

# The 'Madoff of landlords' accused of swindling \$45million in fraudulent loans and driving residents out of rent-stabilized apartments in NYC is close to reaching plea deal, his attorney says

- Steven Croman has been charged with a \$45million mortgage fraud in NYC
- His attorney said that his client was close to reaching a plea agreement
- The 49-year-old bought 140 buildings in gentrifying areas of the city and allegedly inflated his rent income to get loans worth millions
- He is also accused of intimidating tenants to leave their rent-controlled apartments so he could convert them to expensive market-rate properties

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A wealthy New York landlord accused of running a \$45million fraud scheme that involved driving residents out of their rent-stabilized apartments is close to reaching a plea agreement, his attorney said.

Steven Croman, 49, appeared at the Manhattan Supreme Court on Tuesday with his lawyer Ben Brafman, who said he hoped to 'resolve this matter by the next court appearance.'

Both Croman and his employee Barry Swartz, 53, with whom he filed false paperwork to land millions in loans, face numerous counts of grand larceny, scheme to defraud, among other charges.

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Steven Croman, 49, appeared at the Manhattan Supreme Court on Tuesday (pictured) with his lawyer Ben Brafman, who said he was close to reaching a plea agreement in the \$45million fraud scheme case



A grand jury found Croman and his employee Swartz, had filed false paperwork inflating their rent income between 2012 to 2014 to land \$45 million in fraudulent loans. Pictured, Steven Croman and his wife Harriet



Croman (center, with mortgage broker Barry Swartz, left on May 9) was also slapped with a civil lawsuit accusing him of paying a police officer-turned-PI to intimidate tenants to leave their rent-controlled apartments



The 49-year-old, dubbed the Bernie Madoff of landlords, bought 140 buildings in Manhattan and converted them into expensive market-rate properties after allegedly driving out tenants

## in rent-controlled apartments

The attorney said: 'We are working diligently to try and resolve this matter on a global basis and hope to be able to do so by the next court appearance,' the **New York Post** reported.

A grand jury found Croman and his employee Swartz, had inflated their rent income between 2012 to 2014 to land \$45 million in fraudulent loans.

Croman was also slapped with a civil lawsuit, accused of paying a police officer-turned-PI Anthony Falconite to intimidate tenants into leaving their rent-controlled apartments.

The 49-year-old, dubbed the Bernie Madoff of landlords, bought 140 buildings in Manhattan's gentrifying areas in recent years.

He then converted the rent-stabilized apartments into expensive properties after driving working-class and low-income families out of their longtime homes, according to the office of State Attorney General Eric Schneiderman.

Under New York City law, a landlord can only raise the rent on a rent-controlled apartment if the tenants willfully leave and the property requires substantial renovations.

Residents in the once-gritty, now-gentrified Lower East Side and uptown's Spanish Harlem have been pressured to move out of their homes for small cash pay-offs, authorities claim.

New York AG announces charges against landlord Steve Croman



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**In May, his success streak came to a halt as he was arrested at dawn then sat handcuffed in court**

It was also revealed that while allegedly running the fraud scheme, Croman held massive parties in the Hamptons attracting celebrities including Scott Disick, the ex-partner of Kourtney Kardashian.

According to [Page Six](#), Croman and his wife Harriet turned their rental property in Bridgehampton into Studio 54 in 2013.

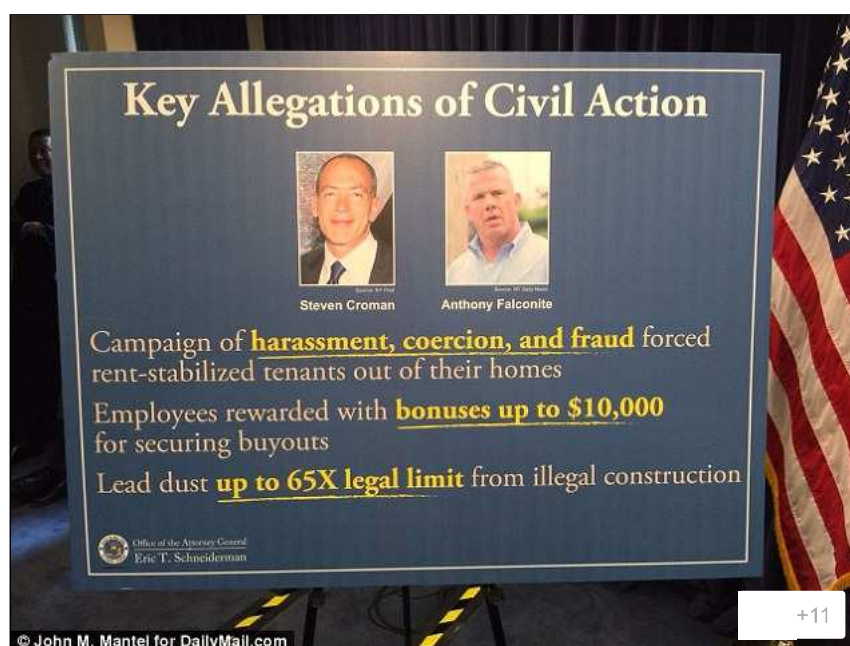
The disco band Chic performed at the party, which included fake lines of cocaine and pills for guests.

