

[Intro Music]

Nicholas Iovino: Welcome to Sidebar, a podcast from Courthouse News. I'm Nicolas Iovino, one of your hosts and a reporter in San Francisco. In this episode, we'll take a deep dive into what's driving a pollution crisis on one of the most important estuaries on the U.S.-Mexico border. We'll also hear about the much-talked-about trial of former Silicon Valley superstar Elizabeth Holmes, accused of misleading investors about the accuracy of her company's breakthrough mobile blood tests. But first, we'll kick things off in the Rocky Mountain region, where a dispute has been brewing for decades over a four-legged predator that some people love and others love to hate. I'm talking about wolves and a long-standing debate over the extent to which these carnivorous mammals should be protected or hunted down and killed. Denver-based reporter Amanda Pampuro has the story.

[Dial Tone]

Jeremy Heft: Wolf Education Research Center, this is Jeremy. How may I help you?

AP: Hi, Jeremy. It's Amanda Pampuro with Courthouse News. How are you doing today?

JH: Hi Amanda, I'm doing all right. How about yourself?

AP: I'm well, did I catch you at a good time to talk about wolves?

[Wolf Calls]

AP: I'm really trying to narrow down on what changes maybe have been brought about by the ESA over the last year. What's driving some increases in hunts, and that like elusive middle ground where everyone gets along, and wolves live happily ever after?

JH: Yeah, good luck again with that.

AP: So, here's the question that's probably going to determine your outlook on wolves. Do you feel threatened by them? If you live in rural America or think there's any chance you're going to defend livestock against wolves, chances are good you favor the aggressive policies making it easier to hunt them. If you're thinking about the ecosystem's need for keystone apex predators to fill a niche, you probably think lethal measures are overkill. Given enough space and prey, wolves need very little help from us. It's really the humans that are being managed when we talk about wolf conservation. States set policies for when wolves can be defensively killed or actively hunted and how ranchers should be compensated for predation.

Bonnie Brown: I go to Yellowstone every couple of years and I'm always you know, I'm always excited to see the wolves in the park. But you know, I don't want them across my pasture fence. I'm Bonnie Brown, I'm the executive director for the Colorado Wool Growers Association, and I've been working on predator management and wildlife conflict issues for the Colorado sheep and wool industry for the past 21 years. Sheep are defenseless animals. They're wonderful for forage management and grazing. They were one of the first domesticated animals in history, but they don't have natural defenses against predators.

AP: In 2020, Colorado ballot measure Prop. 114 asked voters to mandate the state to reintroduce wolves by 2023. It passed, but by the narrowest of margins, 57,000 out of 3.1 million votes tip the scale. That's a small-town number, like Littleton or Commerce City could have changed the outcome.

BB: Now, because of Proposition 114, we're looking at putting another voracious predator out there on the ground that is going to really make things difficult for livestock production in Colorado.

AP: What are your concerns with there being wolves next to livestock production?

BB: Well, obviously depredation. It's bad enough when you find your livestock that's dead, but it's really traumatic when you go out there, and you've got a ewe or a mama cow and she's still alive, and she, you know, she's been eaten on and torn up. And the average person in Denver, you know, has absolutely no concept of that's what really happens. You know, this is not a Disney cartoon we're dealing with.

JH: One of the more popular questions I received from folks is what makes good wolf habitat. And the easy answer to that is wherever there's not people. Jeremy Heft, and I'm the biologist with the Wolf Education and Research Center. Wolves are highly adapted animals, they can live in lots of different terrain, they can adapt to different types of prey according to their different habitats.

AP: The 1973 Endangered Species Act created protections for animals like the wolves, which were listed as endangered.

JH: Back in 1973 that was a really big movement at that time to preserving some of those species that traditionally are present in our ecosystem in North America, but had been extirpated for one reason or another, and grey wolves became one of the first predators on the list in 1974. And it took all the way from 1974 until 1995 to figure out how to reintroduce wolves and at that time the biologists believed that the best habitat to handle wolves would be in Yellowstone National Park.

