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Exclusive

Massive unreported security breach, \$2 million alleged fraud at NorQuest College

Court documents allege IT manager conducted “harassment” campaign after firing

By Charles Rusnell, Jennie Russell, [CBC News](#) Posted: Sep 04, 2016 3:00 PM MT Last Updated: Sep 04, 2016 3:00 PM MT

Shortly after the work day began on Feb. 19, 2013, a bizarre email popped up in the inboxes of dozens of NorQuest College senior executives and staff.

"What you're about to read is correspondence of a sexual nature between myself (John Smith) and my little playful sweetie," began the email.

Smith, a senior NorQuest executive, was obviously not the author of the scandal-mongering email. (CBC News has given the executive a pseudonym to protect his privacy.)

[Court documents detail alleged frauds orchestrated by former NorQuest IT manager](#)

The anonymous sender had attached a PDF document that contained a string of sexually graphic emails and texts that appear to have been exchanged between Smith and a woman who was not his wife.

Court records later filed by NorQuest allege this information had been taken directly from the college's Information Technology (IT) system, and had been used to make "slanderous and defamatory comments including (among other things) that (Smith) had engaged in an extramarital affair."

The email, also sent to Smith's wife, suggested Smith had learned some important lessons, including to "always treat people with respect for you never know when something might come back to haunt you."

Massive privacy breach

The email marked the culmination of an escalating campaign of what the college alleged was harassment and defamation of Smith and Shawn Terlson, another senior NorQuest executive, both of whom had played a role in the firing of Clarence Orleski, the college's manager of technology infrastructure.

But a voluminous civil court file details how Orleski's alleged attempt to humiliate the two executives who fired him appears to have backfired. It led to a lawsuit against Orleski that alleged he committed a massive privacy breach and orchestrated two brazen fraud schemes that the college claims caused it nearly \$2 million in damages.

NorQuest College, Smith and Terlson sued Orleski and his alleged co-conspirators in the frauds. The defendants who filed statements of defence denied the allegations and none were proven in court.

It appears the case was quietly settled earlier this year and the court record doesn't show how much, if any, money the college recouped.

"We have advised Mr. Orleski to decline the request for an interview," his lawyer told CBC News in an email Tuesday.

"The matter as between NorQuest and our client is concluded, and the terms governing the conclusion are confidential."

NorQuest College did not respond to repeated interview requests by CBC News over several days earlier this week. Instead, the college issued a brief statement that said it had settled its civil action against Orleski and the other defendants and was "very satisfied with the results."

"We are confident we have strong controls in place to protect public assets and confidential information," the statement said, adding that the Edmonton police are "involved."

NorQuest never publicly reported the frauds or the massive privacy breach, even though confidential salary information of all 600 of the college's employees - including the employment contract of CEO Jodi Abbott - was found on Orleski's home computer.

The college claimed Orleski also had "harvested" information of an "intensely personal and private nature including emails between employees and their spouses about finance and personal matters."

An affidavit sworn by a senior NorQuest executive in its lawsuit against Orleski said "the amount of information belonging to NorQuest found on the hard drive of Orleski is overwhelming, including 2.4 gigabytes of information and 45,920 files just within the ("NorQuest College") folder from Orleski's main computer."

NorQuest hired Orleski in June 2007 as its manager of technology infrastructure, which meant he had unrestricted access to all information on the college's IT systems, including its financial data and employee personnel information.

Ominous email

Court documents don't show how Orleski came to detest Smith. But by September 2012, he was summoned to a meeting to discuss work-related issues with Smith and Terlson.

Early on the morning of the scheduled meeting, Orleski sent Smith an ominous email.

"I've been wanting to touch base with you and get the name (and contact info) of the lady you introduced to me back in the late fall last year," Orleski wrote.

"I forget her name, but she is the one that you and her thought no one was in the office at the time. I was going to interrupt the two of you, but I felt I might be intruding on something, so I just hung around for a while. :)

"I think her name was (woman's name)," Orleski wrote. The meeting went badly.

