

Paydirt: Go directly to jail. Do not pass Go.

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Steve Croman and Spencer Rascoff

Go directly to jail. Do not pass Go. Do not collect \$200.

It's one of the most famous cards in Monopoly. But in New York real estate, it's almost never drawn. Most days, in fact, it seems like landlords carry a "Get out of jail free" card: No matter how egregious their offenses against tenants, bad actors get away almost every time – without serving time.

Consider Joel and Aaron Israel. The brothers were indicted in 2015 on charges of unlawful eviction and tenant harassment, including hiring people to intimidate rent-stabilized tenants with pit bulls and sledgehammers. In November, they reached a plea deal that will see them pay about \$350,000 to tenants and



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But throw in mortgage fraud and the stakes change. You're no longer messing with no-name tenants, but with banks, and the law takes that much more seriously.

Steve Croman, who according to charges leveled by the New York AG's office took the craft of tenant harassment and applied it on a near-industrial scale, is nearing a plea deal that would see him serve eight months of jail time, the New York Post reports. The landlord, who owns more than 140 buildings and about 2,500 units in Manhattan, allegedly secured \$45 million in loans by inflating rental income in mortgage documents. If convicted on all charges, Croman faces up to 25 years in prison, and the AG is seeking to appoint a receiver for each of Croman's companies and for his brokerage license to be revoked.

He was also accused in a civil suit brought by the AG of being the ringmaster of an operation that harassed and tricked tenants into giving up their rent-stabilized pads.

The plea deal, according to the Post, would also see Croman pay a fine of up to \$10 million. "Croman is said to be thrilled he will get off so lightly," the newspaper reported. Ten million is real money, but consider that, according to a recent analysis by The Real Deal, Croman took in at least \$63 million from his properties in 2014. The man's holdings may mostly be unglamorous, but he lives the lifestyle of the flashiest of developers, complete with Playboy Mansion-themed parties in the Hamptons. He's next due in court May 23.

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