan Detention Center, colloquially known as the Tombs, for mortgage and tax fraud, though he's expected to be released after eight months. Although originally reported to be sent to Riker's Island, Croman is currently at the downtown jail, *The Real Deal* confirmed, but it's not clear if he started his sentence there or was transferred. Croman's attorney, Ben Brafman, declined to comment on the matter. Bowery Boogie was the first publication to notice Croman was not a Rikers in October.

As part of a plea agreement in that case, the landlord agreed to a separate \$5 million tax settlement.

According to an analysis by *The Real Deal*, Croman [took in at least \\$63 million](#) from his portfolio of over 140 properties in 2014.

City and state lawmakers are pushing for [tougher laws](#) to regulate harassment that could have major implications on the city's roughly 1 million rent-stabilized apartments. The feeling among many in the tenant-advocate movement is that landlords have been able to get away with harassment for decades, and when they get busted, the consequences are of a slap-on-the-wrist variety. But some of the proposed laws, [landlords say](#), could persecute straight-shooting landlords and dissuade owners from upgrading their buildings.

Will Parker and Mark Maurer contributed reporting.

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What should really happen here is all the apartments that were rent stabilized that he illegally turned into free market rate apartments should all go back to rent stabilized apartments and at the rents they once were. Also the people that were forced out should have the option to go back in those same apartments. That's what really should happen here.

The state is working on trying to get back around 50k free market rate apartments back to rent stabilized apartments that were illegally turned into free market rent apartments.

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TomDUWS • 8 hours ago

I wonder what that nets out to for each harassed victim.

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Croman is in the tomb not in rikers.

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Croman is not in rikers he is in the tombs. According to inmate record.

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getoffmylawn • 16 hours ago

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