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**GRAND JURY INDICTS FORMER CORPORATE EXECUTIVE  
ON FRAUD AND TAX CHARGES**

Colm F. Connolly, United States Attorney for the District of Delaware, Francis L. Turner, Special Agent in Charge, Internal Revenue Service, Criminal Investigation, Baltimore Field Office, and Frank E. Goetz, Special Agent-In-Charge, Federal Bureau of Investigation, announced today that Adam J. Levinson, age 43, of Wilmington, Delaware was indicted on Tuesday, June 6, 2006, by a federal grand jury in Wilmington, Delaware on one count of wire fraud and three counts of filing a false tax return. Levinson was formerly the manager and 20% owner of CoolerSmart, LLC, a company in the business of selling point-of-use water coolers. CoolerSmart is headquartered in New Castle, Delaware.

During the time period alleged in the Indictment, CoolerSmart's primary owner was WaterWorld Ventures, Inc., a wholly-owned subsidiary of Elkay Manufacturing Company ("Elkay"), a privately held corporation with its principal place of business in Oak Brook, Illinois. Since mid-2003, CoolerSmart has been a wholly-owned subsidiary of Ionics, Inc.

The Indictment alleges that Levinson committed wire fraud when he provided Elkay's executives and board of directors with falsified financial and operational reports to make it appear that CoolerSmart was performing better than it actually was. In reliance on these reports, Elkay

invested over \$6,000,000 in CoolerSmart. The Indictment also alleges that Levinson used CoolerSmart funds for his own personal benefit as opposed to legitimate business purposes and that CoolerSmart's computerized customer database was altered to include fictitious customers in an effort to conceal Levinson's fraudulent scheme.

According to the Indictment, Levinson also filed false personal income tax returns which substantially understated his wages and/or income in the tax years 2000, 2001, and 2002.

The maximum penalty for the wire fraud count is five years imprisonment and a \$250,000 fine. The maximum penalty for each of the tax charges is three years imprisonment, and a \$250,000 fine. The defendant could also be ordered to pay restitution to his victims. No court date has been set for the defendant's initial appearance.

U.S. Attorney Colm F. Connolly said of the case: "Corporate executives who lie about the profitability of their companies to fool investors are thieves, pure and simple. For our economy to prosper, investors – whether financial institutions, companies, or individual shareholders – need to be able to trust and rely on the accuracy of financial reports in making informed investment decisions. When a corporate official takes advantage of investors' trust in him and his company and deliberately falsifies financial records, he should expect to pay significant legal consequences."

"The majority of taxpayers file timely, accurate tax returns. Part of our mission is to assure those honest taxpayers that everyone pays their fair share," said Francis L. Turner, Special Agent in Charge, IRS-Criminal Investigation, Baltimore Field Office.

This case was investigated by special agents of the Federal Bureau of Investigation and the Internal Revenue Service, Criminal Investigation.

Members of the public are reminded that an indictment is merely an accusation, and the defendant is presumed innocent until and unless proven guilty.

Assistant United States Attorney Shannon T. Hanson is prosecuting the case.

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