[“The Blue Danube” Plays]

AP: Yellowstone is an ecosystem restoration legend. Once upon a time, wolves were driven to local extinction. So, deer and elk ran rampant, gnawing young trees and grass so short, the stream bed started to collapse, and birds had nowhere to nest. Then in 1995, wildlife managers reintroduced the apex predator and watched the ecosystem bloom. Streams were healthier, beavers and birds and biodiversity thrived. The tourists loved it.

JH: Biologically, wolves have done great in established territories, and then certain members dispersed.

AP: Today, a few thousand wolves populate portions of the Rocky Mountains with an estimated 1,200 wolves in Montana. Is that success? Or is that a new problem?

Brian Wakeling: Well, there is no magic number that says well, this is what the number should be. And it's the same thing whether we're talking about mule deer or we're talking about elk. The biological flexibility of most wildlife populations are far greater than the social acceptance for those biological extremes. My name is Brian Wakeling. I am the game management bureau chief for Montana Fish, Wildlife and Parks. Since 2011, Montana has had a level of hunting that has been legal to participate in. And during that time, animals have been harvested and the population has remained fairly stable.

AP: There's been two documented wolf-human attacks in the country over the last century, and livestock attacks are statistically low. Still, Montana passed several laws this year making wolves easier to hunt. Idaho similarly sanctioned up to 90% of its wolf population being coddled. More than being driven by ecology, most people say these laws are largely political. But Wakeling points out state wildlife

management is inherently political. The people elect representatives who pass laws controlling policy, according to the will of the people.

BW: It's extremely difficult for the American public to talk about politics at this point in time, without getting into a large degree of hyperbole. We're talking about wolf management, I think wolves are here. They're part of our landscape, if so much of it becomes divisive, but at the same time over trying really, really hard to do is to find a level at which we can manage all of our wildlife species for the benefit of all the citizens.

AP: Have you ever seen a wolf?

BW: Yes, I have. I've also seen mountain lions and I've also seen grizzly bears.

AP: I'm terrified of mountain lions.

BW: We have these fears based on things that because of our lack of knowledge, the frequency with which mountain lions cause any physical harm to human beings, it's extremely, it's almost unheard of, people get struck by lightning more frequently. I always feel incredibly fortunate when I do have the opportunity to have those encounters. So far, I haven't had a negative encounter with any of them, but you respect them and give them the space they need.

AP: Last year, the Department of Interior delisted wolves under the Endangered Species Act. While that is being challenged in California, activists in Montana are going after wolf snares because they can also kill protected species like lynx and grizzly bears. In Wisconsin, several Native American tribes are using their treaties to stop the state's wolf hunt. Meanwhile, rural communities in Colorado are also hoping to overturn state-level protections and allow wolf kills. So, what does lethal control look like to you? Does that look like if I see a wolf from my property, I can shoot it? Does that mean 10% of the estimated population should be killed or there should be hunting licenses? How does that work? Bonnie Brown...

BB: The migration plan got it right. It said that if wolves aren't causing a problem, they can stay on the landscape and if they are causing a problem, they have to be removed.

AP: What other tools did the various ranchers have to keep wolves away from cattle?

BW: Different breeds of cattle make more resistance to predation, are more likely to avoid predation.

BB: Flattery and range rider stuff.

JH: That's why like cowboying was so popular.

Karin Vardaman: Basically, if a rancher is going to raise cattle, which is basically prey, in predator country, then you want to make sure that your cattle is a less vulnerable prey on the last game so that wolves will continue to go after what they should, the elk that year. My name is Karin Vardaman, founder-director for Working Circle. For me, what it came down to is the people part of it, you can focus on fighting against all the things you fear or don't want, or you can focus on the things you do want. And what's amazing is that there's more things we have in common that we do want than not. And the fact is what I've learned is that wolves don't have to exist on the landscape at the expense of ranchers and ranchers don't have to exist on landscape at the expense of wolves. We're not asking them to love wolves, you know, we're just trying to support them so that they feel comfortable sharing the landscape with wolves. You've got to lower those initial barriers first, you know, starts with that trust and the

relationships and sincere understanding. A lot of times folks will go in and they're gonna, they want to reach out to ranchers, but they're doing it for their own agenda. It's not that they really care about that. Right. You know, ranchers see right through that.

AP: That's why the story of the wolves is the story of us. Success is as much about bringing together different people from different communities as it is about nurturing the call of the wild.

