

Theranos founder wooed believers in 'parallel universe'

September 25 2021, by Glenn Chapman and Julie Jamnot With Joshua Melvin In Washington



Theranos founder Elizabeth Holmes made grand promises—scoffed at by critics, but believed by her backers.

For critics outside the orbit of fallen US biotech star Elizabeth Holmes, her pledges of a medical revolution reeked of quackery. But the faith of close backers—from a future Pentagon chief to a lab scientist—was very real.

"I thought it was going to be the next Apple," Adam Rosendorff, one-time laboratory head at Holmes's now-defunct blood testing startup Theranos said at her Silicon Valley fraud trial on Friday.

As the third week of her prosecution closed in a San Jose, California court, jurors have now heard repeatedly for themselves how Holmes's presence and saleswomanship of a miraculous idea proved too seductive to her believers.

Today, she faces decades in prison if convicted of swindling investors with machines that did not work, but in 2003 at age 19, Holmes founded Theranos with the promise of a bewildering range of analyses on just a few blood drops.

For Jim Mattis, who would serve as US defense secretary from 2017-2019, the idea of quick, accurate tests resonated because they could save the lives of US troops fighting in the Middle East.

"This was something so new, I was frankly amazed at what was possible, based on what Miss Holmes said," Mattis told the jury on Thursday, saying he met her after a 2011 speech.

"It was pretty breathtaking, what she was doing," he added.

He put in \$85,000 of his own money and accepted her offer to join the company's board.

'Parallel universe'

For experts in the biotech field, the starry line-up of backers, including Henry Kissinger and Rupert Murdoch, and devotion to unproven technology was mystifying.

"What was extraordinary, watching this story, was that it did seem to be playing out in this parallel universe where influential, successful people who didn't have industry context, were increasingly signing on," said Jenny Rooke, biotech investor and founder of Genoa Ventures, with a PhD in genetics.

Silicon Valley journalist Kara Swisher was more pointed in a New York Times opinion piece: "I have been on the receiving end of a lot of... silly exaggerations from entrepreneurs over the years, but Holmes seemed to take the mendacity a step further."

Of course, the whole enterprise and its multi-billion dollar valuation would collapse after a damning 2015 series of articles in the Wall Street Journal by John Carreyrou.

Yet before that Holmes wowed people with her presentations—Mattis called her "sharp, articulate, committed".

She was also versed in the symbolism of Silicon Valley, wearing a black turtleneck sweater that channeled the trademark look of Apple founder and tech legend Steve Jobs.

Holmes was also known for her clinical manner and intense unbroken eye contact that Carreyrou, the Journal reporter, described in his book about Theranos as "almost hypnotic".

"The way she trained her big blue eyes on you without blinking made you feel like the center of the world," he wrote.

As problems mounted with the Theranos testing equipment and staffers began to press her to hold off on launching the machines, the facade began to crack.

"She was very nervous. She was not her usual controlled self. She was trembling a little. She seemed nervous and upset," Rosendorff, the former Theranos lab chief, testified.

He eventually left the company, disillusioned and thinking Theranos cared more about [public relations](#) than patients.

"I really bought into the idea of laboratory testing being done from a very small pinprick sample," he told the court. "I believed that Theranos had advanced technology."

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Citation: Theranos founder wooed believers in 'parallel universe' (2021, September 25) retrieved 21 February 2024 from

<https://techxplore.com/news/2021-09-theranos-founder-wood-believers-parallel.html>

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