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## A.G. Underwood Announces First Round of Payments to Croman Tenants Following Unprecedented Consent Decree

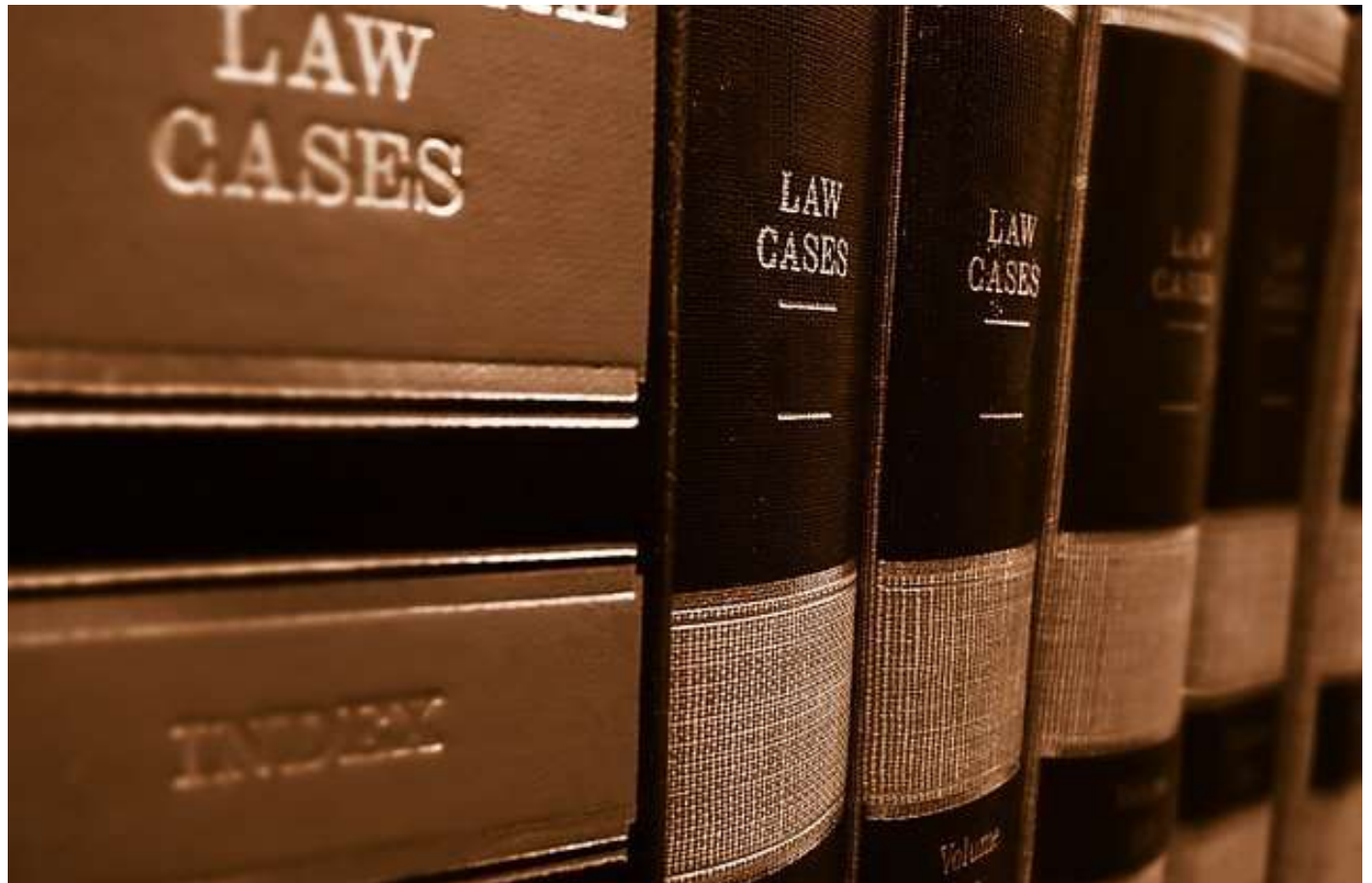
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BY LONG ISLAND NEWS & PR ([/PROFILE/NEWS/](/profile/news/)) PUBLISHED: DECEMBER 13 2018

As the Result of Settlement Secured by AG, Tenants Will Receive a Total of \$8 Million in Restitution from Croman – Largest-Ever Monetary Settlement with an Individual Landlord.