"In the course of the meeting, (Orleski) indicated that 'he couldn't stand the sight' of Smith, and requested to work from home" until his planned retirement at the end of March 2013 so "he would not have to deal with Smith," an affidavit from NorQuest's former head of human resources states.

Terlson denied Orleski's request to work from home and issued a formal letter that same day warning of further discipline if there were any more problems with Orleski's conduct.

Later that same day, an IT department employee raised concerns about Orleski's "accessing of the NorQuest network."

The college responded by hiring an outside service provider to conduct a review of its network system, which "confirmed that the structure of the network system, for which Clarence Orleski was one of the main architects, created significant risks of security breaches," said a NorQuest affidavit.

Unauthorized computer system access

On Sept. 21, 2012, the day after the tense meeting, Orleski was scheduled to work from home. But he came into the office over the lunch hour and "it was discovered shortly after that (Orleski) had run a program on his NorQuest laptop, known as DBAN, which effectively destroys all data on the computer," an affidavit states.

A few days later, Smith formally reprimanded Orleski for running up a \$10,000 roaming bill on his college-supplied phone and iPad while on holiday in Europe. Smith said Orleski had expected the college would pay the bill, but he told Orleski he was not expected to be available for work while on vacation.

Orleski went on sick leave. Over the next two months, the college said it repeatedly attempted to meet with him as part of its investigation of network security issues and the wiping of his laptop.

Finally, on Dec. 4, they met and Orleski was fired.

"Our investigation has made it clear that you accessed our computer systems for unauthorized purposes, you interfered with our investigation by attempting to destroy information of improper computer use, you were not truthful with us in the course of the investigation and you undermined our corporate culture by making ill-considered and inappropriate comments to co-workers," Terlson wrote in Orleski's termination letter.

The affidavit by the college's human resources director said Orleski had told a meeting of his IT group that Smith was having a sexual relationship with a woman who Orleski named.

Orleski hired a lawyer who sent an aggressive letter to NorQuest. In it, Orleski denied all the allegations and produced a list of improper actions by NorQuest that "would attract additional damages" if he sued.

"While we are unaware as to why NorQuest engaged in such reprehensible conduct, it can be assumed that it was done with the intentions of leading Mr. Orleski to resign his employment," his lawyer wrote.

But Orleski offered to settle and release NorQuest of any future liabilities for a lump sum payment of \$49,750.

"Did the two of you really think you were going to win?"

Court documents show the college settled with Orleski for his termination even after Terlson had received anonymous emails that NorQuest later claimed constituted harassment.

On Jan. 21, 2013, NorQuest terminated Terlson for reasons it said were unrelated to the Orleski case. That same day, Terlson received an email from an anonymous account.

The email, court documents state, clearly shows the writer had access to personal emails between Terlson and his wife. The writer gloats about Terlson's termination and suggests Smith will soon also be unemployed.

"I guess what I'm trying to figure out is which one are you? 'Dumb' or 'Dumber'... Don't worry, Mr. pretty boy (Smith) won't be far behind you," the email states.

"Did the two of you really think you were going to win? Get a life you dumb f***. The fun is yet to begin."

Nine days later, Smith received an anonymous text on his phone from a number later traced back to the college's IT department.

The writer asked how Smith's wife was, and referred to her by a name that "was specific to her personal email account, which was accessible on the personal email of Smith on the NorQuest network," an affidavit states.

"I wonder if she knows about (the woman Smith is alleged to have had an affair with)," the text said, adding, "Stay tuned. Lol."

Less than a month later, on Feb. 19, 2013, the anonymous email containing details of Smith's alleged affair was sent to dozens of NorQuest employees. But it also was sent to senior executives within the office of Alberta's auditor general and to senior Alberta Health Services executives, and to the presidents of two other colleges.

Computer seizure reveals alleged fraud schemes

It is not clear from the court documents if the "malicious" email prompted NorQuest's next move. But on March 1, 2013, a lawyer acting for the college appeared in an Edmonton court and obtained an Anton Piller order, a rare legal ruling that allowed the college to search Orleski's home and seize evidence without any prior warning.