[“The Blue Danube” Plays]

NI: Wildlife advocates filed three lawsuits this year over the federal government's decision to end Endangered Species Act protections for gray wolves. You can find more on those suits and other wildlife-related legal disputes at courthousenews.com. Up next, we'll cruise down to the southwestern most corner of the United States where a crisis is erupting on the U.S.-Mexico border. No, I'm not talking about immigration. This border emergency involves a most unpleasant form of water pollution, human waste. San Diego-based reporter Bianca Bruno trudged through the murky waters of the Tijuana River Basin to bring us this report.

Bethany Case: We're walking through fresh horse tracks, clearly fresh horse droppings. This trail is officially closed. Last time we came down here this was unnavigable, there were giant puddles and like a car bumper was down here. So, this is all contaminated.

Bianca Bruno: And it's really muddy right here.

BC: Yeah. So, the trash flows, people dump their trash from the top of the hill. It goes down. The people who live in that canyon have makeshift homes. They use what they can, and then the rest of it flows out. Careful. There's...

BB: Thank you.

BC: That's interesting.

BB: That's not horse poop.

BC: Nope, it is not. I think we should go back okay.

BB: The Tijuana River is full of poop. The river snakes through northern Mexico and crosses the U.S.-Mexico border through tributaries throughout San Diego County, before dumping into the Pacific Ocean in the southernmost beach town in California, Imperial Beach. Bethany Case, a co-chair of Surfrider San Diego's Clean Border Water Now campaign, is an Imperial Beach resident who has been working for years to get the international pollution crisis cleaned up.

BC: We started out as a bunch of moms. So, in 2017, there was a huge flow. So, we went down to the beach with the kids. We didn't know, we didn't know any better. We went down to the beach, took pictures and decided we're gonna start raising awareness. It was a matter of like, this is our home. This is our recreation area, and we can't use it and we're irritated, and it's gone from irritation to lots worse than that at this point.

BB: That flow Case mentioned? It spilled upwards of 250 million gallons of raw sewage into the Tijuana River and U.S. waters in February 2017. Crumbling wastewater infrastructure failed during an unusually wet winter in the Mexican border city, which has seen an explosion in its population the past few

decades. At the time, San Diego residents were well aware of the transboundary pollution problem. Wastewater and sewage flows through the Tijuana River had been documented in the border region since the 1930s. The city of San Diego has declared a continuous state of emergency due to Mexican sewage runoff since the 1990s. But local officials went on a media campaign following the 2017 spill and raised awareness of the decade's long problem, putting pressure on state, federal and international governments to solve the crisis.

News Clip: Take a look behind me. That big yellow sign is warning people not to get into the water because of pollution. Pollution so bad the mayor here is calling it a tsunami of sewage.

Serge Dedina: This by far was the worst sewage spill in over a decade, if not ever.

News Clip: Imperial Beach Mayor Serge Dedina did not hold back.

SD: This is a tsunami of sewage spills.

BB: The pressure worked. The state and local cities filed suit in 2018 against the International Boundary and Water Commission, the federal agency tasked with managing transboundary flows on the U.S. side of the border. The case has been paused as the parties have been in settlement negotiations to resolve claims the commission violated the Clean Water Act by allowing untreated wastewater to flow into California waterways. More importantly, there's finally some money to try and plug the sewage problem. As part of the U.S.-Mexico-Canada Agreement, \$300 million was allocated to the border water infrastructure program to fix the pollution problem. The Environmental Protection Agency recently announced it selected a slate of projects on both sides of the border to clean contaminated wastewater. At the top of the list is more than doubling the capacity of the water treatment plant run by the IBWC. But politicians and community members didn't just put pressure on the feds to fix the problem locally in the county responded to public demand to ensure water quality safety for recreation by exceeding state testing requirements.

[Running Water Sounds]

Joseph Palmer: I work for the County of San Diego's Department of Environmental Health and Quality, and I run the beach and bay water quality monitoring program.

BB: That's Joseph Palmer. He runs the team which has a 24-hour turnaround for water quality tests taken up and down San Diego's coasts.

