

THE REAL DEAL

NEW YORK CITY REAL ESTATE NEWS

“Who’s our next target? We have to start lining them up!!!” ex-Croman employee allegedly said

Landlord arrested Monday on charges of harassing rent-regulated tenants

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By [Kyna Doles](#)

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From left: Steve Croman, 353 East 45th Street and Attorney General Eric Schneiderman

Landlord Steven Croman pressured his property managers and building supers to secure buyouts of rent-regulated tenants, directed a former cop to spy on them and intimidated them to vacate, according to explosive new allegations put forward by the New York Attorney General on Monday.

“Croman even walks through the office chanting, ‘buyouts, buyouts!’” according to documents in AG Eric Schneiderman’s lawsuit against [Croman](#) and his management firm 9300 Realty. Croman [surrendered to authorities](#) Monday morning, who charged him with grand larceny and falsifying filings with the Department of Buildings.

Former New York police officer Anthony Falconite, who is also named in the civil suit, was hired as a private investigator by Croman, and provided the landlord with reports on rent-regulated units and tenants, according to the suit. In addition to his base salary, Falconite was allegedly paid a \$1,000 bonus for every successful buyout.

In one instance, Falconite wrote to a senior property manager at 9300 Realty that buyouts were a “team sport.” To which the manager, Christine Bermudez replied: “I know that!! Who’s our next target? We have to start lining them up!!! Bermudez left the firm in 2014.

Falconite allegedly conducted unannounced “building sweeps,” posing variously as a courier, repairman, and building inspector to gain access to units. Once Falconite got in, he “demanded that tenants produce identification, threatened to drill their locks or throw their belongings onto the street,” the suit states. He would also take photos of the apartments without tenants’ permission.

Schneiderman’s investigation found that Croman demanded his property managers, who each oversaw between 20 and 30 buildings, focus on buyouts — bonuses for successful ranged from \$3,000 to \$10,000 — and reprimanded employees who did not obtain enough.

Croman, who owns 140 apartment buildings throughout Manhattan, allegedly spent years growing his portfolio by harassing and coercing tenants out of their rent-regulated homes and selling the units at a “highly profitable” market-rate.

Schneiderman’s office began looking into Croman and [his affiliated companies](#) in 2014 after it received hundreds of complaints from residents. Tenants complained of illegal construction and improper billing by Croman and his employees, according to the suit filed in New York State Supreme Court.

Schneiderman accuses Falconite of using private NYPD information to threaten and intimidate tenants. His office sent Falconite a cease-and-desist letter in July 2014, but claims Croman did nothing to rein him in.

Croman’s company is also accused of charging illegal fees to tenants it brought to housing court in an attempt to pressure them to vacate, and of submitting falsified documents to the DOB certifying that its buildings were unoccupied.

Schneiderman is seeking to appoint a receiver for each of Croman’s companies and for his brokerage license to be revoked. The office is requesting Croman surrender all of his profits from the illegal schemes and to pay restitution to tenants.

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