By 10 a.m. the next day, five people, including a bailiff, a private investigator, and a forensic computer expert, were on Orleski's doorstep in southwest Edmonton. By 3:15 p.m. they had hauled away his personal computer, a NorQuest iPad and phone, and several other data storage devices.

In an affidavit, a NorQuest executive said a search of Orleski's home computer hard drive revealed emails and documents that showed Orleski was "clearly the author and originator" of

the email alleging Smith's sexual relationship. It also uncovered information that the college claimed formed the basis of a harassing email sent to Terlson.

Court documents detail alleged frauds orchestrated by former NorQuest IT manager

But court documents allege the search also revealed a privacy breach that extended far beyond the confidential information of Smith and Terlson.

"A vast quantity of confidential NorQuest information was found on the hard drive of Orleski's home computer including the salary of every single employee, the employment contract of the CEO of NorQuest, private emails to the president's confidential email account, notes by the CEO about terminations, disciplinary action, confidential notes from the president to the board chair as well as confidential notes between the president of NorQuest and outside legal counsel," the affidavit states.

There were also files containing information about NorQuest's budget and planning, performance reviews for many senior college personnel, copies of disciplinary letters to employees, transcribed interview notes from internal investigations - even emails between employees and their spouses discussing personal finances.

The search of Orleski's hard drive set forensic accountants hired by the college on the trail of what was alleged to be another serious breach of trust: two alleged fraud schemes involving what the accountants said were inflated and unnecessary invoices for IT products and services.

The college's statement of claim accused Orleski of "dishonestly and wrongfully designing, orchestrating, and implementing a scheme of fraud and deceit" involving two separate companies, "for his own personal gain and benefit" over a combined period of about five years.

NorQuest alleged Orleski and his co-conspirators caused the college nearly \$2 million in damages. The defendants who filed statements of defence denied the allegations and none were proven in court.

NorQuest pursued its lawsuit against Orleski and the others for years. In March 2015, it sought a summary judgment against Orleski and his company but the application was adjourned because the parties were close to a settlement.

In January 2016, NorQuest discontinued its legal action against all of the parties it sued, except one alleged co-conspirator who had already filed for bankruptcy. Nothing in the documents indicates any admitted wrongdoing by Orleski or any of his accused co-conspirators. There is no indication the college recouped any of the money it claimed it lost.

The lawsuit, and the allegations contained in it, apparently did not affect Orleski's future employment. He now works for a large contracting company in Blackfalds, outside Red Deer.

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Exclusive

Court documents detail alleged frauds orchestrated by former NorQuest IT manager

NorQuest alleged “kickback” scheme cost college nearly \$2 million

By Charles Rusnell, Jennie Russell, [CBC News](#) Posted: Sep 04, 2016 3:00 PM MT Last Updated: Sep 04, 2016 3:00 PM MT

After NorQuest College fired Clarence Orleski, its technology infrastructure manager, in December 2012, an investigation uncovered what the college alleged were two separate fraud schemes that cost the college nearly \$2 million in damages.

Court documents filed in support of seizing documents and electronic records, freezing assets, and for a civil lawsuit against Orleski and several other defendants, detail how the college, and its hired forensic accountants, believed the alleged frauds were organized and executed.

NorQuest hired Orleski in June 2007. In an affidavit, a senior NorQuest executive said Orleski had signing authority for purchases of \$10,000 or less. But that authority later was raised to \$25,000, and he occasionally had signing authority of \$50,000 when he filled in as acting director of information technology.

Cobalt Business Systems began invoicing NorQuest in January 2007.

In March 2008, Orleski incorporated a numbered company - 1389388 Alberta Ltd. - of which he is the sole director.

Alleged 'kickback' scheme

Evangelos (Van) Tsiclas was the Cobalt salesman who dealt directly with Orleski. The college alleged Tsiclas and Orleski were close friends.

Tsiclas operated his own company called Evangelos Photography.

Court documents show that between July 2008 and December 2010 Cobalt Business Systems billed NorQuest more than \$2.6 million.

A forensic accountant determined that 84 per cent of the invoices from July 2008 to December 2010 that he reviewed appeared to have been either unnecessary or inflated. The college's statement of claim alleged the Cobalt fraud cost the college nearly \$1.5 million.