The year after, they recreated Hugh Hefner's Playboy mansion, and created a grotto swimming pool.

The couple also own their own \$5.5million house in upmarket Sagaponack and are said to be carrying out a raft of renovations, including a basement and rooftop swimming pool.



The charges: The attorney general displayed the charges against Croman as a warning in May



**'Paid a cop': Croman (left) was also slapped with a civil lawsuit, accused of paying a police officer-turned-PI Anthony Falconite (right) to intimidate tenants into leaving their rent-controlled apartments**

Croman was released from police custody in May after posting \$500,000 cash bail.

Swartz, who is charged with 15 felonies, posted \$250,000 bail.

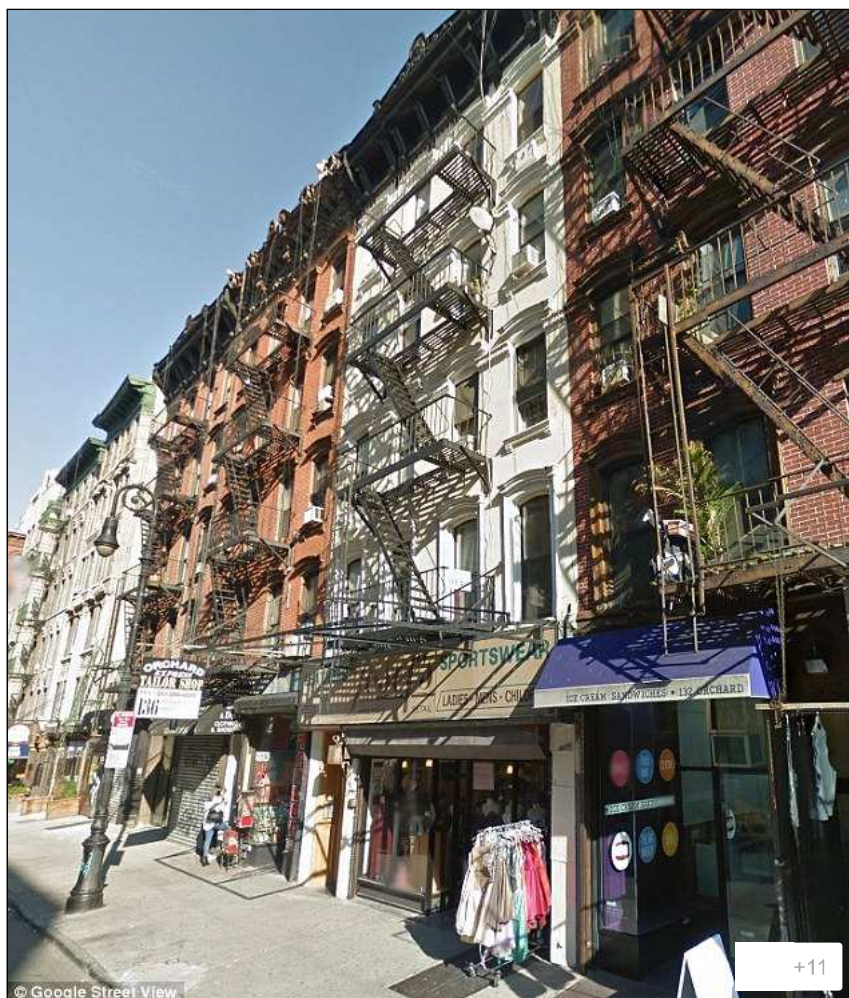
Attorney General Eric Schneiderman previously slammed Croman as 'unscrupulous' during a May court appearance.

'My message to unscrupulous landlords is simple: if you put your own profits over your tenants' legal protections, we will investigate you and prosecute you to the fullest extent of the law,' Schneiderman said in a statement.

'My office will not tolerate anyone who attempts to line their own pockets by gaming the system.

'No one is above the law — no matter how rich or powerful.'

Croman and Swartz have both pleaded not guilty.



**Residents in the once-gritty, now-gentrified Lower East Side have been pressured to move out of their homes for small cash pay-offs, authorities claim. Pictured: 134 Orchard Street, one of Croman's properties**



In March, Croman's son Jake (pictured) made headline news for verbally abusing an Uber driver and calling him a 'minimum wage f\*\*\*\*\*'

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There is even a website and a support group for the thousands of affected tenants, with a complete list of all Croman's properties.

In March, Croman's son made headline news for abusing an Uber driver.

Jake Croman, a member of the Tau Kappa Epsilon chapter at the University of Michigan, verbally abused an Uber driver.

He was recorded calling Artur Zawada, 50, a 'minimum wage f\*\*\*\*\*' and mocking him because he had to work during a confrontation near the campus in Ann Arbor on March 20.


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[Loneranger](#), london, United Kingdom, 1 month ago  
Serves him right ,soon his lowlife son will be working for uber

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49

1




Acorn1962, Cambridge, 1 month ago

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11

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MikeB, Basingstoke, United Kingdom, 1 month ago

Of course he's getting a plea deal? Mustn't jail Rich Guys? That's unamerican. USA! USA! USA!

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aussieauld, kenndoll, 1 month ago

Bet they do nothing to reimburse those tenants he drove out. Bet he avoids jail as well. This is why the rich are getting richer and the majority of the rest of us are finding it hard to make ends meet.

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58

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