

## H I V E

Uptown Funk

## THE UPPER EAST SIDE'S "BERNIE MADOFF OF LANDLORDS" HEADS BACK TO COURT

Steven Croman, who is charged with 20 felonies and a civil suit accusing him of chasing low-income families out of their homes, is due back in court Tuesday.

BY EMILY JANE FOX JUNE 20, 2016 9:45 AM



By Astrid Stawiarz/Getty Images.

Like most Upper East Side sob stories, **Steven Croman's** fall from grace began with his swift ascent up the social ladder, rung by rung, one Gatsby-esque party and gossip-column nod at a time. Over the last decade, he amassed an empire of 140 apartment buildings dotting the New York real-estate landscape from one end of Manhattan straight up to the other. He threw theme parties in Southampton modeled after Studio 54 and the Playboy Mansion, where billionaire moguls and reality-TV castoffs meandered around in bath robes and bell-bottoms, and hired **Ariana Grande** to sing at one of his kid's bar mitzvahs. He bought a 19,000-square-foot building on East 72nd Street and a mansion in Sagaponack.

He had climbed so high and reached such a level of micro-infamy uptown that his dramatic tumble from atop his precarious social perch to a downtown courtroom was, if not expected, at least not entirely shocking to those who have come to associate his last name with the worst excesses of post-crash Manhattan.

Croman, 49, was charged with 20 felonies at the beginning of May, including criminal tax fraud, falsifying business records, grand larceny, and a scheme to defraud based on allegations that he inflated the rental income he made in order to secure \$45 million in bank loans. On the same day, the New York state attorney general's office filed a civil lawsuit against him. His criminal charges could put him behind bars for up to 25 years. The civil

suit is seeking to strip him of his real-estate business entirely and force him to pay millions of dollars in fines and restitution to tenants. Croman pleaded not guilty to the criminal charges.

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The lawsuit claims that Croman's business model was predicated on squeezing out the rent-regulated tenants who occupied many of the buildings he bought across the city—harassing them, threatening them, turning their homes into living hells until they relented—and then turning their homes into renovated, market-rate cash cows. His employees took note, the lawsuit said. They had to. Croman would strut through his office singsonging, "buyouts, buyouts," referring to tenants as "targets," texting workers that pushing them out was a "team sport," and offering five-figure bonuses to anyone who succeeded in getting "working-class and low-income families out of their long-time homes," the lawsuit claims.

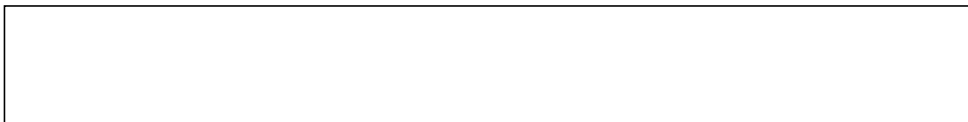
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If the buyouts weren't enough to dislodge these families, the suit claims, Croman would send an associate into their apartments, confronting and even stalking them to get them to vacate. Often times, hot water and electricity wouldn't be maintained. Lengthy, dangerous construction projects would begin. Anything to make the spaces unlivable.

"These are the most serious set of criminal charges brought against a bad landlord in anyone's living memory," New York attorney general **Eric Schneiderman** said in a statement. In a press conference, he referred to Croman as the "Bernie Madoff of landlords."

Croman hired **Ben Brafman**, the famed attorney who is also representing the so-called "pharma bro" **Martin Shkreli** in his securities-fraud case in court on the Eastern District of New York. Croman pleaded not guilty to the criminal charges and **Judge Jill Konviser** set his bond at \$1 million, and he was free to go.

Until this spring, Croman and his wife, **Harriet**, had been living an uptown fever dream. They are in the midst of converting **23 apartments into one mega-home** smack in the middle of the Upper East Side's gold coast. They hosted CNN boss **Jeff Zucker** and on-again/off-again Kardashian boyfriend **Scott Disick** at their **lavish affairs in the Hamptons**. They feted their son with a bar mitzvah under the whale at the Museum of Natural History, at which pop star Ariana Grande sang a tune for the crowd.



So when their older son, Jake, a student at the University of Michigan **landed himself in the news** when he was caught on camera taunting an Uber driver in March, Upper East Side tongues started to wag. In the recording, Jake can be heard calling the driver a "minimum wage faggot" and telling him, "You have to work all day? I'm going to go sit on my ass and watch some TV!" Talk had just barely started to die down when his father surrendered to police in early May.

Leading up to their day in court Tuesday, Brafman told the Hive that they are "working diligently in the hope of reaching a global agreement with the Attorney General that will resolve both the civil and criminal cases."