JP: From the South County area, which would be from the Mexico-U.S. border through to Coronado, we typically take nine samples every day. Because there's a public demand, we have increased the amount of sampling that we're doing. We're required to sample in the summer months only by state law. And we're only to sample specific beaches and then only once per week. So, we have gone above and beyond by the support of the board of supervisors and the executive team in the county. We collect a huge number of samples from this area, and that's increased over the last few years through board of supervisor support. And because of the potential impact from sewage from cross-border flows, we have increased the sampling in this area to make sure people are safe.

BB: I tagged along with Palmer after a recent rainstorm to collect water samples in Imperial Beach and north in Coronado where recruits training to be Navy Seals have become sick after being exposed to sewage from the Tijuana River flow. So, can you explain how you collect the sample?

JP: Yes, so, here we are in the Crown Cove area of San Diego Bay, it's a beautiful day, and the sampler comes into the water with an extended long pole. And at the end of the pole is a small water bottle that's about 120 milliliters. That's put into the water so that the water is about one to two feet deep. And the water bottle is put into the water and turned around to collect the water so that we take a representative and repeatable sample. Then when the sampler gets to the beach, they make sure to drop a little bit of the water so that there's about an inch of space above the water level in the actual sample. And that's because if there are any bacteria in there, we want to make sure that they have some oxygen that's in that bottle, so they are retained alive.

BB: The water samplers tests for three bacteria.

JP: And those are total coliform, fecal coliform or E. coli in this case, and also Enterococcus, we assess that when we get the results to make sure whether they are high or low, and then we can make a determination of whether to give a warning to people to come to the beach or not.

BB: And the beaches have been closed, for weeks at a time.

JP: The border through the first house in Imperial Beach, that would be what we call the Tijuana Slough shoreline. The Tijuana Slough for this year through 10/26 of 2021 has been closed for 205 days of the year. A large proportion of that is 142 days from the first of the year through May 23. And that would be because that's when the Tijuana River was flowing for the entire time.

BB: Due to the ongoing contamination, providing beachgoers real-time updates is imperative. So, the county is working with the EPA to be the first region in the nation to do water quality testing with same-day results. It's expected to be implemented next year.

[Music Break]

BB: What about the \$300 million that's supposed to solve the sewage problem?

SD: The signing of this agreement, the dollars are going to flow to clean up the sewage spills from the Tijuana River Valley once and for all is a shining example of what we can do when we work together.

BB: It turns out it's going to take more than double that, at least \$627 million.

Doug Liden: This assumes that we have more we get more money from Congress than the \$300 million that we currently have. A lot of the local stakeholders and mayors basically said, you know, don't let the \$300 million sort of limit your thinking, what could you do if you had, say, twice that amount of money.

BB: That's Doug Liden with the EPA. He shared on a recent public meeting more than doubling the capacity of the wastewater treatment plant is an essential solution to deal with the sewage crisis that will only get worse as Tijuana's population increases. Once complete, the plant will treat 60 million gallons a day.

DL: That provides for a lot more room for growth. We know that Tijuana is going to continue to grow. We don't want to have to face this problem in another three or four years.

BB: Other projects include building a new treatment facility to divert Tijuana River water and sending treated waters back to Mexico for reuse. A new treatment plant near the coast in Tijuana is also

considered high priority, but U.S. dollars aren't enough to cover it. So, EPA officials are meeting with decision-makers in Mexico City to make sure Mexico has some skin in the game.

[Mariachi Music]

DL: We're working very, very closely with Mexico to reach agreements on some of the binational solutions. We recognize that a solution that just deals with the problem on the U.S. side is really not going to get the best bang for the buck. We also realize that a lot of these solutions actually have great benefits to Mexico. And so, we're trying to figure out, you know, agreements on cost-share for operations and maintenance for capital improvement projects. All those decisions need to be made in Mexico City. And so that's what I'm doing here working of course with the state of Baja.

BB: Now the projects will go through the environmental review process. Liden said design can happen as soon as the end of 2022, with ground-breaking in 2023. Officials hope the binational plan is completed by 2030. That timeline was to be expected. At least that's what Case and other advocates who've been working to plug the sewage problem once and for all said.

BC: Our goal is to keep raising awareness to keep pushing our elected officials and to push to get the government to approve one of these projects to start working on it. We're told when we started in 2017, even if they started something right now, it would take a decade. It's been documented as far back as the 30s. So, what are we actually waiting for?

