

# Elizabeth Holmes trial: Theranos president Balwani forced sex on Holmes, she testifies

Holmes, on witness stand, also appeared to contradict trial evidence



SAN JOSE, CALIFORNIA – NOV. 9: Theranos founder Elizabeth Holmes walks with partner Billy Evans and mother Noel Holmes toward the Robert F. Peckham Federal Building and U.S. Courthouse, Tuesday, Nov., 2021, in San Jose, Calif. Holmes is on trial for allegedly defrauding investors and the public about the effectiveness of her now-defunct startup's blood-testing technology. (Karl Mondon/Bay Area News Group)

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Theranos founder Elizabeth Holmes on Monday testified tearfully that former company president Sunny Balwani, her romantic partner for more than a decade, forced sex on her when she displeased him.

“He would get very angry with me and then he would sometimes come upstairs to our bedroom and he would force me to have sex with him when I didn’t want to,” Holmes testified, adding that Balwani “wanted me to know that he loved me.”

A lawyer for Balwani declined to comment on Holmes’ claims.

Holmes testified with her voice quaking that when she was a student at Stanford University, she was raped. When she told Balwani — whom she looked up to as a successful entrepreneur — about her trauma from the rape, “he said that I was safe now that I had met him.”

Her lawyer Kevin Downey showed the jury what Holmes said were notes made on her iPhone app, after one of Balwani’s alleged attacks in 2015. “Hurts so much. So so much. Can’t focus on anything except why? Why hurting myself?” the notes read.

Asked by Downey what she had meant, Holmes testified: “I’m reacting to one of those incidents with Mr. Balwani and I’m writing about the fact that I couldn’t move and couldn’t sit up and I was lying there swollen and I couldn’t understand why I was hurting myself, why I wasn’t leaving.”

Holmes’ testimony continued for the fourth day Monday in U.S. District Court in San Jose. In court filings she has accused Balwani of abusing, controlling and coercing her in ways affecting the issue of guilt.

Holmes appeared to begin answering the questions raised by those filings: Would she seek to blame Balwani, her co-accused, for alleged fraud at the Palo Alto blood-testing startup? Her defense team has indicated in court filings that they plan to call to the witness stand a psychologist who specializes in relationship violence and has evaluated Holmes.

Asked by Downey whether Balwani ever forced her to make statements to investors or journalists that the prosecution has focused on, or whether he controlled her interactions with board members or executives from companies Theranos sought to work with, she said no. Asked what impact her relationship with Balwani had on her work, she responded, “I don’t know. He impacted everything about who I was, and I don’t fully understand that.”



Holmes testified that she met Balwani on a trip to China when she was 18 and he was 38. “I talked to him about wanting to start a company that I tried to build in high school, and asked for his advice,” she testified. When she started at Stanford, Balwani would email her. Asked by Downey why she quit the university, she said she was raped while at school there, “and I decided to leave to pour myself into building Theranos.”

Balwani, she claimed, belittled her. “He told me that I didn’t know what I was doing in business, that my convictions were wrong, that he was astonished at my mediocrity and that if I followed my instincts I was going to fail, and I needed to kill the person who I was in order to be what he called the new Elizabeth,” she testified. Balwani told her, “even if I didn’t have the natural instinct for business, that I could be taught to overcome that through a formula for success for business ... that he would teach me,” she testified.

Balwani pressed her to work seven days a week in the office, and to eat only “pure” foods that would give her energy, she claimed. Jurors were shown notes she said she had made based on Balwani’s instructions, including appropriate lunch — salad with tofu and bulgur salad — and dinner: broccoli with quinoa dressed in garlic and balsamic vinegar. Balwani would get angry when Holmes spent time with her family because “he said it was a distraction from my business,” she testified.

Holmes also said that she ultimately lost faith in Balwani, who she said ran the business side of the Theranos lab while clinical staff managed lab processes, when federal regulators inspected the lab in late 2015 and found deficiencies that threatened patients’ lives. “I had gone into that inspection thinking we had one of the best labs in the world,” Holmes testified. “He wasn’t who I thought he was.”

She moved out of their shared home in 2016 and he left the company, Holmes testified. She then embarked on a campaign to fix the company’s problems, hiring lab experts and bringing new people onto the board who had valuable expertise, and supporting a lab director’s decision to void all the blood-test results from her company’s proprietary machine, Holmes testified.

