

NYC landlord accused of fraud, tenant-harassment

A New York City landlord is accused of fraud and harassing tenants.

By: **JENNIFER PELTZ, Associated Press** (<mailto:?body=http://www.fox5ny.com/news/local-news/139312043-story>) ...

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NEW YORK (AP) — One tenant said her landlord's representatives knocked on her door up to three times a week, trying to get her to take money to leave her rent-regulated apartment. Another said the same landlord besieged him with baseless lawsuits, costing him \$25,000 in legal fees. A third said an investigator blocked a doorway when she tried to shut him out, lurked by her parked car and peppered her with unwanted buyout suggestions while building renovations backed sewage up into her sink.


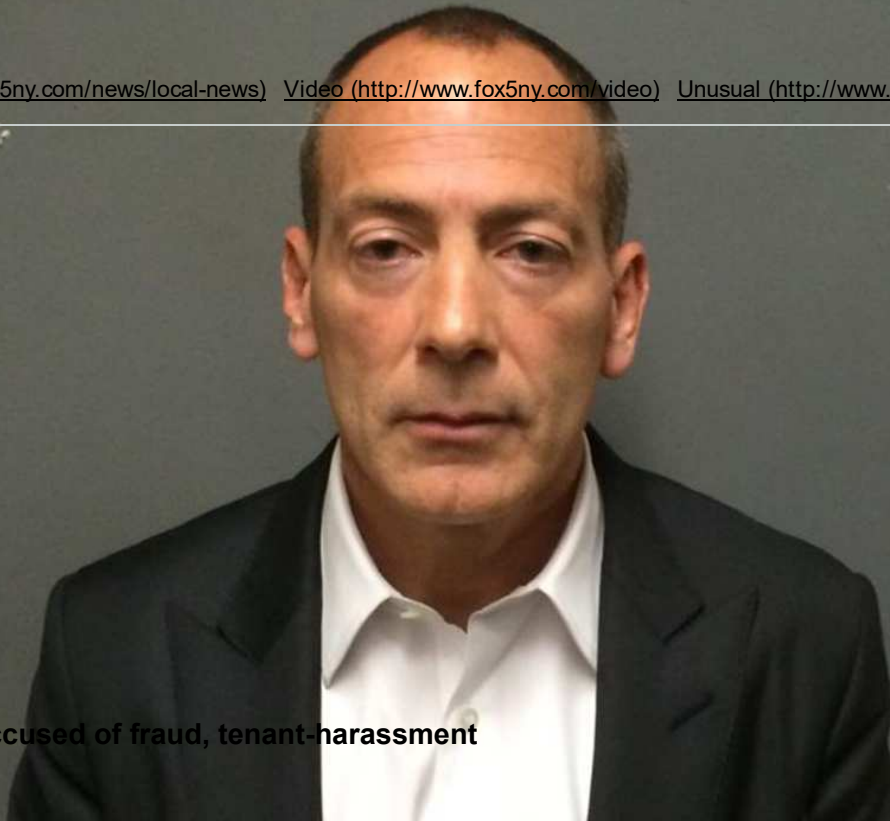
On Monday, state Attorney General Eric Schneiderman added sharply to a roster of complaints about major Manhattan landlord Steven Croman. Schneiderman, a Democrat, unveiled criminal mortgage fraud charges against Croman and a lawsuit accusing him and a private investigator of bullying tenants to leave so rents could rise.

"Croman and his business associates harass, coerce and deceive rent-regulated tenants to drive them out of their long-term homes," often clearing most rent-stabilized tenants out of a building within a few years, Schneiderman's office said in court papers. "The secret to Croman's success is simple: He violates the law."



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The filings describe a landlord who walks through his office chanting "buyouts, buyouts!" and an investigator who poses as a delivery worker and a repairman to get tenants to let him in, falsely accuses them of living in their homes illegally and doesn't hesitate to confront them at work or track down their relatives. The criminal case, meanwhile, accuses Croman of overstating rent revenue to snag \$45 million in loans.

Croman and mortgage broker Barry Swartz pleaded not guilty Monday to grand larceny and other charges. Croman's lawyer, Benjamin Brafman, called the mortgage fraud charges defensible and noted they were unrelated to any tenant harassment claims. Croman's company, 9300 Realty Inc., has said it wants "to keep our tenants as long as possible" in buildings it invests in upgrading.

Swartz's attorney, Laura Brevetti, declined to comment.


The case comes as landlords' tactics and tenant relocators have faced scrutiny in New York, where rising rents have made it increasingly profitable to persuade rent-regulated tenants to move out. Landlords often have been able to get vacant apartments deregulated, renovate them and charge triple the rent or more.

Some tenants welcome buyouts, and landlords and relocation specialists generally say they negotiate respectfully. But Croman, who owns about 140 buildings citywide, and his private investigator, ex-police officer Anthony Falconite, have been the subjects of complaints to city lawmakers, courts and community groups.

Tenant Melissa Hope said Falconite showed up at her apartment at least three times over about 18 months, asking for information about her and her neighbors and persistently broaching a buyout she'd refused. Last fall, her ceiling collapsed on top of her, she said.

"I am very relieved" at the lawsuit and charges, she said by email Monday.

Schneiderman's office had warned Falconite in 2014 that it believed he was harassing tenants and told him to stop. Falconite's lawyer, Edward Spiro, said Monday that Falconite "is professional in his actions and undertakes his role in compliance with the law."

 The law firm seeks unspecified and unspecified damages. The mortgage fraud charges carry the possibility of up to 25 years in prison. <http://www.fox5ny.com>