

# Jury selection starts in Theranos founder's fraud trial

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Elizabeth Holmes, the founder and former CEO of blood testing and life sciences company Theranos, arrives for the first day of jury selection in her fraud trial, outside Federal Court in San Jose, California on August 31.

Fallen biotech star Elizabeth Holmes was in court Tuesday as jury

selection began for her fraud trial in a case that rocked Silicon Valley.

Dressed in her trademark black clothing and wearing a blue mask due to the pandemic, the founder of the former high-flying startup Theranos took in the proceedings from a seat at the defense table in the federal courtroom in San Jose, California.

Holmes, 37, was a tech world celebrity whose multibillion dollar start-up looked set to revolutionize medical testing before it crashed and burned in a blaze of fraud claims.

She and former Theranos chief operating officer Ramesh "Sunny" Balwani, whom she dated for a time, are charged with conspiring to swindle Theranos investors and customers.

Holmes and Balwani are having separate trials, and recently disclosed documents indicate she plans to contend that she was abused and controlled by her former business partner.

Holmes's attorney Kevin Downey asked whether anyone in the jury pool had experience with "abuse by an intimate partner," signaling the possibility the defense plans to raise the issue.

Meanwhile, prosecutor Jeffrey Schenk of the US Attorney's Office asked whether anyone had experiences with medical professionals that might skew their testimony in court.

Holmes faces charges of wire fraud and conspiracy to commit wire fraud that, if found guilty, could see her jailed for up to 20 years.



Theranos founder Elizabeth Holmes was expected to claim she was abused and controlled by her former business partner in defending herself against fraud charges.

US district court judge Edward Davila expected to whittle down potential jurors before seating a panel of 12 who will be entrusted to decide Holmes's fate in a trial likely to last at least 13 weeks.

Through the morning, juror after juror told of seeing either a news article, documentary, book, or headline about the Theranos saga.

Davila pressed each person regarding whether they could still weigh the evidence without bias, getting assurances that would be the case.

## Visionary or villain?

When she launched the diagnostics company Theranos in 2003, at the age of just 19, the charismatic Holmes promised results that were faster and cheaper than traditional laboratories, running an analytical gamut on just a few drops of blood.

Political figures like Henry Kissinger and former defense secretary James Mattis were drawn to the company's board and media mogul Rupert Murdoch invested cash in what seemed to be a sure-fire winner.

Holmes was lauded as a visionary, drawing comparisons with Apple founder Steve Jobs.

But years of hype, and billions of dollars later, those promises unspooled; the miracle machines did not work.



Seen at a 2019 court appearance, former Theranos CEO Elizabeth Holmes became a billionaire from her startup before its breakthrough claims were debunked.

And, say prosecutors, Holmes knew it, yet continued to lie to investors, doctors and patients so she could raise more than \$700 million for the company.

At one point she had a net worth estimated at \$3.6 billion, according to Forbes magazine. At the time she was the youngest billionaire not to have inherited her fortune.

Jurors could hear from former board members like Kissinger and Mattis, as well as from Murdoch after witness testimony begins on September 8.

In 2018, the Securities and Exchange Commission presented the Theranos case as a lesson for Silicon Valley, a warning against the "fake it till you make it" culture.

"So far, Silicon Valley has gotten away with almost every misdeed you can think of," said academic and author Vivek Wadhwa, who has been tracking the Theranos case.

"Just the fact that she could end up going to jail is a big deal, because it hasn't happened before."

The trial has been postponed several times—most recently because Holmes had a child in early July.

Another batch of potential jurors will come in on Wednesday.

"It may be, with tomorrow's panel, we will have enough," Davila said.

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