

Head of eHealth Ontario is fired amid contracts scandal, gets big package

Last Updated: Sunday, June 7, 2009 | 7:47 PM ET [Comments919](#)[Recommend398](#)
[CBC News](#)

Ontario Health Minister David Caplan has fired the head of the electronic health records agency eHealth Ontario amid a multimillion-dollar contracts scandal.



Sarah Kramer was eHealth Ontario's chief executive officer and president. (CNW Group/eHealth Ontario)

Caplan said Sunday the agency's board asked that Sarah Kramer's appointment be revoked because controversy surrounding spending and expenses since she came on board last November "threatens to delay initiatives" at the new agency.

A government source said Kramer's departure came after "mutual agreement" between the board and the government.

Sources told The Canadian Press that Kramer will receive nearly \$317,000 in compensation, the equivalent of 10 months' salary under an agreement reached with eHealth's board.

It is less than what she was entitled to under her contract, which would have included 15 months' severance, an unspecified bonus and benefits, the sources said.

Late last month, documents obtained by CBC News showed the health agency doled out \$4.8 million in contracts without any apparent attempt to open the deals to outside bidders within the first four months of its creation in September 2008.

The agency paid consultants millions of dollars for — among other things — watching TV, reading the New York Times and holding a conversation on the subway.

Executives at two companies that were awarded untendered contracts from eHealth Ontario had close

personal connections to the CEO and board chairman, CBC News learned.

Kramer attracted special attention because she received a bonus of \$114,000, approved in early March, when she was only months into the job.

The health minister originally defended the bonus as a carryover from Kramer's previous job as vice-president of Cancer Care Ontario.

He said Kramer would have been entitled to that kind of bonus had she stayed at the other agency.

However, the minister's press secretary conceded on Friday that Caplan was concerned over the bonus and was trying to get more information about it from eHealth amid reports last week that her previous employer never paid those sorts of bonuses.

Cancer Care Ontario said Kramer's bonus would have been closer to \$40,000.

On the same day, a spokeswoman for eHealth confirmed the six-figure bonus — adding to an annual salary of \$380,000 — was double the maximum rate allowed at the Crown-owned agency.

A government official told CBC News that the agency's board, the government and Kramer herself all agreed she had to go, because with the controversy and Freedom of Information requests, work at eHealth had come to a standstill, and setting up an electronic health records system for the province is a high priority for the government.

Both Caplan and board chair Dr. Alan Hudson in statements issued Sunday said a change in leadership was necessary to restore public confidence in the agency.

Deputy Health Minister Ron Sapsford has been named temporary CEO of eHealth.

Health minister defends compensation

Caplan defended Kramer's compensation package as a necessary step to avoid any legal entanglements.

When former Hydro One chief executive Eleanor Clitheroe was fired in 2002 amid allegations of lavish spending, she launched a \$30-million lawsuit against the province, he noted.

"I can understand the difficulty in addressing it, but I think what I'm focused on is ensuring that we do get the corporation moving, get the momentum back on delivering the eHealth products and the infrastructure that are going to be important to transforming health care," Caplan said.

Ontario NDP Leader Andrea Horvath said Kramer's dismissal should have happened weeks ago and that more needs to be done by Premier Dalton McGuinty.

"I believe that it shows the incompetence of our health minister, and I believe McGuinty still has work to do, and that is to switch over health ministers and put somebody in charge who's prepared to act expeditiously when these kinds of scandals are uncovered," she said.

With files from The Canadian Press

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[Citizenry](#) wrote: Posted 2009/06/13

at 4:14 PM ET CBC - you are doing a wonderful job at reporting this information. Thank you. If it wasn't for journalistic integrity, the public would not likely be aware of what is happening at eHealth.

Note in this Globe and Mail article that severance paid at eHealth from Sept 2008 to present (including Kramer's \$314,000) is \$2,548,000.

<http://www.theglobeandmail.com/news/national/mcguinty-hand-picked-hudson-to-lead-ehealth/article1180938/>

"The executives all received severance pay totalling about \$1.5-million, said a former executive. In addition, eHealth Ontario paid \$498,000 in severance to William Albino, Ms. Kramer's predecessor, and \$236,000 in severance to Michael Rigo, a former vice-president, according to documents obtained by The Globe and Mail.

Sources close to the situation said Ms. Kramer replaced many of the executives with consultants from Courtyard Group, a firm with close ties to Dr. Hudson and links to the McGuinty government."

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[demsoc](#) wrote: Posted 2009/06/11

at 1:35 PM ET I shake my head in disbelief every time I hear of another scandal of this nature at either the Provincial or Federal level. The Mike Harris' Tories had its share. One that comes to mind is Chris Stockwell, who had a propensity for dining and fine wine, and also bypassed rules regarding contracts awarded not conforming to the rules. If what it takes is firm, iron-clad rules regarding appointments, contracts, or whatever, let's do it. People who are hired either fulltime or on a contract basis should be informed that they will be terminated with no severance if they do something ultra vires, or otherwise illegal. Show them the rules before their are hired, have them sign a contract agreeing to the rules, then, if they are fired for cause taxpayer money is not wasted. If I am working for you and steal from you, I get fired, end of story. Why should this be any different? If rules are broken, the Minister of the department involved must answer to the people, and if guilty of doing something wrong, must resign. End of story.

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eltoro wrote: Posted 2009/06/11

at 1:08 PM ETA white collar criminal is described as " a crime committed by an opportunist who over time learns to take advantage of their position to accumulate financial gain."

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634xyz wrote: Posted 2009/06/10

at 9:16 PM ET Slantaya 12:20 - you suggestion is good but politicians have become immune to your play: we need stronger action: much stronger and effective: oh, if we could all stop buying for 1 wk/month / year . Oh how to become more effective ???

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634xyz wrote: Posted 2009/06/10

at 9:09 PM ET Just with your firing bonus, I could do real consulting ! What the HELL is a bonus for getting fired - doing a real lousy job: what is this !

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