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**New York, NY - December 13, 2018** - Today, New York Attorney General Barbara D. Underwood announced that the first checks are being mailed to eligible current or former tenants of buildings owned by Steven Croman who last month submitted claims to the Croman Tenant Restitution Fund. The restitution fund is part of a historic settlement that arose out of an investigation and lawsuit filed by the Attorney General against Croman, a major New York City landlord, for engaging in illegal conduct, including harassment, coercion, and fraud, to force rent-regulated tenants out of their apartments and convert their apartments into highly profitable market-rate units.

“Croman tried to line his own pockets at the expense of his tenants’ wellbeing. We have zero tolerance for predatory landlords – and now, Croman tenants will finally get the restitution and protections they deserve as a result of this unprecedented settlement,” said Attorney General Underwood. “I’m pleased that this first round of checks will be going out before the holidays, and that tenants can expect at least three more rounds of restitution.”

The consent decree requires Croman to pay \$8 million into a Tenant Restitution Fund – the largest-ever monetary settlement with an individual landlord. The \$8 million will be divided equally among eligible claimants and distributed to tenants in installments over a 38 to 42-month period. This first round of restitution payments follows Croman’s initial \$2 million payment to the fund.

To be eligible for restitution, tenants had to have lived in a rent-stabilized or rent-controlled apartment owned by Croman between July 1, 2011 and December 20, 2017, not including tenants who received a buyout of more than \$20,000 (not including any amount that purported to cover rent or arrears).

Following last year’s historic consent decree, in August 2018, the claims administrator hired by the Attorney General mailed claim notices and application forms to current and former rent-stabilized and rent-controlled tenants in Croman’s buildings. Nearly 800 households filed applications for restitution funds. Eligible households will begin receiving checks for \$2,425 each, as early as next week, in this first installment from the Croman Tenant Restitution Fund.

Pursuant to the Consent Decree, Croman will make three additional installment payments to the Croman Tenant Restitution Fund. After receiving each installment, the Attorney General, through its claims administrator, will again send payments to all eligible households. The exact amount of future payments may change based on the number of eligible claimants.

In addition to the \$8 million Tenant Restitution Fund, the settlement also requires over 100 Croman residential properties to be run by a new, independent management company with no ties to Croman, for five years. Earlier this year, the New York Attorney General approved New York City Management as the independent management company; the management company took over operations of the buildings on July 1, 2018. The groundbreaking settlement also requires an independent monitor to oversee compliance with the terms of the Consent Decree and provide regular reporting to the Attorney General for seven years.

In October 2017, Croman was sentenced to a year in jail and paid a \$5 million tax settlement following separate criminal charges brought by the New York Attorney General’s office for fraudulent refinancing of loans and tax fraud.

“Steven Croman built a criminal enterprise on exploiting tenants in my district and across Manhattan. This settlement demonstrates that no criminal landlord is above the law, and gives those who suffered at the hands of Croman the protection and compensation they deserve. I’m thankful to the Attorney General’s office for pursuing action against Steven Croman, and working to enforce the rules and regulations that are designed to keep New Yorkers safely in their homes,” said State Senator Brad Hoylman.

“Steve Croman acted as though he was above the law, but the efforts of the Office of the Attorney General ensured he was held accountable to some of his crimes. The reality is that our community members were exploited by the very people who were supposed to provide them with safety and shelter. We need to continue to review our tenant protection laws and strengthen them so injustices like the treatment of Croman tenants never happen again. I strongly encourage all eligible tenants to come forward and submit a claim so they can receive the restitution they deserve,” said State Assemblymember Yuh-Line Niou.