The college alleged Orleski orchestrated a "kickback" scheme in which his numbered company billed Tsiclas' photography company.

The photography company allegedly was in turn paid by Cobalt Data Systems, a sister company of Cobalt Business Systems. Both companies are owned by Fred Johannesen, who was Tsiclas' boss.

Between May 2008 and December 2010, Cobalt Data Systems appears to have paid Evangelos Photography \$543,000.

From May 2008 to January 2011, Evangelos Photography paid Orleski's numbered company \$476,526, for "consulting" services.

"I can confirm that the records do not indicate that the photography business was used for any ongoing business aside from a few small photography jobs that appear to have been for personal wedding photography," NorQuest's chief financial officer, Jill Matthew, wrote in an affidavit.

Matthew alleged the amounts paid from Cobalt Data Systems to Evangelos Photography appear to closely match the amounts paid from Evangelos Photography to Orleski's numbered company.

She detailed one example in which the payments exactly matched.

Matthew cited cheques which showed that on June 26, 2008, Cobalt Data Systems paid Evangelos Photography \$18,039. A day later Evangelos Photography issued a cheque to Orleski's numbered company for the same amount.

In a statement of defence, both Cobalt companies and their owner Fred Johannesen denied all the allegations.

Second alleged fraud

Robert Taylor, a forensic accountant hired by NorQuest, stated in an affidavit that Evangelos Tsiclas appeared to be a first cousin to Paul Tziklas. An affidavit from a NorQuest executive claimed Tziklas appeared to be an air traffic controller.

In May 2009, Paul Tziklas incorporated Alcon Systems Ltd. and was its sole director. The college alleges that two-and-a-half weeks later, NorQuest began doing business with Alcon directly through Orleski, even though Alcon appeared to have had no previous history in the IT industry.

Alcon's business address appeared to be Tziklas' home in St. Albert. Its mailing address was a post office box at a UPS store in west Edmonton.

In an interview with CBC News, Evangelos Tsiclas confirmed Paul Tziklas is his first cousin. He said he asked his cousin to incorporate Alcon but he stressed his cousin had no knowledge of, or involvement in, Alcon's activities. There is nothing in the court record that shows Paul Tziklas benefited in any way from Alcon's activities.

Evangelos Tsiclas said he is sorry he got his cousin into legal trouble. In a brief interview, Paul Tziklas, an air traffic controller, also told CBC News he had no involvement in Alcon's activities other than incorporating the company at his cousin's request.

Alcon billed NorQuest a total of \$717,000 between June 8, 2009 and July 24, 2012. The forensic accountant found 78 per cent of the transactions were overpaid or unnecessary.

"The total cost of the unnecessary or over-paid transactions was found to be approximately \$334,000," an affidavit states, although NorQuest's statement of claim alleged the Alcon fraud cost the college nearly \$435,000.

As was the case with Cobalt, Orleski's numbered company was found to have invoiced Alcon for "consulting" services. The invoices from Orleski's numbered company totalled \$273,000 between July 2009 and July 2012.

"Orleski appeared to be billing Alcon for amounts that approximated the over-payments and unnecessary charges for products and services billed by Alcon to NorQuest," said an affidavit by Jeff Uhlich, NorQuest's now former human resources manager.

Uhlich reviewed the invoices from Orleski's numbered company to Alcon and noticed a pattern in the invoice numbers.

In one case, Alcon's invoices to NorQuest were numbered 2627 and 2625. The total of these two invoices was \$27,596.

Orleski's numbered company billed Alcon the exact same amount - \$27,596 - through invoice number 26272625, which is a combination of the two invoice numbers from Alcon: 2627 and 2625.

NorQuest sued Orleski, Evangelos Tsiclas, Fred Johannesen, Paul Tziklas, and all their associated companies. All, except Evangelos Tsiclas, Paul Tziklas and Alcon filed statements of defence in which they denied all the allegations. None of the allegations was proven in court.

It appears the case was quietly settled earlier this year and the court record doesn't show how much, if any, money the college recouped.

Orleski, through his lawyer, declined an interview request from CBC News.

