

Florida Company Ordered to Pay \$1,863,264 in Restitution

All County Water Association, Inc. (ACWA), and company president James Basi were ordered to pay \$1,863,264 in restitution to more than 500 victims of their fraudulent scheme to sell unnecessary water treatment systems to south Florida residents. ACWA and Basi had falsely claimed that local water supplies were injurious to the residents' health. The restitution was ordered by the U.S. District Court for the Southern District of Florida.

The defendants were sentenced for their respective roles in the fraud on December 14, 2007. ACWA, of Hollywood, Florida, was convicted of conspiracy to commit mail and wire fraud and sentenced to 60 months of probation, a \$500,000 fine, and a \$400 special assessment. Basi was convicted of conspiracy to commit mail and wire fraud, mail fraud, wire fraud, and misuse of a government seal. He was sentenced to 41 months in Federal prison, followed by 36 months of supervised release, and ordered to pay a \$25,000 fine and a \$400 special assessment. Lou Banos, a salesman for the company, was convicted of misuse of a government seal and was sentenced to 60 months of probation and ordered to pay a \$100 special assessment.

From approximately May 2002 until July 2007, ACWA, Basi, and Banos falsely advised residents of southern Florida that the quality of their drinking water was impaired, injurious to their health, and potentially life threatening. They then sold, facilitated, financed, installed, and maintained unnecessary water treatment systems for these south Florida residents. The defendants falsely claimed that these systems were capable of removing contaminants, carcinogens, and toxins, including *E. coli* and anthrax, thereby making their municipally-supplied water safe to drink. ACWA used the EPA seal on some of its marketing materials and represented to the residents that their system was "EPA Approved" when it was not. Approximately 2,000 people were victims of this scheme.

This case is being conducted with the U.S. Postal Inspection Service. (Case Cost: \$744,592)