

SMILE/)

Prison Ends Slumlord's Smile

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By George Capsis

For months, since we did an article on her restaurant, Lima's Taste on Christopher and Bedford, I had been hearing about Nelly Godfrey's ten-year-long saga with what now appears to be the worst landlord in recent New York City history, Steven Croman.

Nelly was invited, along with three other Croman victims, to the offices of Attorney General Eric Schneiderman where they discovered a room filled with reporters and cameras and a podium framed by two placards, like restaurant menus, citing the charges against Croman. This was a big show.

Harvard Law School alumnus Schneiderman took the podium thanks to a gaggle of names that investigated the case for two years and a city agency that gathered complaints from tenants in the 140 Manhattan Croman tenements. (I attended an anti-Croman tenant session in Harlem and half of the meeting was in Spanish.)

As Schneiderman explained, dilapidated tenements with rent-controlled and rent-stabilized tenants sell relatively cheaply while prices for market-rate apartments explode. Croman's "business plan" was to buy cheap and then, via a variety of aggressive tactics, push the rent-stabilized tenants out.

Spearheading the roughhouse tactics was a bullet-headed ex-cop—Anthony Falconite—who would bang into an apartment with assertive demands and accusations, taking photos and finally demanding that the tenant sign a small buyout check. (Successful building managers who ousted a tenant got as much as a \$10,000 bonus.)

As Schneiderman indirectly explained, you cannot easily send a man to jail for encouraging his employees to be aggressive in ousting a tenant or for exposing tenants to lead dust during protracted illegal construction or for failing to make repairs or to comply with court orders. You can be fined for these but not jailed.

What they did discover is that Croman financed the buying of neglected tenements by getting mortgages on the ones he had and lying that the rents were market rate—perhaps three or four times the actual rent-stabilized rent. Schneiderman claims that, through this fraud, Croman illegally received \$45 million, and if you steal \$45 million you can go to jail. The Attorney General believes he can get 25 years in prison from an unsympathetic judge and after hearing of a few Falconite bust-ins, sympathy erodes.

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Nelly met Croman almost ten years ago when she rented a shabby neglected space in a Croman East Village tenement and turned it into a very happy and successful neighborhood hangout. Peter Davis, my East Villager friend and gardener, greeted her effusively and reminisced on what a great place it was. But Croman came to her and asked if she would take a space at the corner of Christopher and Bedford. He said he would give her a 10-year lease with a five-year renewal and would make sure that the restaurant Lima's Taste got a rave review from the Times and that people stood for an hour in a line around the block.



GREED MACHINE ENDS: Attorney General moves to sever number one slumlord Steve Croman from his one hundred forty tenement empire. Photo from NBC newscast by Maggie Berkvist.

As the lease renewal approached, Nelly received a notice from the Croman office that she needed to correct a landmark violation—A small window on Bedford Street had been bricked over. She hired an architect and filed with landmarks only to be told that the owner of the building, that is, Croman, had to sign and he would not sign and refused to issue a new lease because she had not corrected the landmark violation.

Nelly claims she has spent \$240,000 in legal fees, which is another Croman tactic—drain tenants with frivolous and protracted legal actions. He sneered at Nelly, “You can’t win, I have more money than you have.”

When we did this story months ago, I visited the restaurant only to discover three of the largest, fattest policemen I had ever encountered. They were freakishly enormous and two sat near the front window with one almost blocking the door. “What’s up?” I signaled with raised eyebrows. “An anonymous caller to the Health Department says we have sewage leaking into the food.” The 3 mastodon cops killed the business for that evening and left a violation. (Was it Croman’s ex-cop Anthony Falconite making that anonymous call?)

When we did the first story, we could not find a photo of Croman not smiling because all the photos were of his big

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Croman not smiling because all the photos were of his big parties and then bang, Jorge brings me a Post clipping "PARTY MONSTER-Crook landlord goes wild in Hamptons" and I discover that Croman is my neighbor in Bridgehampton in a house that costs him \$700,000 a season to rent. Nelly, who is an expert on Croman, stopped the car on 72nd Street just off 5th to look at three large brownstone mansions joined in what will be the largest such private mansion in New York, with two pools and eight floors. Croman bought it in 2002 for a modest \$5.5