[Music Break]

NI: The EPA has estimated that up to 3.5 million Americans get sickened every year from swimming and sewage-contaminated waters. For our final segment, we'll get an update on a months-long trial that has captivated those in the world of high tech and biotechnology. Elizabeth Holmes was once seen as a rising star in the industry, sporting Steve Jobs-style black turtlenecks. Holmes promoted a revolutionary portable blood testing device that promised to forever change the medical testing industry, but federal prosecutors say her company, Theranos, was built on a house of lies. She's been fighting multiple charges of securities fraud in a trial that started in early September. Sidebar cohost Nina Pullano caught up with Courthouse News reporter Matt Renda, who has been covering the trial in Northern California. Here's her report and their conversation.

Elizabeth Holmes: One of the incredible things about this country is that we can and do solve policy challenges through creativity and innovation. And I've always believed that when people find what they're truly passionate about, and they make a decision to do that and stick with that, no matter what they can build great things.

NP: The scandal that swept across Silicon Valley is playing out in a federal courtroom in San Jose, where Elizabeth Holmes, the creator of the company, Theranos, is on trial for fraud. Courthouse News reporter Matt Renda has been on the ground covering testimony. Hi, Matt, it's nice to have you here.

MR: Hi, Nina. Nice to be here. Thanks for having me.

NP: For sure. So many of us have heard of Theranos. But for those who haven't, give us a background. This is a company that was at one time valued at \$9 billion. What is Theranos? What was Theranos, according to its leaders? What was it creating?

MR: So Theranos was founded in 2003. It was founded by, of course, Elizabeth Holmes, who is now famous or infamous, depending on who you ask, although I think mostly infamous, at this point. She was 19 years old at the time, she dropped out of Stanford. By all accounts, she's actually quite a talented organic chemist. And she says that she founded this company in an effort to, in the sort of the classic Silicon Valley language, disrupt blood analyzing equipment. And so, she basically set out to create a portable blood analyzer, which is just a device that is capable of running hundreds of blood tests, sometimes blood just from the prick of a finger on an actual portable device. So the theory was, let's just say you have some medical condition. And you are, you know, curious about, I don't know, maybe whether your cancer is coming back. And so, you could test your own blood on a blood analyzer to see if certain levels of certain, you know, organic components are present in your blood at any time. So, obviously, that had, you know, huge potential, I think, for health care. And then also, you know, she wanted to sort of, I think, you know, put out to pasture some of the old companies like Quest Diagnostics, like LabCorp, who, you know, were doing blood tests on these large machines inside a lab. They took a long time. They were expensive. It was difficult to access. So, she believed that Theranos would increase health care accessibility, and that it would increase the speed at which you get information that's vital to your health. So it began for Elizabeth Holmes and her investors.

NP: You mentioned her investors. And of course, she had some really high-profile folks that were backing her, including two former U.S. defense secretaries, former secretaries of state, billionaire investors like Rupert Murdoch and the Walton family who, of course, own Walmart, and also the DeVos family as in former U.S. Secretary of Education Betsy DeVos. Some individual families put down \$100 million. What went wrong?

MR: The short answer is that her devices did not work. I think what's at issue in the trial as whether she knew that they did not work and she was bilking these investors in order to personally profit, live the highlife there for a little while, or if she always believed that she was just on the cusp of a breakthrough and making these work. They were these little devices, and they actually did conduct some blood tests accurately. But I think the problem for Elizabeth and for Theranos is that they were telling these investors and you rightly said, people like George Shultz, we're talking about people like Defense Secretary Mattis, Rupert Murdoch, the DeVos family, all of those people that you mentioned, she was telling them that these portable blood analyzers were capable of in the neighborhood of about 200 blood tests accurately, when in reality they could do about 12.

NP: What exactly are the charges now against Elizabeth Holmes?

MR: She faces about 12 federal charges. She's really essentially accused of defrauding two different classes of people. But on the one hand, she's accused of defrauding the actual patients that used the blood test analyzers in around 2013 and 2014. I think the classic story that came out of trial, and I think it's actually pretty damning for Ms. Holmes, is that there was a pregnant lady who took a pregnancy test using the Edison device, and basically found out the test told her that she wasn't pregnant. So, she then began a medication regime in line with somebody who's not pregnant, but as a regime that you would not recommend to somebody who was pregnant. And then later she came to find out that her test was false. You know, she relied on this test and took medications that were dangerous to her, to her baby and to her family. And then the other class of people that she is charged with defrauding is investors, like, you know, Rupert Murdoch, the DeVos family, also Safeway and Walgreens.

