

# Theranos Elizabeth Holmes Barred From labs and Black Turtle-Neck Shirts

Thu, 07 Jul 2016 17:00:00, newstips66, [post\_tag: theranos-elizabeth-holmes-barred-from-labs-and-black-turtle-neck-shirts, category: worldnews]

## Theranos CEO Holmes barred from operating lab for two years

By [Ankur Banerjee](#) and [Natalie Grover](#)

Elizabeth Holmes, founder and CEO of Theranos, speaks at the Wall Street Journal Digital Live (WSJDLive) conference at the Montage hotel in Laguna Beach, California, October 21, 2015.

Reuters/Mike Blake

Steve Jobs dress-alike Theranos Inc founder and CEO Elizabeth Holmes, once touted as the Steve Jobs of biotech for her company's innovative blood-testing technology, has been barred by a U.S. regulator from owning or operating a lab for at least two years.

Dealing the biggest blow yet to the privately held company, the Centers for Medicare & Medicaid Services revoked a key certificate for its California lab and terminated the facility's approval to receive government payments.

Medicare is the government's medical insurance program for the elderly, while Medicaid is for the poor.

The sanctions, which also include an unspecified monetary penalty, come six months after the regulator sent a scathing letter to the company, saying its practices were jeopardizing patient health and safety.

Theranos said late on Thursday that it would continue to service its customers through its Arizona lab.

The company, once valued at \$9 billion, was founded by Holmes in 2003 to develop an innovative blood testing device that would give quicker results using just one drop of blood.

However, its fortunes waned after the Wall Street Journal published a series of articles starting in October last year that suggested the devices were flawed and inaccurate.

Forbes magazine said last month that the company's value had fallen to about \$800 million, while Holmes' own net worth had shrunk to zero from about \$4.5 billion - a figure the magazine had said had made her the richest self-made woman in America.

"Everyone wanted her to succeed," Steve Brozak, president of WBB Securities, told Reuters, noting that the basic blood diagnostics sector has not had a significant advance in technology in 90 years.

Walgreens Boots Alliance ([WBA.O](#)) terminated its relationship with the company last month and closed operations at all 40 Theranos Wellness Centers at its drug stores in Arizona.

Theranos is also facing a class action lawsuit filed in May accusing it of endangering customer health through "massive failures" that misrepresented test results.

The Palo Alto, California-based company is also being investigated by other federal and state agencies, including the U.S. Securities and Exchange Commission and the State Department of Health in Arizona.

(Reporting by Natalie Grover and Ankur Banerjee in Bengaluru; Editing by Sriraj Kalluvila and Ted Kerr)