

Aug 27, 2021

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OFFICE OF THE
ATTORNEY GENERAL
STATE OF FLORIDA

Florida Attorney General's Office News Release

City Manager Arrested for Role Extorting More Than \$3 Million



TALLAHASSEE, Fla.—Attorney General Ashley Moody’s Office of Statewide Prosecution, following a Florida Department of Law Enforcement investigation, today charged Tamarac City Manager Michael Cernech with conspiracy to commit racketeering for his role in attempting to extort \$3.4 million from 13th Floor Investments d/b/a SPL Holdings. Cernech is an alleged co-conspirator to father-and-son duo Bruce and Shawn Chait in the extortion scheme.

Attorney General Ashley Moody said, “The defendant conspired with convicted felons, using his position of authority to relay false information to the highest levels of city government to further this multimillion-dollar extortion scheme—disgraceful. My Statewide Prosecutors, working with FDLE investigators, have exposed the corruption and now the defendant and his co-conspirators will have to answer for their crimes.”

FDLE Commissioner Rick Swearingen said, “The victim in this case was constantly harassed and his business and livelihood threatened by the Chaits and their accomplice Michael Cernech. Their actions were both frightening and appalling. I appreciate the dedication of our FDLE agents in Miami and the Office of Statewide Prosecution in unraveling this brazen fraud.”

Agents say Bruce and Shawn Chait, along with co-conspirators John Colonel, Harris Shapiro and others—including City Manager Michael Cernech—harassed, extorted and threatened the victim over property acquired after the Chaits defaulted on a loan more than a decade ago. The victim’s business has since developed the land for residential housing.

Cernech's role in the conspiracy includes assisting the Chaits in pressuring the victim into paying \$3.4 million by leaking false information to both the Tamarac Mayor and attorneys representing 13th Floor Investments. Text messages between Cernech and the Chaits confirm Cernech's role in the conspiracy. After Cernech put further pressure on the victim, the Chaits complimented him for his actions by referring to Cernech as a total game changer, amazing and a magician.

The investigation verifies Cernech's awareness that the Chaits and co-conspirators continuously threatened, and falsely claimed, the presence of dangerous levels of soil contamination on the property. The Chaits and co-conspirators did this by filing lawsuits using straw plaintiffs as puppets for the sole purpose of getting the victim to pay. The Chaits used this false claim as leverage knowing that the victim would not want to have his reputation tarnished—even through false accusations and bogus threats of lawsuits.

Prior to Cernech's involvement, the Chaits sent multiple anonymous letters to county officials, including to Broward County Environmental Protection employees with similar fraudulent claims about the property. In recordings, the Chaits admitted to orchestrating the lawsuits and using the soil contamination claims solely for the purpose of getting the victim to pay. The Chaits demanded more than \$3 million from the victim to make the lawsuits and harassment go away. Cernech's position with the City of Tamarac and willingness to participate in the scheme proved a valuable asset to the Chaits.

Cernech's bond is set at \$200,000 in addition to a level two pre-trial release.