

Shalom Tenants Alliance celebrates 4th anniversary

HOUSING & REAL ESTATE FOURTH IN A SERIES

BY ED HAMILTON

"When I tell my European friends about the housing situation in New York, they can't believe it," said Susi Schropp of the Shalom Tenants Alliance at a recent group gathering. "You're kidding!" they say. "That sort of thing can't be happening in America!" But I tell them, "Hey, it's like the Wild West here. There's these wealthy, powerful landlords who flout the law to do basically whatever they please. Tenants are at such a disadvantage that most just give up and move."

It was partly as a way to address this imbalance of power that the Shalom Tenants Alliance (STA) came together back in 2003. A loose association of tenants and tenant groups comprising more than 400 members in 125 Shalom family-owned buildings across Manhattan (including three in Chelsea, 14 in Hell's Kitchen and 15 in Greenwich Village), STA started small, with 30 members in 29 buildings owned by the Shaloms, whose sprawling real estate empire has been the target of numerous lawsuits for code violations and harassment over the years. In an era when tenants' associations often form and dissolve in a matter of months, STA is notable not only for its size and reach but for its longevity, marking its four-year



Chelsea Now photo by Jefferson Stegel

Shalom Tenants Alliance members (left to right) Cassie Carter, Susi Schropp, William Fowler, Jackie Harris, Peter Griffin and Cora Sowa at a group meeting recently

a sprawling mansion in Great Neck, Long Island, where he's active in local politics and community affairs. The Shalom real estate empire is parceled out among various family members who run their own companies, such as Fred's son David Ohebshalom (Big Apple Management, Perceptive Management), and Fred's nephews Jon and Ben Shalom (Sky

be a drawback in certain respects, it serves to protect STA members from possible retaliation, such as SLAPP suits (Strategic Lawsuits Against Public Participation, or frivolous lawsuits designed to consume time and money), which several members believe to be a very real possibility, although when he spoke to Chelsea Now, Fred Shalom denied ever having used

Krueger and attended by representatives from the Mayor's Office, the City Council, the State Assembly, the State Senate and the Manhattan DA's office, allowed the 175 tenants in attendance to ask questions of representatives from the Department of Buildings, HPD, the fire department and various other agencies involved in housing issues. When asked if the forums had

but for its longevity, marking its four-year anniversary just last month.

"It's very important for organizations like the Shalom Tenants Alliance to exist," said New York State Senator Tom Duane, whose district includes Chelsea, Greenwich Village and Hell's Kitchen. "They help bring tenants into contact with city agencies that can help them, and in turn they serve to focus these agencies attention on the Shaloms and landlords like them who exhibit patterns of harassment across a number of buildings."

STA began with the appearance of a mysterious Website (www.shalomslumlords.org) on July 27, 2003. Presumably the work of an anonymous Shalom tenant or former tenant, the site detailed the condition of each known Shalom building, and included links to relevant documents from government agencies such as the city's Department of Housing Preservation and Development (HPD) and the state's Division of Housing and Community Renewal (DHCR), and to relevant court cases, articles and building report forms. (The site has now been replaced by www.shalomtenants.org.)

STA's goals have remained consistent: to provide information, teamwork, moral support and resources—including referrals to relevant tenant advocacy groups—to the often isolated individuals who find themselves suddenly overwhelmed by a seemingly inexplicable onslaught of Shalom tactics. Over the years, this guiding philosophy has crystallized into a more specific mission, outlined on STA's Website: "To persuade the DHCR to recognize a pattern of harassment—defined as a course of action by a landlord designed to force a tenant out of his or her apartment—in Shalom buildings across the city."

The Shalom family is headed by Faramarz Ohebshalom, a.k.a. Fred Shalom, a Persian Jewish rug merchant who lives in

nephews Jon and Ben Shalom (Sky Management). Fred himself controls two real estate companies: Empire Management and Acquisition America. There is also a California branch of the family consisting of Daniel Shalom (Keystone Properties) and Henry Ohebshalom, a.k.a. Darren Stern (Landmark Equity Management) that often plays a part in managing New York properties.

"The Shaloms are a big enterprise that is very skilled at harassment techniques," Duane said. "They break building codes and habitability regulations, using tricks like destroying intercom systems, breaking door locks, tearing down walls illegally, giving people inappropriate leases and serving inappropriate eviction notices. They count on tenants not being able to organize, and to this end they try to fill their buildings with students and people from out of town who don't know the law."

