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### **RINGLEADER SENTENCED TO NINE YEARS IN FEDERAL PRISON FOR ALLERGY TESTING HEALTH CARE FRAUD SCHEME THAT BILKED INSURANCE COMPANIES AND DECEIVED THOUSANDS OF PATIENTS**

CHICAGO – A registered nurse who directed an allergy testing health care fraud scheme, was sentenced to nine years in prison and ordered to pay \$2.6 million in restitution, federal law enforcement officials announced today. **John Froelich**, 52, formerly of Harwood Heights, was the ringleader among nine defendants who pleaded guilty to federal charges for submitting fraudulent bills totaling \$11.5 million to more than 200 insurance companies, which paid approximately \$2.6 million in false claims. Through a group of businesses operating in the Chicago area, northwest Indiana and Phoenix, Arizona, principally under the name of American Institute of Allergy (AIA), Froelich and his co-defendants advertised free blood tests, and drew blood from some 4,000 patients. AIA administered allergy shots to some 800 of those individuals, without proper medical evaluation or supervision, and the shots were prepared in unsanitary conditions by individuals who were not licensed or qualified to prepare them.

Froelich, who is in custody, was sentenced Friday by U.S. District Judge Virginia Kendall in Federal Court in Chicago, announced Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois.

No patients suffered direct serious injury as a result of the scheme but were exposed to a risk of serious bodily injury, prosecutors argued and Judge Kendall ruled in imposing the sentence.

Froelich pleaded guilty to wire fraud in October 2008 and testified at the trial last fall of Dr. Hartley Thomas, of Valparaiso, Ind., who was the only defendant who went to trial among the 10 individuals, including four physicians, who were charged in a 34-count indictment in February 2007. Thomas was convicted but died before sentence was imposed.

Doing business as AIA or a related entity, between 2000 and 2007, Froelich and others he directed solicited individuals to sign up for its purported allergy testing services at numerous locations in Illinois, Indiana, and Arizona, including at county fairs private gyms, firehouses, and other public and private locations. AIA's main office was located on Lawrence Avenue in Chicago.

Froelich was licensed as a nurse in Illinois but also held himself out as a nurse in Indiana and Arizona, where he was not licensed. He deceived patients by wearing an employee identification badge that he had retained after he stopped working as a nurse at a large Chicago hospital.

Among the nine defendants who pleaded guilty to participating in the fraud scheme were three other physicians who ordered prescription allergy tests without first examining patients and diagnosing their need for tests or shots. The fraudulent insurance claims were submitted under the physicians' names, even though they did not provide or supervise the service being billed.

The case was investigated by the U.S. Food and Drug Administration, Office of Criminal Investigations and Office of Inspector General; the U.S. Department of Labor Office of Inspector General in Chicago; and the U.S. Postal Inspection Service in Chicago.

The government is being represented by Assistant U.S. Attorney Jacqueline Stern.

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