

## **Alberta ousted health services CEO amid probe into medical contracts, document alleges**

*Carrie Tait | Calgary | Published February 5, 2025 Updated February 6, 2025*



**Athana Mentzelopoulos**

Premier Danielle Smith's government dismissed the head of Alberta Health Services two days before she was scheduled to meet with the province's Auditor-General to discuss her investigation into procurement contracts and deals for private surgical facilities, according to a letter obtained by The Globe and Mail.

The letter also alleges that the Premier's then-chief of staff interfered in AHS contract negotiations.

Alberta terminated Athana Mentzelopoulos as AHS's chief executive on Jan. 8, replacing her with Andre Tremblay, the deputy minister of health. Ms. Mentzelopoulos, in a lengthy letter from her lawyer to AHS's

interim general counsel on Jan. 20, alleges that she was fired because she launched “an internal investigation and forensic audit” into AHS’s contracts and procurement processes.

AHS’s operations came under scrutiny after The Globe reported that members of Alberta’s government received gifts from a company that imported generic [pain medication from Turkey](#) for the health authority.

The Office of the Auditor-General, in a statement to The Globe, confirmed it is aware of allegations of questionable procurement practices but declined to comment further.

The AHS board, after Ms. Mentzelopoulos provided an update on her investigation in December, recommended that she take her findings to the RCMP, the letter alleges. The government dismissed the board Jan. 31.



*An Alberta Health Services ambulance is shown in Edmonton on Feb. 28, 2014. JASON FRANSON/The Canadian Press*

Ms. Mentzelopoulos investigated AHS’s relationship and contracts with MHCare, the company that facilitated Alberta’s \$75-million deal to import generic children’s pain medication from Turkey in 2022, and its owner Sam Mraiche. She also dug into AHS’s chartered surgical facilities (CSFs) and their contracts.

In her letter, she alleges that she faced pressure to sign new deals for chartered surgical facilities, including an extension for a provider known as Alberta Surgical Group (ASG). CSFs are private outfits that perform operations paid for by the government as part of the public [health care](#) system.

“Throughout 2024, Mentzelopoulos had been repeatedly subject to interference and pressure from various Government of Alberta officials – including the Premier’s then-Chief of Staff, Marshall Smith – to sign off on commitments for the new CSFs, and approve a contract extension for ASG, despite significant concerns within

AHS around the true ownership and potential costs of the CSFs, and concerns over the significantly increased costs of a proposed new ASG contract,” the Jan. 20 letter alleges.

Ms. Mentzelopoulos’s letter said that she prepared a 44-page briefing note outlining her interactions with government and is prepared to sue for wrongful dismissal. She is demanding [Alberta](#) pay her roughly \$1.7-million, which is what she would have made had she been permitted to serve out the rest of her contract.

Ms. Mentzelopoulos alleges that senior government officials, including Health Minister Adriana LaGrange, were aware of problems she uncovered at AHS. According to the letter, the health department on Dec. 23 instructed Ms. Mentzelopoulos to wind up her investigation and turn over the files to the government.

A spokeswoman for Ms. LaGrange directed a request for comment to AHS. The Premier’s Office did not acknowledge a request for comment. Mr. Smith, who left the Premier’s Office in early October, did not acknowledge requests for comment.

AHS spokeswoman Holly Budd provided a statement attributed to Mr. Tremblay and Andrea Beckwith-Ferraton, the health authority’s lawyer.

“Alberta Health Services does not comment on internal human resource matters,” it said.

Ms. Mentzelopoulos was not available for comment and the law firm that sent her letter to AHS did not acknowledge messages seeking comment.

Alberta named Ms. Mentzelopoulos AHS chief executive in December, 2023, as part of Ms. Smith’s continuing plan to shake up the organization and trim costs. Ms. Mentzelopoulos previously served as the executive director of the Alberta Medical Association, and as Alberta’s deputy minister of finance.

The former AHS CEO said Mr. Tremblay, who was also an AHS board member prior to the government dismissing all directors, fired her over Zoom.

“He did so because Mentzelopoulos had authorized an internal investigation and forensic audit into various AHS contracts and AHS procurement processes, including contracts with private health care providers and suppliers,” Ms. Mentzelopoulos’s letter alleges, “and had supported a proper due diligence assessment and costings for contracts with several private surgical facilities whose principals were connected to various Government officials,”

Cheryl Schneider, a spokeswoman for the Office of the Auditor-General, said the watchdog is aware of Ms. Mentzelopoulos’s concerns.

“We are aware of allegations relating to procurement. At this time, we are not making any further public comment,” Ms. Schneider said in a statement.

Ms. Mentzelopoulos updated the AHS board on her investigation and audit on Dec. 19, according to her letter. The board then recommended expanding the investigation and audit and that Ms. Mentzelopoulos consider taking the information she uncovered to the RCMP, according to the letter.

The Globe in July reported that Mr. Mraiche, the owner of MHCare, provided [luxury tickets to NHL games to multiple cabinet ministers and members of Ms. Smith's staff](#) in 2024 and 2023. The United Conservative Party government in 2023 eased provincial ethics rules to make it easier for politicians and staff members to accept gifts.

Mr. Mraiche did not acknowledge messages seeking comment. One of his lawyers would not comment without viewing Ms. Mentzelopoulos's letter.

AHS's internal review revealed that the health authority has purchased about \$614-million in supplies and services from MHCare and companies associated with Mr. Mraiche, Ms. Mentzelopoulos's letter said.

The investigation also revealed that Jitendra Prasad, who worked in procurement for AHS, had an e-mail account with MHCare during part of the time he worked for the health authority, the letter alleges, including when he was negotiating the contract to buy Turkish pain medication. Mr. Prasad did not acknowledge messages seeking comment.

Alberta only received about 30 per cent of the children's medication order and, despite paying upfront, it is unlikely to receive the outstanding medicine. AHS stopped using the supply for safety reasons.

The letter tied Mr. Smith to Mr. Prasad, and alleges that Mr. Prasad "appeared" to be retained or engaged by people involved with chartered surgical facilities and AHS procurement contracts while also providing advice and services to Alberta Health and AHS for those same contracts. Ms. Mentzelopoulos also alleges that Mr. Smith, the premier's former chief of staff, appeared to make calls on behalf of private surgical organizations.

"The efforts by government officials to increase prices being paid to private suppliers ran contrary to her extensive experience in government negotiations," Ms. Mentzelopoulos's letter alleges. Ms. Mentzelopoulos alleges that Alberta Surgical Group received better rates than comparable private companies and that AHS was potentially paying for services it was not using. The letter said she had concerns about the proposed new rates for ASG and paused negotiations.

ASG did not acknowledge a message seeking comment.