



Bad Blood, by John Carreyrou
Reviewed by Cindy Kennedy, November 2018

Given the book's title, a reader might assume that *Bad Blood* is a fictional murder mystery. *Bad Blood*, however, is a true-life thriller. Its author, investigative reporter John Carreyrou, exposes the biggest bio-tech fraud of the century.

In 2003, Stanford University dropout Elizabeth Holmes founded Theranos, a Silicon Valley biomedical startup, with money from her trust fund. She had no medical or scientific background but claimed that her blood-testing invention would revolutionize the industry. With just a pinprick of blood, she maintained, her device could detect a wide range of ailments, even cancer. She described how as a child she was afraid of needles, and so she designed a simpler way to test blood.

Ever the self-promoter, Ms. Holmes—young and blond—styled herself as a female version of Steve Jobs. She wore black turtlenecks, spoke in a deep voice, and charmed audiences with bravado. Her discovery, she touted, was the “most important thing humanity has ever built.” Soon venture capitalists and private donors, including Betty De Vos and John Mattis, were investing in Theranos. At one time, Henry Kissinger and Attorney General George Shultz were on the board.

As investors were piling up and Theranos took off, Ms. Holmes hired Ramesh “Sunny” Balwani, “a force of nature, and not in a good way...with an aggressive, in-your-face management style.” Soon Balwani was running the company alongside Ms. Holmes, and the two were secret lovers. Balwani was the enforcer; if employees questioned Theranos' methods or results, he summarily fired them.

By 2014, Theranos had raised \$700 million and was valued at \$9 billion. It partnered with Walgreens and Safeway, setting up scores of walk-in clinics. When Joe Biden visited Theranos' test center, he was shown their blood-testing devices and praised its “laboratory of the future.” But what he saw was staged; the devices (“like an eighth grade science project”) were not functional.

Fortune magazine's cover story, headlined "This CEO Is Out for Blood" vaulted Elizabeth Holmes to instant stardom. A *Forbes* article titled "Bloody Amazing" pronounced Ms. Holmes "the youngest woman to become a self-made billionaire."

But as hundreds of faulty blood-test results rolled in, rumors of unethical practices started percolating. Tipped off by disillusioned insiders, John Carreyrou wrote a series of articles for the *Wall Street Journal* exposing Theranos' shady practices and fraud. Corruption charges were filed by the SEC; the stock plummeted to zero.

John Carreyrou weaves a fascinating tale of hubris, greed, and mendacity. A gullible press and dozens of prominent people were snookered by a beguiling blond con artist. It's a story ripe for Hollywood. In fact, a movie version of *Bad Blood* is in the works, with Jennifer Lawrence slated to play Elizabeth Holmes.