In a phone interview with Chelsea Now this week, Patriarch Fred Shalom specifically denied filling his buildings with students, saying that an outside broker showed the apartments. Speaking on behalf of Empire Management, he invited any doubters to tour his buildings and see for themselves, while stressing that his company was not connected with anyone from Ben and Jon's branch of the family. When asked for a statement for this article, Alan Vinegrad, attorney for Ben and Jon Shalom, said, "Sky Management provides good and affordable housing to its tenants and does not harass or threaten its tenants in any way."

To the Shalom family's chagrin, STA is not only well-organized but is purposely decentralized, with a randomly rotating leadership structure where individuals may become more or less active and step into leadership roles for particular actions. The reason for the leadership void is practical: While the lack of an identifiable head can

Fred Shalom denied ever having used SLAAP lawsuits as a tactic.

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STA meets every month, keeping members informed of planned actions through the Website and e-mail. The group also passes out fliers at the more than 125 Shalom buildings (constituting almost 4,000 apartments) from which they draw their membership.

"How do we pull it off?" asks an STA member who wishes to remain anonymous. "I don't know. Sheer force of will, I suppose. We have a core group of very active members and lots of support from our communities. Met Council, WBAI's 'Tenant Notebook' radio show, Cooper's Square Committee's newsletter and our political allies help tremendously by announcing our meetings, news and other activities."

STA also owes its growth in part to Duane's boosterism. In June 2005, the state senator held a forum in conjunction with STA, which allowed the association to spread the word about the Shaloms and increase its membership to 128. The following February, Duane hosted another forum, which increased STA's membership to 283. The second forum, moderated by Duane and State Senator Liz

ing issues. When asked if the forums had an effect, Duane said, "They brought all the agencies together to help coordinate enforcement. Tenants could feel empowered because they actually had a chance to work with officials."

The forums had an even more tangible benefit for Cassie Carter, a tenant in a Shalom building at 188 E. 93rd St. since 1999. Carter said that, after Sky Management illegally demolished a firewall in her building, "We called the Fire Department, HPD and DOB, and nobody at any of these agencies seemed familiar with Old Law buildings, and so they wouldn't do anything. But when we talked to Tom Duane at the second forum, he said, 'That can't be.' After that, Vito Mustaciolo [Associate HPD Commissioner of Code Enforcement] came personally to my building and required the landlord to close the opening in the firewall," she said.

Collectively, STA has fought several important battles over the years and achieved many noteworthy victories. Its members have also written and published articles, and have staged protests in front of Fred Shalom's mansion in Great Neck, and in front of Macy's, ABC Carpets and other locations where Shalom carpets are sold.

In 2005, STA united with Local 32BJ to oppose the Shalom practices of firing union workers and removing rent-stabilized tenants in several buildings in Morningside Heights, resulting in hearings on March 4, 2005, between the union and the Shalom companies. The negative attention caused an increasingly harsh light to be shined on Shalom business practices. October 2005 brought a criminal investigation (still ongoing) into Jon and Ben Shalom's Sky Management. The company's Midtown

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offices on East 54th Street were raided by the NYPD, with officers carting out dozens of boxes of papers. According to media reports at the time, in three of Sky Management's buildings, there were more than 100 open HPD violations.

In March 2006, tenants from 12 New York City Shalom buildings, including one in Greenwich Village and two in the East Village, brought a large number of harassment complaints to the DHCR as a collective, asking the agency to evaluate them as part of a pattern of harassment by the Shaloms. Though the case is still ongoing, on June 29 of this year, DHCR directed Daniel Shalom of Keystone Properties to reach a settlement with three of the buildings involved. Among the terms of the settlement were that Keystone repair the roof of 338 E. 61st St., and keep vacant apartments at that building, 190 E. Third St. and 331 E. 14th St. locked up. Keystone was also fined \$15,000 and required to admit harassment of the tenants of these buildings, and is barred from collecting rent increases at any of them

until the harassment finding is lifted.

Attorney John Gorman, who consulted with STA on the group action, said the fine levied was unusually steep, adding that the case was significant in that it seemed to herald a new direction for the DHCR. "The do-nothing Pataki crowd is out, and there's a new set of policy makers at the DHCR. Elliot Spitzer has appointed a new commissioner of the DHCR, Deborah VanAmerongen, and a new general council, Gary Connor, and we are already seeing results," he said. "One or two people at the top can really revamp policy, and the rest of the staff falls into place."

Duane also likes what he's seeing in Albany and at the same time is calling for stronger laws and more pronounced penalties for landlords who flout regulations. When asked for the optimal outcome of his work with STA, Duane put it bluntly: "To drive the Shalom family out of New York City. My office was able to drive out Sigmund and Iveli, notorious landlords who were preying on people with HIV and AIDS, so I know that, together with the Shalom Tenants Alliance, we are up to the challenge."