

Danielle Smith calls for expedited review of ‘troubling allegations’ at Alberta’s health authority

Carrie Tait, Alanna Smith Health reporter | Calgary | Published February 8, 2025



Alberta Premier Danielle Smith addresses United Conservative Party members at their annual meeting in Red Deer, Alberta on Nov. 2. Jeff McIntosh/The Canadian Press

Alberta Premier [Danielle Smith](#) says she will ask the Auditor-General to expedite his review into allegations that government officials interfered with the provincial health authority’s contracting and procurement processes to the benefit of private companies.

Ms. Smith said in a statement issued Saturday that she has ordered her staff to co-operate fully in that work and has also told Alberta Health Services to speed up its own internal review.

The [Globe and Mail reported earlier this week](#) that former AHS CEO Athana Mentzelopoulos made a series of allegations about health care procurement in a letter her lawyer sent to the agency last month. The letter alleges that Ms. Mentzelopoulos was fired two days before a scheduled meeting with the Auditor-General to talk about those issues.

“They are troubling allegations and they should be reviewed as quickly as possible,” Ms. Smith said in the statement, the first time she has publicly addressed the allegations. “I will be writing Auditor-General Doug Wylie to ask for an expedited review and his findings on this issue.

“I have also directed my officials to ensure that any request for information from Mr. Wylie or his office is dealt with on a fully transparent and expedited basis. We need to get to the bottom of this issue quickly to identify any potential wrongdoing, correct it, and address it appropriately.”

Ms. Smith came into office on a campaign to overhaul the [health care](#) system and has since made significant changes to AHS, including to its governance. Her government has twice removed the entire board of AHS, replaced a board chair with another board member, installed an official administrator, replaced the official administrator with a chief executive, terminated that chief executive and replaced her with another official administrator.

Mr. Wylie confirmed on Thursday that he is examining procurement and contracting processes at AHS and Alberta Health for chartered surgical facilities (CSFs), COVID-19 personal protective equipment and pain-relief medications.

Ms. Smith’s government terminated Ms. Mentzelopoulos on Jan. 8. Her lawyer wrote an eight-page letter on Jan. 20 to AHS alleging that government officials, including Ms. Smith’s then-chief of staff, put pressure on the former executive to sign CSF contracts with higher costs than comparable agreements.

Ms. Mentzelopoulos alleges in the letter that the government ordered her to stop her own investigation into CSF contracts and procurement at AHS. The former executive also alleges that she investigated and launched a forensic audit into other contracting processes, including a [2022 deal to import roughly \\$75-million of generic pain medication for children from Turkey](#).

“As Premier, I was not involved in any wrongdoing,” Ms. Smith wrote in her statement. “Any insinuation to the contrary is false, baseless and defamatory.”

AHS said on Thursday that it was conducting its own review and had paused signing new contracts with companies involved in its examination. Ms. Smith said she has asked that AHS’s internal review be “completed as quickly as possible and delivered directly to me so we can study the results and make improvements or adjustments to these processes.”

Ms. Mentzelopoulos alleges that Marshall Smith, who served as Ms. Smith’s chief of staff until October, tried to influence negotiations over CSFs. These are privately owned companies that perform operations, at the expense of government, as part of the public health care system. Critics argue that the proliferation of CSFs is straining the broader system. Mr. Smith, no relation to the Premier, has not responded to requests for comment.

Ms. Mentzelopoulos alleges that Health Minister Adriana LaGrange and Ms. Smith’s then deputy minister, Ray Gilmour, were aware of her internal investigations and concerns. The AHS board, which included deputy health minister Andre Tremblay, was also informed, Ms. Mentzelopoulos alleges.

The government dismissed the AHS board at the end of January and made Mr. Tremblay the organization’s official administrator.

Mr. Tremblay has not responded to requests seeking comment, nor has Mr. Gilmour, who [government appointed to head its \\$169-billion public-sector pension fund](#) in November.

The AHS board recommended in December that Ms. Mentzelopoulos take information she uncovered during her internal investigation to the RCMP, the former executive's letter alleges.

Alberta New Democratic Party Leader Naheed Nenshi said on social media Saturday that Ms. Smith's response to the allegations is "not good enough," including allowing AHS to continue with its own internal review. He wrote that former AHS staff and board members should be allowed to speak freely and renewed his calls for an RCMP investigation and public inquiry, during which anyone connected to the allegations should step aside.

"Her own office is implicated. The investigation can't be delivered to the people being investigated," Mr. Nenshi said. "Premier, it's time to face the music."

The [RCMP](#) has acknowledged receiving at least one complaint tied to the allegations.

Ms. Mentzelopoulos alleges that her internal investigation found AHS paid MHCare Medical, the medical supply company that facilitated the deal to import generic medicine from Turkey, and other companies affiliated with its owner, \$614-million for goods and services. The letter does not indicate a time frame.

She further alleges that Jitendra Prasad, who previously was in charge of procurement at AHS, had an e-mail account with MHCare during the period he negotiated the generic pain-medication deal for the health authority. Alberta only received a fraction of the medicine it paid for in that deal and used very little of the supply that arrived.

Ms. Mentzelopoulos's letter also alleges that Mr. Prasad "appeared" to be retained or engaged by people involved with CSFs and other AHS procurement contracts while also providing advice and services to Alberta Health and AHS for those same deals.

Mr. Prasad has not responded to messages seeking comment this week.

Sam Mraiche controls MHCare. The Globe, in July, first reported that he gave cabinet ministers and staff members in Ms. Smith's office tickets to [luxury box seats](#) for Edmonton Oilers games.

Gregory Bentz, a lawyer who represents Mr. Mraiche and MHCare, in a statement to The Globe on Saturday said because of the Auditor-General's investigation and the possibility of future legal proceedings, he would not provide detailed comment.

The statement said that based on what Mr. Mraiche has learned, "the claims and insinuations made against them are based on a flawed perspective, without merit, and contrary to substantiated evidence. We are confident that, as the process unfolds, the full facts will come to light and demonstrate that our client has acted properly at all times."

Ms. Mentzelopoulos's Jan. 20 letter is part of her settlement negotiations and, as such, it is "not evidence, but rather, unreliable and unsubstantiated allegations," the statement added.

Alberta Surgical Group, a CSF that features prominently in Ms. Mentzelopoulos's allegations, on Friday said [it did nothing wrong](#). Les Scheelar, ASG's CEO, did not respond to a message seeking comment Saturday.

Ms. Mentzelopoulos has not publicly commented on her letter.

Ms. Smith's statement on Saturday defended her government's work to reform the health care system.

"It's no secret I have been unhappy with the level and quality of service delivered by AHS and in the inability of AHS to deliver quality and timely health care to Albertans," Ms. Smith said. "I will continue to relentlessly push forward to make improvements. Although that has required difficult decisions and major change, I do not accept the current results.

There is a widespread and deep-seated resistance to change that we must overcome.

"That's my goal: better health care for all."