"The matter as between NorQuest and our client is concluded, and the terms governing the conclusion are confidential," the lawyer wrote.

Johannesen also declined comment through his lawyer, who said the matter was resolved and included "obligations of confidentiality."

In a brief statement, NorQuest said it had settled its civil action against Orleski and the other defendants and was "very satisfied with the results."

"We are confident we have strong controls in place to protect public assets and confidential information," the statement said, adding that the Edmonton police are "involved."

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Updated

Privacy expert slams NorQuest College for not notifying employees of major privacy breach

College alleged former IT manager had 'overwhelming' amount of confidential information on home computer

By Jennie Russell, Charles Rusnell, [CBC News](#) Posted: Sep 06, 2016 7:00 AM MT Last Updated: Sep 06, 2016 11:09 AM MT

An Alberta privacy expert says Edmonton's NorQuest College had a professional and moral obligation to tell its 600 employees there had been a serious breach of their confidential information.

"It seems to me that they were more interested in their own interests and not really in the interests of their employees," said Linda McKay-Panos, executive director of the Alberta Civil Liberties Research Centre. "And if I were an employee, I would feel that they don't really care what is in my best interest."

On Sunday, CBC News first reported details from a civil court case that revealed a massive privacy breach at NorQuest involving Clarence Orleski, the college's former information technology (IT) manager.

NorQuest never publicly disclosed the breach, which was discovered in 2013. It also did not report it to Alberta's privacy commissioner, although a spokesman for the commissioner said disclosure is not required by law.

[Massive unreported security breach, \\$2 million alleged fraud at NorQuest College](#)

[Court documents detail alleged frauds orchestrated by former NorQuest IT manager](#)

McKay-Panos said NorQuest should have reported the breach immediately "because obviously the privacy commissioner has great knowledge about the impact of these things and maybe could even make some suggestions about how to manage it."

Orleski was fired in December 2012. In March 2013, NorQuest obtained a rare court order that allowed it to seize his home computer because it suspected he had improperly accessed the college's IT network.

Confidential employee information found

A search of Orleski's computer revealed "a vast quantity of confidential NorQuest information," an affidavit from a college executive alleged, including salary information for all 600 NorQuest employees, the employment contract of the college's president, copies of disciplinary letters, and transcribed interview notes from internal investigations.

The college claimed Orleski also had "harvested" information of an "intensely personal and private nature including emails between employees and their spouses about finance and personal matters."

The president of NorQuest's faculty association first learned of the privacy breach from a CBC News reporter on Thursday.

"This has kind of taken me by surprise," Leslie Sayer said. "You would hope that there is a good reason why the college is keeping certain things confidential.. "But at the same time, when it affects faculty members, which is particularly important for me, it is concerning and I am hoping the college will speak to me about it, and then find a way that we can parse out the information to our faculty membership."

Employee relationship potentially undermined

NorQuest did not respond to repeated interview requests from CBC News last week. Instead, the college issued a brief statement that said it is "confident" there are strong controls in place to protect public assets and confidential information.

On Sunday, the college posted a longer statement on its website, which it did not distribute to the media. The statement claimed NorQuest took "swift steps to inform and protect the people directly impacted, recover college information and assets, and pursue legal action."

But the statement is contradicted by the college's own court affidavit, which stated the confidential salary information of every NorQuest employee was found on Orleski's computer. The college's faculty association president confirmed his members were never notified of the breach of their confidential information.

In an email, a former college instructor told CBC News he worked at NorQuest until August 2015 and "received no information whatsoever concerning what appears to be potential, unauthorized access to my personal and financial information."

The NorQuest statement said, in part: "We take these matters very seriously and want to assure our employees, students, and community partners that our stewardship of personal information and public funds are secure."

The court documents detailing the privacy breach are part of a lawsuit NorQuest filed against Orleski. The college alleged Orleski and several others were part of two separate "kickback" schemes that, taken together, cost NorQuest nearly \$2 million over five years.

Orleski and the defendants who filed statements of defence denied the allegations and none were proven in court. The college dropped its lawsuit in January 2016. Through his lawyer, Orleski declined an interview request, saying the terms of the agreement are confidential.

