

## **Bad Blood: Secrets and Lies in a Silicon Valley Startup**

**John Carreyrou**

**About the book:** In 2014, Theranos founder and CEO Elizabeth Holmes was widely seen as the next Steve Jobs: a brilliant Stanford dropout whose startup “unicorn” promised to revolutionize the medical industry with its breakthrough device, which performed the whole range of laboratory tests from a single drop of blood. Backed by investors such as Larry Ellison and Tim Draper, Theranos sold shares in a fundraising round that valued the company at more than \$9 billion, putting Holmes’s worth at an estimated \$4.5 billion. There was just one problem: The technology didn’t work. Erroneous results put patients in danger, leading to misdiagnoses and unnecessary treatments. All the while, Holmes and her partner, Sunny Balwani, worked to silence anyone who voiced misgivings—from journalists to their own employees.

**About the Author:** John Carreyrou is a French-American investigative reporter at *The New York Times*. Carreyrou worked for *The Wall Street Journal* for 20 years between 1999 and 2019 and has been based in Brussels, Paris, and New York City. He won the Pulitzer Prize twice and helped expose the fraudulent practices of the multibillion-dollar blood-testing company Theranos in a series of articles published in *The Wall Street Journal*.

### **People**

Theranos (Company Name)

Elizabeth Holmes (CEO)

Sunny Balwani (COO and Elizabeth’s partner)

Tyler Schultz (Whistleblower, Grandson of George)

Erika Cheung (Whistleblower)

George Schultz (Former Secretary of State and Board Member)

General James Mattis (Board member who testified against Holmes)

Henry Mosley (Financial Advisor, CFO, Fired)

Larry Ellison (Advisor, Investor, Board member)

Tim Draper (Investor)

David Boies (Theranos Lawyer)

### **Discussion Questions:**

- What ethical red flags should have been recognized earlier in Theranos' rise?
- How did the company's secrecy culture contribute to unethical behavior?
- Where do you think the line is between ambition and fraud in entrepreneurship?
- How did Elizabeth Holmes' leadership style influence Theranos' trajectory?
- What role did fear and intimidation play in the company's culture?
- Do you think the employees who stayed at Theranos bear some responsibility for enabling the fraud?
- Why do you think investors and media overlooked the lack of scientific evidence?
- What does Theranos teach us about the dangers of "fake it till you make it" in tech startups?
- How should investors and regulators evaluate disruptive technology claims moving forward?
- What risks did whistleblowers face in coming forward, and why were their voices critical?
- Do you think John Carreyrou's role as a journalist was essential to exposing the truth?
- What lessons can organizations learn about protecting whistleblowers?
- How does Theranos reflect the culture of Silicon Valley at large?
- Do you think gender played a role in Holmes' rise to prominence and downfall?
- What long-term impact do you think the Theranos scandal has had on healthcare innovation and public trust?

### **Read Alike:**

- My Friend Anna by Rachel DeLoache Williams
- No one would listen: a true financial thriller by Harry Markopolos
- The hard sell: crime and punishment at an opioid startup by Evan Hughes