

# Theranos CEO Elizabeth Holmes takes big gamble at conference

By [Thomas Lee](#) | June 10, 2016 Updated: June 12, 2016 3:57pm



Photo: Connor Radnovich, The Chronicle

**Theranos founder and CEO Elizabeth Holmes speaks at the Fortune Global Forum in San Francisco, California, on Monday, Nov. 2, 2015.**

Elizabeth Holmes just signed up for her own version of the Hunger Games this summer.

The embattled Theranos founder and CEO, [soon to be played by actress Jennifer Lawrence in a movie](#) based on her company's recent battles, has agreed to present the company's blood-testing technology at a major medical conference Aug. 1. It's the first time Holmes will come face to face with her peers — and critics — in the scientific community, after insisting for years that she couldn't reveal the details of her Edison technology lest rivals copy it.

Holmes can expect a tough audience, especially given the controversy over whether Edison actually works. Last month, the company [notified patients and doctors that it was voiding tens of thousands of test results](#) going back two years. But the real blood sport will come after the presentation, when 200 members of the national media will question Holmes about the [cornucopia of investigations Theranos faces](#) from the Justice Department, the Securities and Exchange Commission and other regulatory agencies.

She quickly attracted a \$9 billion valuation, a deal to put clinics in Walgreens drugstores, and the fawning coverage of national publications like Fortune and the New Yorker.

[But Theranos' technology has proved flawed](#). And a fair question to ask is whether Holmes' Silicon Valley-style secrecy, appropriate for unveiling a flashy new piece of consumer electronics, is appropriate when patients' health is at stake.

Experts in microfluidics, a key aspect of the technological blood-testing frontier Theranos has staked out, would normally present studies and answer questions from other scientists at the annual conference of the American Association for Clinical Chemistry.

"We've been aware of Theranos for some time," said Molly Polen, a spokeswoman for the association. "We've been asking Holmes to speak for a few years now."

Under fire from all sides, Holmes finally accepted the group's offer to speak at this year's conference in Philadelphia.

"This is the place for her to showcase her technology to experts in her field and to determine whether it has validity or not," Polen said.

Real questions linger over the company's inventions and its operations. Theranos [said only 1 percent of its test results](#) were voided or corrected. But the Centers for Medicare & Medicaid Services, the agency that regulates blood-testing labs, has proposed sanctions including shutting down its Newark lab, where it found severe lapses, and banning Holmes from the business for two years.

After months of bad headlines, Holmes clearly wants to go on the offensive and prove Theranos' bona fides to scientists who actually know how blood testing works. But the press conference is what baffles me: Why would Holmes want to talk to the media when federal prosecutors are investigating Theranos for allegedly misleading investors about its technology?

“Two things come to mind,” said Eric Havian, a former assistant U.S. attorney in the Bay Area and now a partner with Constantine Cannon law firm. “She is absolutely convinced that she has nothing to worry about. And she’s ignoring the advice of her lawyer.”

Federal prosecutors will no doubt take notes, he said. Most criminal defense attorneys are conservative and would see little benefit to a person under investigation speaking to the media, Havian said.

**“She should be very strategic and selective in picking places where she can hopefully establish herself as a person who knows something,” said Jennifer Jones, a public relations consultant in Woodside. “But why is she doing the press conference? Given that she is under investigation, that seems like a crazy idea.**

**“Plus she’s not effective at press relations, so the media will likely skewer her.”**

At a Fortune magazine forum in November, [Holmes seemed to agree](#), while suggesting Theranos’ problems were ones of style, not substance.

“I’m definitely not a PR person,” she said.

Yet Holmes seem to revel in doing things differently and tackling problems she might not seem suited to handle, which is probably why she got in trouble. Holmes dropped out of Stanford to found Theranos, which promised to revolutionize health care with an inexpensive and noninvasive way to diagnose diseases.

As Theranos’ problems unfolded, Holmes appeared slow to grasp the severity of her situation. She certainly understands it now.

Holmes recently recruited Brooke Buchanan as a Theranos spokeswoman. Buchanan, who served as press secretary to Arizona Sen. John McCain during his presidential campaign in 2008, has aggressively [pushed back against negative coverage](#). Buchanan did not respond to a request for comment — which may be smart, given the circumstances.

But I wonder if Holmes, perhaps encouraged by Buchanan, is being a little too aggressive in answering her critics.

For if the scientific meeting and the press conference that follows are her Hunger Games, the odds most definitely don't seem in her favor.

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