

GUEST ESSAY

The Elizabeth Holmes Trial Is a Wake-Up Call for Sexism in Tech

Sept. 15, 2021

By Ellen Pao

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Elizabeth Holmes followed the Silicon Valley playbook to a T. She was focused and ambitious. She had a compelling vision to help humanity with technology for blood tests, and her ambition, she said, was driven by a personal fear of needles. She fit the pattern of the young, brilliant college dropout, even dressing like Steve Jobs.

When she founded the unconventional blood-testing company Theranos in 2003, I was relieved to see a woman finally benefit from the hyperbole that dominates venture investing, a world I worked in for nine years, total. Why shouldn't a woman show the same single-minded confidence that her male peers did? By 2015, Ms. Holmes raised more than \$400 million in financing and Theranos was valued at \$9 billion. At last, I thought: a charismatic woman with a compelling vision, actually able to raise huge amounts of funding at astronomic valuations.

But after it was revealed that Theranos was not transparent when its blood-testing equipment failed, it became clear that the company would be the exception that proves the rule that tech chief executives rarely face the full consequences of the harm they cause.

Yet Ms. Holmes is also exceptional for the basic fact that she is a woman. Time and again, we see that the boys' club that is the tech industry supports and protects its own — even when the costs are huge. And when the door cracks open ever so slightly to let a woman in, the same rules don't apply. Indeed, as Ms. Holmes's trial for fraud continues in San Jose, Calif., it's clear that two things can be true. She *should* be held accountable for her

actions as chief executive of Theranos. And it can be sexist to hold her accountable for alleged serious wrongdoing and not hold an array of men accountable for reports of wrongdoing or bad judgment.

Questionable, unethical, even dangerous behavior has run rampant in the male-dominated world of tech start-ups. Though never charged with crimes, WeWork's Adam Neumann and Uber's Travis Kalanick hyped their way into raising over \$10 billion for their companies, claiming they would disrupt their stagnant, tired industries.

Remember the accusations of harassment, privacy violations, price gouging, misleading advertising and any of the other dozens of scandals at Uber? How about the genocide incited on Facebook in Myanmar, or its engagement-centric approach that led to the proliferation of anti-vaccination propaganda on the platform? Neither Mr. Kalanick nor Mark Zuckerberg has faced any significant legal consequences.

Meanwhile, a Tesla employee reportedly described part of a Tesla manufacturing plant as a predator zone for women. News reports recount allegations of racist threats, effigies and humiliation against Black workers. (Tesla has told The Times there is no evidence of "a pattern of discrimination and harassment.") Elon Musk, Tesla's chief executive, did get his hand slapped for fraud — only it was by the Securities and Exchange Commission, which banned him from posting on Twitter without supervision from Tesla's lawyers.

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Leading this race to the bottom, Juul brought vaping mainstream, raising billions of dollars along the way. Kevin Burns, the chief executive who helped raise \$12.8 billion for Juul from Altria, a tobacco giant, claimed his product was intended to help people stop smoking cigarettes. Nevertheless, in June 2019, Congress began an investigation into Juul's part in the youth nicotine epidemic, including efforts to market its products as safe for children. This summer, Juul agreed to pay \$40 million to settle the first of many lawsuits claiming that the company's marketing practices fueled widespread nicotine addiction among young people.

Male chief executives and founders just aren't held accountable in ways that would lead to reform across the tech industry. And even when they are made to answer for their actions, they find their way back into the fold very quickly.

Mr. Burns left Juul in September 2019 and less than a year later, he was hired by Alto Pharmacy, an online pharmacy that has raised \$376 million in funding. Mr. Kalanick has done even better, raising \$400 million for his newest venture.

Every announcement confirms what those of us who have spoken up have known for a while: Tech investors generally don't care about allegations of fraud, harassment or discrimination, especially if they can profit from it.

The power imbalance between mostly male investors and female entrepreneurs also hasn't seemed to shift much — much less in a way that would empower or protect founders. In an industry where female founders receive only 11 percent of the seed through early-stage funding and 64 percent of venture capital firms in the United States do not have any female partners, we should not be surprised. When you consider intersectional data, the bias is even more damning: Venture capitalists gave only a paltry 0.34 percent of funding within the United States to Black female founders in the first six months of this year. Sexism in tech is real and alive.

These problems can't be ignored or pretended away. If the members of the investors' boys' club won't hold each other accountable, prosecutors must step in, as they're doing now with Elizabeth Holmes.

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A version of this article appears in print on , Section SR, Page 3 of the New York edition with the headline: The Sexism of the Elizabeth Holmes Trial