Downey wrapped up Holmes’ direct testimony by eliciting from her that although she had once been worth \$4.5 billion on paper because she owned about half of Theranos’ stock, she never sold a share despite having numerous opportunities. “I didn’t want to,” she testified. “I believed in the company and I wanted to put everything that I had into it.”

Holmes is to face cross-examination by prosecutors starting Tuesday.



Holmes was asked by Downey whether Theranos' blood-testing technology was ever used for clinical care on medical-evacuation helicopters. She said no.

Jurors have heard from investors who testified that Holmes, while wooing them, claimed her technology was in use on military choppers, helping to treat soldiers in the field. A former Theranos manager testified that although the company had worked with the Pentagon to try to get its technology into battlefield use, he was not aware of it being used clinically on soldiers in war zones, or on military aircraft.

Former U.S. Secretary of Defense James Mattis, a Theranos investor and board member, testified that he wasn't aware that the company's technology was ever deployed by the Pentagon.

In other previous testimony on the matter, a representative from a Texas investment firm told the jury that Holmes' statements to investors in a 2013 conference call convinced him that Theranos was doing work in Afghanistan. Holmes had told investors that the company was "focused on" work in Afghanistan and had been doing "a lot of work" with the U.S. Special Operations Command. "We have created a distributed system that can be used in remote areas," Holmes told the investors, in a recording played in court. She said putting Theranos equipment on medevac flights could potentially improve wounded soldiers' survival rates.

Asked Monday by Downey whether she had told anyone the devices were used on medevac helicopters, Holmes responded, "I don't think I did."

Holmes acknowledged that she had talked about a program at Theranos that was intended to involve medical evacuation. "I was trying to convey that we were doing a lot of work in developing this new device for work on medevacs and in remote areas," she testified. The company had contracts with U.S. Central Command and the U.S. Special Operations Command, Holmes testified. Jurors have heard that those contracts never led to clinical deployment of Theranos technology.

Prosecutor Robert Leach said at the trial's opening in September that Holmes' aggressive pursuit of funding included pushing a made-up story that Theranos technology was being used on U.S. military helicopters and "saving the lives of soldiers in the field."

Asked by her lawyer Monday if Theranos ever had a device tested in Afghanistan, Holmes again said no. "We weren't able to finish the work in time based on the timelines in the contract," Holmes said. She said she had been disappointed, but had



Holmes, who founded the Palo Alto blood-testing startup at age 19 in 2003, is charged with allegedly bilking investors out of hundreds of millions of dollars and defrauding patients with false claims that the company's machines could conduct a full range of tests using just a few drops of blood, when she knew the technology had serious accuracy problems. She and her co-accused, former company president Sunny Balwani, have denied the allegations. Balwani is to be tried next year.

In Holmes' testimony, she has addressed damaging testimony and evidence presented by prosecutors, including her distribution to investors of internal Theranos reports emblazoned with logos of major pharmaceutical companies who had not agreed to their use. Holmes admitted last week that she herself put the Pfizer and Schering-Plough logos on the reports, and testified that she wished she had "done it differently."

On Monday, she touched on the software protocol for demonstrations of her blood-analyzer that jurors heard could conceal erroneous results. Asked by Downey whether she had any concerns that the "null protocol" could be misleading, Holmes replied: "Not at all."

Later on Monday, Holmes appeared to give an answer that contradicted evidence previously put before the jury. Asked whether she recalled hearing about concerns about Theranos' technology raised by former lab worker Erika Cheung before Cheung left the company in 2014 and blew the whistle on what she had experienced, Holmes said, "No." However, emails displayed to jurors showed Holmes responding in 2013 to an internal email by Cheung flagging problems with the lab's quality control processes. Holmes asked how quickly the issue could be resolved and then wanted to know what resolution had been accomplished.

Holmes also advanced her legal team's strategy of distancing her from problems and management at the Theranos lab. She testified Monday that company scientists never told her about issues with accuracy and reliability in patient blood test results.

Holmes, charged with a dozen counts, faces maximum penalties of 20 years in prison and a \$2.75 million fine if convicted, plus possible restitution, the Department of Justice has said.

