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Notorious Landlord Is Sentenced to a Year in Jail

By SARAH MASLIN NIR OCT. 3, 2017

A notorious New York City landlord who pleaded guilty last month to grand larceny and other felony charges, stemming from his involvement in elaborate tax and mortgage fraud schemes, began his own one-year residency on Tuesday on Rikers Island.

The surrender and formal sentencing of the landlord, Steven Croman, followed a yearlong investigation by the New York State attorney general, Eric T. Schneiderman, that revealed Mr. Croman falsified payroll records and padded out the value of his more than 140 buildings, ultimately securing over \$45 million in mortgage refinancing under false pretenses.

A regular on “worst landlord” lists, Mr. Croman, 51, also plunged rent-stabilized units into decrepitude in an effort to push out tenants, according to the investigation’s findings.

In announcing the sentence, the attorney general’s office noted that it is rare for landlords to serve jail time for these type of infractions, underscoring the scope and scale of the schemes orchestrated by a man the attorney general once called “the Bernie Madoff of landlords.”

“The measures Mr. Croman took to boost his own bottom line — while blatantly disregarding the well-being of his tenants — are shocking,” Mr. Schneiderman said

in a statement. “A booming real estate market is no excuse for criminal activity aimed at displacing New Yorkers already struggling with high rents.”

In June, Mr. Croman, who had faced up to 25 years in prison for a litany of charges brought against him in State Supreme Court in Manhattan, pleaded guilty to grand larceny, falsifying business records and criminal tax fraud.

None of the criminal charges were related to Mr. Croman’s treatment of tenants; a civil suit against Mr. Croman brought by the attorney general’s office on behalf of several tenants is ongoing.

As part of the plea agreement, Mr. Croman must also pay \$5 million in a tax settlement to the state, the announcement said. He has already paid \$3 million.