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Landlord Steve Croman Surrenders on Criminal Charges (Updated)



Steve Croman after his surrender today. Photo: New York Daily News.

Landlord Steve Croman, who owns many Lower East Side buildings, was taken into custody this morning on criminal charges. Details from the [Daily News](#), which broke the story:

A wealthy Manhattan landlord surrendered Monday to face criminal crimes stemming from a long-running campaign to threaten and intimidate rent-stabilized tenants into fleeing to turn their apartments into high-rent units. Steve Croman, who owns 140 apartment buildings across Manhattan, has long been the target of an investigation by New York Attorney General Eric Schneiderman. On Monday, Croman was busted on unspecified criminal charges as Schneiderman was set to file a civil suit charging him with routinely using threats and frivolous lawsuits to force out rent-protected tenants.

The AG said Croman used Anthony Falconite, a former cop, to intimidate tenants. In e-mails, Croman called Falconite his "secret weapon." According to the civil suit, the controversial property owner routinely ignored court orders to stop illegal and dangerous construction. Local advocacy groups and elected officials have been railing against Croman's tactics for several years.

The attorney general is expected to discuss the criminal charges later today.

UPDATE 2:12 p.m. More on the criminal charges, via the [New York Times](#):

Croman, 49, turned himself in around 7 a.m. at the First Precinct in Lower Manhattan. He was charged with 20 felonies, including grand larceny, criminal tax fraud, falsifying business records and a scheme to defraud, relating to accusations he inflated his rental income to secure more than \$45 million in bank loans. He faces up to 25 years in prison. His mortgage broker, Barry Swartz, 53, was charged with 15 felonies. The New York State attorney general's office, which investigated Mr. Croman for almost two years, also sued Mr. Croman on Monday, seeking to force him to give up his real-estate business and pay millions of dollars in restitution to tenants and penalties.

Croman pleaded not guilty.

UPDATE 7:48 p.m. Local reaction is coming in regarding the Croman legal cases.

State Sen. Daniel Squadron: For years, I've worked with the community and my colleagues to address the deplorable harassment and intimidation Steve Croman's tenants have had to endure. Organizing together, we brought these concerns to Attorney General Schneiderman and others. The charges filed today are a step towards justice for these tenants, many of them rent regulated. It puts bad actors on notice: tenant harassment is unacceptable, and will not be tolerated. I thank Attorney General Schneiderman for investigating and following-through on these very serious instances of harassment. I also thank the Stop Croman Coalition, my colleagues, Good Old Lower East Side (GOLES), Cooper Square Committee, and the Urban Justice Center for their continued advocacy and organizing.

City Council member Corey Johnson: The prosecution of Steven Croman should send a clear message: New York will enforce its housing laws. The people of Greenwich Village, Hell's Kitchen and Chelsea who are tenants of Mr. Croman have suffered immensely, victims of the illegal tactics outlined in the Attorney General's lawsuit. Now Mr. Croman is suffering the consequences of his actions. I applaud Attorney General Eric Schneiderman for his resolute action on this case and it is my hope that justice will be served.

Asian Americans for Equality: Today's arrest of Steven Croman is a beacon of hope for all of those facing harassment from unscrupulous landlords across the city. This is a strong signal to property owners that business as usual is no longer the law of the land and forcing out tenants for the purposes of profit has serious consequences. In Chinatown and on the Lower East Side, AAFE sees and fights for more and more tenants everyday facing harassment and threats of

eviction by these bad actors who are emboldened by the lack of real consequences. I commend Attorney General Eric Schneiderman for not taking the complaints of tenants lightly and for standing firmly on the side of those who have felt powerless and out gunned for so long.

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