McKay-Panos said it was telling that the college considered the privacy breach serious enough to include in its statement of claim against Orleski, but apparently not sufficiently significant to tell its employees before the story was reported.

McKay-Panos said the college's failure to disclose the breach could undermine its relationship with its employees.

"You want loyalty from your employees and I think you need to engender that by being honest with them with this has happened and not trying to hide it or just by omission not telling anybody," she said.

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Privacy commissioner investigating complaint of privacy breach at NorQuest College

Edmonton police say alleged frauds also being investigated

By Charles Rusnell, Jennie Russell, [CBC News](#) Posted: Sep 13, 2016 12:17 PM MT Last Updated: Sep 13, 2016 12:17 PM MT

Alberta's privacy commissioner has launched an investigation into a privacy breach at Edmonton's NorQuest College, but only based on an individual complaint made by an employee.

"We are encouraging people (from NorQuest) to come forward," said Scott Sibbald, a spokesperson for commissioner Jill Clayton.

"The more complaints we receive, the more opportunity we will have to investigate."

The privacy commissioner has had to resort to encouraging complaints because NorQuest did not report a massive privacy breach involving Clarence Orleski, its former IT manager, which was discovered in 2013.

Alberta's privacy act does not require public institutions to report privacy breaches. Clayton has been lobbying the government to change the act since at least 2013 — to date without success.

NorQuest fired Orleski in December 2012. In March 2013, the college obtained a rare court order that allowed it to seize his home computer because it suspected he had improperly accessed the college's IT network.

A search of Orleski's computer revealed "a vast quantity of confidential NorQuest information," [an affidavit from a college executive alleged](#), including salary information for all 600 NorQuest employees, the employment contract of the college's president, copies of disciplinary letters, and transcribed interview notes from internal investigations.

The college claimed Orleski also had "harvested" information of an "intensely personal and private nature including emails between employees and their spouses about finance and personal matters."

Union wants answers

NorQuest believed the breach of its employees' salary information serious enough to include in a lawsuit against Orleski. [But it did not inform its faculty or other employees](#) about the breach

of their private information.

The Alberta Union of Provincial Employees represents half of NorQuest's 600 employees.

AUPE spokesman Tyler Bedford said the union "has requested working knowledge of the breach and the extent of the information the individual had on our members, including what may have been done with that information. We have had no response from the employer at this time," he said.

The union has also asked NorQuest to grant an extension to file grievances related to the privacy breach. Bedford said the college again has not responded.

NorQuest has declined to answer questions from CBC News. NorQuest president Jodi Abbott and board chair Al Skoreyko have not responded to repeated interview requests.

The college posted a statement on its website, which was not distributed to the media, that claimed NorQuest took "swift steps to inform and protect the people directly impacted, recover college information and assets, and pursue legal action."

The president of the college's faculty association confirmed his members were never told of the breach. He learned about it from CBC News.

NorQuest, in an emailed statement, said it is "confident" there are strong controls in place to protect public assets and confidential information.

Police investigating

The college has also said it can't provide further information because the Edmonton Police Service is "involved."

An EPS spokesperson confirmed a complaint was made in relation to the alleged frauds but would not say when it was made because she said it could affect the investigation.

Van Tsiclas is one of the individuals who is accused in the lawsuit of committing the alleged frauds. In an interview with CBC News, Tsiclas said that in 2013, he was told by a private investigator hired by NorQuest that the complaint about the alleged frauds would be made to EPS.

But Tsiclas said no one from EPS has contacted him in the intervening three years.

Orleski and the defendants who filed statements of defence denied NorQuest's allegations and none were proven in court. The college dropped its lawsuit in January 2016. Through

his lawyer, Orleski declined an interview request, saying the terms of the agreement are confidential.

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Exclusive

NorQuest College president gets one-month sabbatical each year

Internal documents also show Jodi Abbott has language training in Mexico paid for

By Charles Rusnell, [CBC News](#) Posted: Dec 05, 2016 6:00 AM MT Last Updated: Dec 05, 2016 6:00 AM MT

A month's paid sabbatical for every 12 months of work, on top of a \$412,000 a year salary. It is a compensation package most executives in the private sector could only dream of.

