## **CPA**

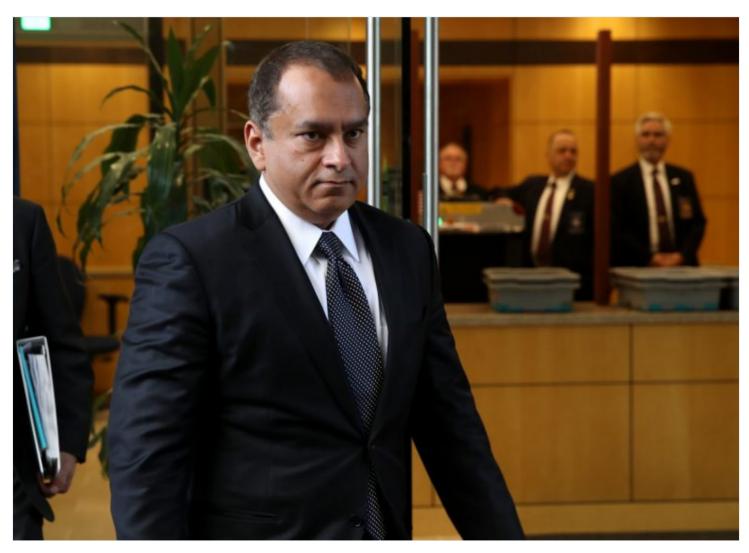
## Practice **Advisor**

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Elizabeth Holmes last month.

Dec. 08, 2022



By Joel Rosenblatt, Bloomberg News (TNS)

Former Theranos Inc. President and Chief Operating Officer Ramesh "Sunny" Balwani was sentenced to 13 years in prison for defrauding investors and patients of Theranos Inc., the blood-testing startup he ran alongside its founder and chief executive officer Elizabeth Holmes.

The sentence imposed Wednesday by U.S. District Judge Edward Davila in San Jose,

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Family members sitting behind him in court didn't react either.

Balwani and Holmes, who had a romantic relationship while they worked together, were tried and convicted separately of lying about the accuracy and capabilities of Theranos's blood-testing machines. The pair promised to revolutionize the medical industry by using a few drops of blood to complete a wide array of health tests.

As problems came to light, the company once valued at \$9 billion fell apart amid regulatory crackdowns and shareholder lawsuits. The collapse of the startup and the indictment of Holmes, a Stanford University dropout who became a celebrity Silicon Valley entrepreneur, spawned books, a documentary and a television series. Holmes was convicted of defrauding investors in January, while a jury found Balwani guilty in July.

The sentence imposed by Davila reflects, in part, how he viewed Balwani's role in the fraud. While Holmes was acquitted of charges she defrauded patients, Balwani was convicted on those counts.

Prosecutors argued Balwani's conviction on the patient counts merits a higher sentence because he knowingly provided patients with inaccurate and unreliable blood tests.

Balwani's lawyers aimed to distinguish him from Holmes in their plea for leniency. Balwani never sought fame or recognition, and has a long history of giving to charity, his lawyer, Jeffrey Coopersmith, told the judge at Wednesday's hearing.

In his late 50s, Balwani won't get "another crack at a company like Theranos," Coopersmith said. "He's unfortunately radioactive as a result of this whole affair."

The case is U.S. v. Balwani, 18-cr-00258, U.S. District Court, Northern District of California (San Jose).

(Photo by Justin Sullivan/Getty Images/TNS)

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