NP: So, if the jury finds her guilty, Holmes is looking at possible prison time. Is that right?

MR: Yeah, I mean, I think that she's looking at, you know, substantial prison time. It's this stuff always gets, you know, reduced on good behavior. And she stands to do multiple decades in federal prison. I don't think that she'll do that even if she's convicted. But yeah, big time fines. And definitely, I would say, a considerable prison sentence of, you know, probably in real life, like, you know, a couple years, maybe even as many as five years if convicted.

NP: Can you just talk a little bit about kind of the scene at trial. Elizabeth Holmes is there, she has family supporting her. Have you been able to gauge reactions from Elizabeth Holmes from the jury?

MR: The trial on the first day was a circus, right. So, there are people who've been there since like, two, three in the morning. There's these I think, three or four women from some Scandinavian country, I forget if it's Sweden or Norway, but they dress like Ms. Holmes and cheer her on. Elizabeth Holmes is present every day in court. And there are like a couple of interested citizens who like to come. It's fun to talk to them because they like to speculate about what's going on. Hey, listen, a couple of them could probably do my job because they have some, you know, pretty, pretty solid insights. And Ms. Holmes is very composed in court, she stands very straight. It's almost like she went to class about etiquette. She very rarely changes her posture. She very rarely reacts. And there's been some really embarrassing things that have been shared. Her business partner, Ramesh Balwani, Sunny Balwani is how he's referred to in court. So, they were business partners, but they were also romantic partners. And so, some of the text messages that get shared in court are quite intimate. I do have to say that it's impressive that when those are shared, she has a certain poise about her. Their relationship is very strange, right? Okay, so, they meet in between her high school year and her entry to Stanford. We're talking about 18-year-old kid, and she meets Balwani at some kind of conference in China. He's 37 years old at the time, right? So, he's 20 years her senior, a very wealthy and successful tech executive. So, he comes to work for Theranos to kind of handle more the business side because she's an organic chemist, remember, and a young woman and in like her mid-20s. What the text messages demonstrate is that I think she was genuinely infatuated with Balwani. And it doesn't always seem like he reciprocates, which is illuminating for me and I think might be illuminating in terms of actual trial. It's kind of the central question that's gonna go towards, you know, resolving if there was fraud at Theranos, who was really responsible for it.

NP: Sounds like they had a pretty complicated relationship to check. Balwani is indicted as well, right?

MR: So, they both got wrung up together, right. And they both were sort of codefendants when the SEC find them and remove their ability to run companies and all those kinds of things. But somewhere along the line, and I think it was probably about a year and a half ago, sometime in maybe late 2019, maybe early 2020 they decided to part. They wanted to be tried separately, and it was Elizabeth Holmes who wanted to be tried separately from Balwani. And I think you see why I think, because their strategy is basically to foist a lot of blame upon him.

[Music Break]

NP: You mentioned some of the people testifying already, but have there been any moments that really stood out to you either evidence that the prosecutors have presented or people testifying where you felt like ooh, this is a big moment or you know, that's something in the trial that we're going to hear about in closing arguments or you know, any of those moments?

MR: I think the short answer, and this, you know, really, I think, kind of reflects where the government is at in this case, but the short answer is no. Unfortunately, that there is nothing that really sticks out, that actually they don't really have a smoking gun against them is home. You know, the court of public opinion is different, right from a courtroom. And you know, I'll just give you a for instance, right, we were talking about the DeVos family, they actually have an investment chief that makes sort of decisions on behalf of the family, not on behalf of Amway, but on behalf of the family about where to invest. And they decided that they wanted to invest in Theranos. And they invested \$100 million. And Lisa Peterson talked about her decision to invest \$100 million. And she said, and again, this is a government witness, she said that one of the reasons they decided to invest such a large amount is because there was a document that had Pfizer's logo on it that talked about the accuracy of the assays or the blood test assays a word for blood test, and really kind of just fully endorsed what the direction that Theranos was going. Right. And I think, you know, it's later revealed that Theranos produced this document, as you know, basically put a Pfizer logo on a Theranos produced document, which is obviously quite unethical, and I would even argue fraudulent. What the government has to prove here. And this was like really important, the government has to approve that, like Elizabeth Holmes directed the scheme herself.

NP: So, we've kind of woven in the defense approach throughout the interview. But so far, I guess, watching cross examination and watching kind of the strategy that the defense team is using, do they have any moments they were able to make Elizabeth Holmes look really good or that you think the jury might empathize with her or sympathize with her a little bit?

MR: Basically, their strategy is to say that Elizabeth Holmes was a 19-year-old person who believed in this company. And she tried with all of her might, including working long hours, you know, over the weekends, to basically build this company into what her vision called for and she just failed, that she just fell short. She made some bad decisions. But she was also really young. And she listened to some bad advice from Sunny Balwani. And so, it all ended up in failure. But failure, business failure isn't illegal in the United States of America. Frankly, it's, you know, altogether common. And so, I think that that argument really did resonate with the jury. I think one of the worst facts of all for the government, just overarching, is that Elizabeth Holmes never sold a single share of stock of Theranos the whole time that she ran that company. And it just doesn't make sense. If you're a person who's out just defraud people of money that you goose your company value up to where, as you said in the intro, it's worth \$9 billion, you are holding, you know, probably billions worth of dollars of shares. And yet you don't sell a single stock? It seems like this is a person that believes in their company and believes that maybe that stock is going to be worth even more one day. So, it's not all about just like selling shares. But I think it's a tough fact for the government. It's one that they're going to have to overcome, I think that they're going to have to explicitly explain it to the jury, and they have not done so yet.

NP: So, trials already been going on for a few months, then we have a ways left to go. But eventually, we'll get a verdict. And I want to ask what the outcome of this trial means for Silicon Valley? Why is it such a huge deal for the biotech industry? And if you have any predictions.

MR: I think it's a huge deal for Silicon Valley. I really do. And a lot of people in Silicon Valley when they look at kind of what Elizabeth Holmes did, I think it's par for the course. I think that there's a lot of startup people, right, who go to investors, and, you know, they put lipstick on the pig. They got a business, and you know, they got an idea, and they want to present it in the best possible lights to investors. I mean, that's the name of the game here a little bit. If Elizabeth Holmes does get run up on

fraud charges for doing something that, you know, in varying degrees, shall we say, is pretty common in the industry right now, then, I don't know maybe it has a chilling effect on the degree to which certain people, you know, are willing to kind of burnish reality a little bit. You know, and then there's other people, they're gonna say, though, that this was clear fraud. And this goes beyond the pale of just, you know, trying to give a good face to your business that this, this crosses the line that most people, you know, don't cross in Silicon Valley. I think that those questions are major questions for the industry. And I think that this verdict is going to be impactful. In terms of predictions, I, you know, listen, you can never predict a jury trial, right? Because like, juries are weird, you know, just depends on how they think and who the leader of the jury is and how persuasive that leader you know, he or she is. That said, I will make a prediction: I think that she'll beat the case. I don't feel like the government is making this airtight, persuasive case that then Elizabeth Holmes has to work hard to undo. I feel like they're making a so-so case, and that they have a lot of circumstantial evidence, but nothing like super strong. And you know, the defense hasn't even gone yet.

NP: Wow, exciting stuff from a huge, huge case. Thanks so much for joining us and I look forward to continuing reading your reporting.

MR: Thanks Nina. It was fun talking, and we should do this again.

NI: Managing wildlife, managing sewage, managing expectations. You just heard three stories that will have a major impact on American lives, from Rocky Mountain ranchers to Southern California beachgoers to high-dollar venture capitalists in Silicon Valley. Thanks for listening. Don't forget to subscribe to Sidebar CNS on Apple Podcasts or Spotify so you never miss an episode. You can also follow us on Twitter. We're @SidebarCNS and at @CourthouseNews. In our next episode, we'll delve into the mysteries of UFO sightings, extraterrestrial life and hear about some of the wackiest cases our reporters have encountered. See ya next time.

[Outro Music]