But documents obtained by CBC News through Freedom of Information show that is the compensation deal NorQuest College cut with its president Jodi Abbott. And during that sabbatical, NorQuest also pays, with approval by the board chair, for professional development Abbott undertakes.

[Massive unreported security breach. \\$2 million alleged fraud at NorQuest College](#) [NorQuest College scrambling to reassure staff after massive privacy breach kept secret](#)

The documents show Abbott is keen to learn Spanish, and NorQuest has on several occasions paid all the expenses, including flight, homestay fees, ground transportation, and tuition. That allowed her to take language training in Cuernavaca, Mexico, a popular holiday destination about two hours south of Mexico City.

The college also paid for private Spanish lessons for Abbott in Edmonton, from two separate teachers who charged \$60 and \$65 an hour respectively for their time. Documents show one of the teachers provided the lessons at her NorQuest College office, and the college provided the teacher with a half- day of free parking.

Abbott is the third highest paid college leader in Alberta. She was paid a total compensation package of \$490,000 last year, according to information made public earlier this year under new provincial compensation disclosure rules.

Board chair defends sabbatical, salary

NorQuest did not respond to an interview request from CBC News. But in an emailed statement, Al Skoreyko, chair of the college's board of governors, defended Abbott's perks and salary.

"Like any post-secondary institution, NorQuest competes to attract and retain the best possible management to deliver the workforce-ready graduates required by Alberta's labour market," Skoreyko stated. "Provisions in contracts for sabbatical/professional development are common in learning organizations in the post-secondary sector, especially at this level."

Skoreyko was asked how Abbott's Spanish lessons would serve NorQuest.

"Learning a second language like Spanish aligns well in understanding the people the college serves," he said.

He said about 60 per cent of the college's students were born outside Canada and more than 70 languages are spoken on campus.

Alex Usher is a Toronto-based consultant and expert in post-secondary governance who has done consulting for many universities and colleges in Canada and worldwide. He said he has never seen a sabbatical deal similar to the one provided to Abbott by NorQuest.

"The use of the word 'sabbatical' is a little bit odd," he said. "Usually what they will talk about is administrative leave and it tends to be taken after they complete their term of office."

Usher also cast doubt on Skoreyko's claim that Abbott's high salary is necessary to retain her. NorQuest has about 5,000 full-time equivalent students. Humber College in Toronto has about 25,000.

"The president of that institution makes a total salary of \$432,000," Usher said, adding that the Humber president is the highest paid in Ontario.

"I think you have lots of examples of college presidents all over the country managing similar sized institutions for considerably less," Usher said.

Salary and sabbatical 'excessive'

Wildrose MLA Drew Barnes said Abbott's salary and sabbatical deal are "excessive" when compared with similar positions in both the private and public sectors.

"Taxpayers and Albertans know how important post secondary (education) is, but we need value for our hard-earned taxes and this excessive spending, these perks and payments beyond what is the norm for similar professionals, shows a lack of respect for hard-earned taxpayers' dollars," he said.

Skoreyko, in his statement to CBC News, said that under Abbott's "strong guidance, NorQuest's management team provides solid leadership to strengthen the services offered to our students."

"The college's annual reports contain many examples illustrating how the college is meeting and exceeding its goals and objectives," Skoreyko said.

But during Abbott's tenure, NorQuest was the target of a massive privacy breach and two alleged frauds, which in total, cost the college nearly \$2 million over five years.

Neither the privacy breach nor the alleged frauds were publicly disclosed by NorQuest. They were [revealed by CBC News](#) in September.

NorQuest also never reported the privacy breach to the Office of the Information and Privacy Commissioner, which is now conducting an investigation following a complaint from an employee.

On Tuesday, Abbott and other senior executives from NorQuest will appear before the legislature's public accounts committee, where they have been summoned to answer questions about the privacy breach and alleged frauds.

Barnes, a successful businessman in private life, is a member of that committee.

"I look forward to trying to uncover where we can get some more value for the taxpayer (from NorQuest College)," Barnes said.

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