



United States
Attorney's Office
Northern District of California

U.S. v. Elizabeth Holmes, et al.

On June, 14, 2018, a grand jury returned an indictment charging Elizabeth Holmes and Ramesh “Sunny” Balwani with crimes in connection with their respective involvement with two multi-million-dollar schemes to promote Theranos, a private health care and life sciences company based in Palo alto, California. The indictment was superseded on July 14, 2020, and again on July 28, 2020.

As alleged in the operative indictment, Holmes and Balwani used advertisements and solicitations to encourage and induce doctors and patients to use Theranos’s blood testing laboratory services, even though, according to the government, the defendants knew Theranos was not capable of consistently producing accurate and reliable results for certain blood tests. It is further alleged that the tests performed on Theranos technology were likely to contain inaccurate and unreliable results.

The indictment alleges that Holmes and Balwani defrauded doctors and patients (1) by making false claims concerning Theranos’s ability to provide accurate, fast, reliable, and cheap blood tests and test results, and (2) by omitting information concerning the limits of and problems with Theranos’s technologies. The defendants knew Theranos was not capable of consistently producing accurate and reliable results for certain blood tests, including the tests for calcium, chloride, potassium, bicarbonate, HIV, Hba1C, hCG, and sodium. The defendants nevertheless used interstate electronic wires to purchase advertisements intended to induce individuals to purchase Theranos blood tests at Walgreens stores in California and Arizona. Through these advertisements, the defendants explicitly represented to individuals that Theranos’s blood tests were cheaper than blood tests from conventional laboratories to induce individuals to purchase Theranos’s blood tests.

According to the indictment, the defendants also allegedly made numerous misrepresentations to potential investors about Theranos’s financial condition and its future prospects. For example, the defendants represented to investors that Theranos conducted its patients’ tests using Theranos-manufactured analyzers; when, in truth, Holmes and Balwani knew that Theranos purchased and used for patient testing third party, commercially available analyzers. The defendants also represented to investors that Theranos would generate over \$100 million in revenues and break even in 2014 and that Theranos expected to generate approximately \$1 billion in revenues in 2015; when, in truth,

the defendants knew Theranos would generate only negligible or modest revenues in 2014 and 2015.

The indictment alleges that the defendants used a combination of direct communications, marketing materials, statements to the media, financial statements, models, and other information to defraud potential investors. Specifically, the defendants claimed that Theranos developed a revolutionary and proprietary analyzer that the defendants referred to by various names, including as the TSPU, Edison, or minilab. The defendants claimed the analyzer was able to perform a full range of clinical tests using small blood samples drawn from a finger stick. The defendants also represented that the analyzer could produce results that were more accurate and reliable than those yielded by conventional methods – all at a faster speed than previously possible. The indictment further alleges that Holmes and Balwani knew that many of their representations about the analyzer were false. For example, it is alleged that Holmes and Balwani knew that the analyzer had accuracy and reliability problems, performed a limited number of tests, was slower than some competing devices, and, in some respects, could not compete with existing, more conventional machines.

The indictment charges each defendant with two counts of conspiracy to commit wire fraud, in violation of 18 U.S.C. § 1349, and nine counts of wire fraud, in violation of 18 U.S.C. § 1343.

U.S. v. Ramesh "Sunny" Balwani

Ramesh “Sunny” Balwani was sentenced on Wednesday, December 7, 2022 to 155 months (12 years, 11 months) in federal prison for fraud that risked patient health by misrepresenting the accuracy of Theranos blood analysis technology and that defrauded Theranos investors of millions of dollars.

Balwani was tried separately from Holmes, and in her trial Holmes was not convicted of all counts. On January 3, 2022, a different federal jury convicted Holmes of one count of conspiracy to commit fraud on investors and three counts of committing fraud on individual investors, which involved wire transfers totaling more than \$140 million. The jury acquitted Holmes of the patient-related fraud conspiracy count and the three counts of fraud against individual patients. The jury could not reach a unanimous verdict with respect to three individual investor fraud counts against Holmes. An additional count of wire fraud relating to a Theranos patient had been dismissed during trial. On November 18, 2022, U.S. District Judge Davila sentenced Holmes to 135 months (11 years, 3 months) in federal prison. She was ordered to surrender to begin serving her sentence on April 27, 2023.

In addition to the 155 month prison term, U.S. District Judge Davila sentenced Balwani to three years of supervision following release from prison. A hearing to determine the amount of restitution to be paid by Balwani is to be scheduled in the future. Balwani was ordered to surrender on March 15, 2023, to begin serving his prison sentence.

U.S. v. Elizabeth Holmes

Elizabeth A. Holmes was sentenced on Friday, November 18, 2022 to 135 months (11 years, 3 months) in federal prison for defrauding investors in Theranos, Inc. of hundreds of millions of dollars.

In addition to the 135 month prison term, U.S. District Judge Davila sentenced Holmes to three years of supervision following release from prison. The parties were instructed to meet and agree on a future date for a hearing to determine the restitution amount to be paid by Holmes. No fine was assessed. Holmes was ordered to surrender on April 27, 2023, to begin serving her prison sentence.

Next Court Dates

Due to the level of interest in this case, please see the following webpage for important news and information about access to proceedings and case information:

[United States v. Elizabeth A. Holmes, et al. 18-CR-00258-EJD](#)

Notice: Dates are subject to change on short notice. Please check Judge's calendar before attending.

- [Court access](#)
- [Judge's calendar](#)

Notice for Potential Victims

The United States Attorney's Office for the Northern District of California and investigating agencies are seeking information from those who may be victims of the Defendants' crimes.

If you believe you are a patient victim, please fill out this [questionnaire](#). Please read and follow the instructions on the form and submit it no later than September 6th, 2022. Email your submission to oci.theranos@fda.hhs.gov with *US v Holmes & Balwani* in the Subject Line. We are unable to accept late submissions.

All responses are voluntary, but complete submissions will be useful in identifying respondents as potential victims and supplying the Court with the information necessary for sentencing. It is requested that respondents submit their statements via email as indicated on those questionnaires. Based on the information submitted, respondents may be contacted by law enforcement agencies and asked to provide additional information.

This Office cannot act as your attorney or provide you with legal advice. However, you may seek the advice of an attorney with respect to this or other related legal matters.

Resources

- [Holmes and Balwani Indictment](#)

Contact Information

For information or assistance with this case, please contact the Mega Victim Case Assistance Program unit at (844) 527-5299 or e-mail USAO.MCAP@USDOJ.GOV.

For information and or questions relating to press inquiries please contact our Public Information officer at 415-436-7264 or email Abraham.Simmons@usdoj.gov.

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Northern District of California

Main Office:

