

Corporate Cabinet Profile Series



Name: James Mattis

Cabinet Title: Secretary of Defense

Corporate Connections: Board member of General Dynamics and Theranos

General James Mattis served in the Marines for 41 years before retiring in 2013.¹ He led the initial Marine landing in Afghanistan following the September 11 attacks, and led the First Marine Division during the United States' 2003 invasion of Iraq.² From 2010 to 2013, Mattis led the United States Central Command, which oversees the Middle East and Southwest Asia.³ Since retiring, he has served on the boards of giant defense contractor General Dynamics and Theranos, a Colorado maker of blood testing products that also sought business from the Pentagon.

- Since retiring from the military, Mattis has served on the board of General Dynamics, the nation's third-largest defense contractor and recipient of \$13.6 billion in federal payments in 2015.⁴ Mattis has accumulated nearly \$900,000 in General Dynamics' stock, according to Morningstar.⁵ Additionally, he has been paid nearly \$600,000 by General Dynamics for his service on the board.⁶ "General Dynamics could try to use this relationships to get access into the Pentagon ... I am very worried about this," said Richard W. Painter, the former chief ethics counsel to President George W. Bush.⁷
- While still in the Marines, Mattis pushed for the military to begin using blood-testing products by Palo Alto-based startup Theranos. Theranos's testing products were touted as revolutionary because they required only a pinprick instead of drawing a full vial of blood.⁸

"I've met with my various folks and we're kicking this into overdrive," Mattis wrote to Theranos founder Amy Holmes in June 2012. "I'm convinced that your invention will be a game-changer for us and I want it to be given the opportunity for a demonstration in-theater soonest."⁹

¹ <http://abcnews.go.com/Politics/gen-james-mattis/story?id=43694921>

² http://www.nytimes.com/2016/12/01/us/politics/james-mattis-secretary-of-defense-trump.html?_r=0

³ http://www.nytimes.com/2016/12/01/us/politics/james-mattis-secretary-of-defense-trump.html?_r=0

⁴ <https://www.fpds.gov/fpdsng/cms/index.php/en/reports.html> and <http://www.bloomberg.com/research/stocks/people/person.asp?personId=244268941&privcapId=274561>

⁵ http://insiders.morningstar.com/insiders/trading/executive-profile.action?t=0P000002DN&PersonId=PS00008WAF&flag=Director&insider=James_Mattis&culture=en-US&productcode=MLE&ops=clear&cur=

⁶ <http://www.ibtimes.com/political-capital/donald-trump-pentagon-pick-mattis-made-nearly-1000000-board-defense-contractor>

⁷ <http://www.ibtimes.com/political-capital/donald-trump-pentagon-pick-mattis-made-nearly-1000000-board-defense-contractor>

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⁹ https://www.washingtonpost.com/news/wonk/wp/2015/12/02/internal-emails-reveal-concerns-about-theranoss-fda-compliance-date-back-years/?utm_term=.4b441da9e02d

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But a military reviewer questioned the legality of Theranos' processes. Prompted by an inquiry from Holmes, Mattis wrote to military officials: "I have tried to get this device tested in theater asap, legally and ethically ... This appears to be relatively straight-forward yet we're a year into this and not yet deployed." Upon leaving the military in 2013, Mattis joined Theranos's board.¹⁰

In 2016, the U.S. Food and Drug Administration ordered one of Theranos' labs closed because of unsafe practices and banned Holmes from working in the blood-testing business for two years.¹¹ Reporting does not indicate that Mattis was aware of improper practices by the Theranos when he advocated that the military use its products. Theranos's website no longer lists Mattis among the firm's directors.¹²

¹⁰ https://www.washingtonpost.com/news/wonk/wp/2015/12/02/internal-emails-reveal-concerns-about-theranos-fda-compliance-date-back-years/?utm_term=.4b441da9e02d

¹¹ <http://www.wsj.com/articles/u-s-regulator-bans-theranos-ceo-elizabeth-holmes-from-operating-labs-for-two-years-1467956064>

¹² <https://www.theranos.com/leadership/board-of-directors>