

U.S. NEWS

Nursing Homes Face Audits on Psychiatric Medications

By Liz Essley Whyte

Federal health officials said they would take steps to increase oversight of nursing homes that prescribe powerful antipsychotic drugs, and prevent abuse of the medicines.

The Centers for Medicare and Medicaid Services said Wednesday it would begin auditing nursing homes to see if they are accurately diagnosing their residents as schizophrenic, and would factor in use of antipsychotic medicines in nursing-home ratings.

“People in nursing homes deserve safe, high-quality care, and we are redoubling our oversight efforts to make sure that facilities are not prescribing unnecessary medications,” said Chiquita Brooks-LaSure, administrator of the Centers for Medicare and Medicaid Services.

The moves aim to address a longstanding concern among advocates for the elderly and researchers, who have said some nursing homes may be dangerously sedating some residents with drugs meant for people with severe mental illness.

The Department of Health and Human Services Inspector General reported in November that about 80% of Medicare’s long-stay nursing-home residents were prescribed a psychotropic drug from 2011 through 2019. That figure includes the antipsychotic drugs that CMS has targeted, as well as anticonvulsants, which the inspector general said were being increasingly used in nursing homes.

The inspector general had found in 2011 that many of the prescriptions for those powerful drugs in nursing homes didn’t meet federal standards.

CMS, which oversees the Medicare and Medicaid health-insurance programs, said abuse of antipsychotic medicines can lead to harmful side effects, including death.

The American Health Care Association and the National Center for Assisted Living, groups that represent long-term-care facilities, said they have worked with CMS to reduce inappropriate prescribing and wanted the agency to do more to educate doctors.

Under the changes, CMS said it would conduct targeted audits of nursing-home diagnoses. Nursing homes with a pattern of inaccurate schizophrenia diagnoses, the agency said, would see their star rating drop on Medicare’s Care Compare website.

U.S. Balks at States’ Water Deal

Supreme Court will consider Rio Grande settlement between Texas and New Mexico

By Elizabeth Findell

A decadelong battle between Texas and New Mexico over the future of the water in the Rio Grande might have an end in sight. But the proposed resolution has opponents that include the U.S.

A settlement to be considered by the U.S. Supreme Court outlines a new system for managing the division of water between Texas and New Mexico, assuaging objections lodged by New Mexico that Texas was taking more than its share and Texas’ concerns that water measurements were being taken far above its border.

The states have reached agreement over the deal, which was jointly filed under seal in November and made public this month. The federal government and two major irrigation districts, which stand to lose the control of water allocations they previously enjoyed under management by the U.S. Bureau of Reclamation, argue the court should reject the agreement. The case doesn’t affect allocations to Mexico, which shares the river’s water.

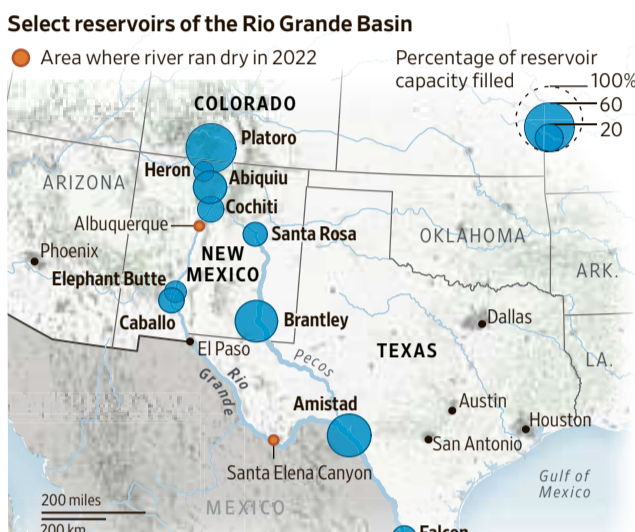
The case has crucial implications for residents and farmers amid a record drought in an increasingly dry West.

The Rio Grande, which runs from the San Juan Mountains of Colorado to the Gulf of Mexico, provides water to more than six million people and 2 million acres of land in both the U.S. and Mexico, according to the International Boundary and Water Commission. The commission estimates the use of water by municipalities will double over the next 50 years.

The dispute between the states has played out as heat and drought have stressed the river. Last year, it ran dry in Texas’ Big Bend National Park and in Albuquerque for the first time in decades. Levels for the reservoirs that provide water to South Texas dipped to a fraction of their capacity in late summer, so low that



The Rio Grande, shown in San Acacia, N.M., in March 2022, provides water to more than six million people in the U.S. and Mexico.



Note: Data for Amistad and Falcon as of Jan. 17, other reservoirs as of Jan. 16. Sources: Water Data for Texas (Amistad and Falcon reservoirs); Bureau of Reclamation (other reservoirs); Emma Brown/THE WALL STREET JOURNAL

municipal pumps struggled to work and the commission considered plans for emergency dredging.

“It is the lifeblood out here,” Johnny Stubbs, board president for the El Paso County Water Improvement District No. 1, said of the river. “We wouldn’t exist as an agricultural area without it.”

The tension that sparked the Supreme Court case arose in the early 2000s, when a se-

ries of dry years caused tussles over water use, people associated with the case said. A water compact had divided the river between Colorado, New Mexico and Texas since 1938, with the Bureau of Reclamation overseeing delivery and two major water districts taking increasing ownership.

The bureau and the water districts—El Paso County Water Improvement District No. 1 and Elephant Butte Irrigation

District in Las Cruces, N.M.—formed an operating agreement in 2008 that shifted the allocation of water. The adjustment caught the attention of New Mexico state officials, who believed it was causing Texas to receive more water, according to court filings.

New Mexico sued the Bureau of Reclamation in 2011. Two years later, Texas filed a separate motion with the Supreme Court, which has jurisdiction over disputes between states. Texas complained that water measurements for its allocation of water were taken nearly 100 miles from the state borders, allowing New Mexico farmers to pump groundwater in between, reducing the water Texas got.

The proposed deal now would allocate specific amounts of water to Southern New Mexico and Texas based on a historic baseline of 57% of the water below New Mexico’s Caballo Reservoir staying in New Mexico and 43% flowing to Texas. Some accounting adjustments generally benefit New Mexico, those tied to the case said, while Texas obtained the certainty of required amounts of water measured at a gauge in El Paso.

The agreement outlines

procedures for establishing and enforcing those flows, to be overseen by the Rio Grande Compact Commission, made up of one representative each from Colorado, New Mexico and Texas.

“Both states’ claims involve allegations that the other state took steps or failed to act to avoid interference with delivery or receipt of the equitable apportionment,” a memo in support of the settlement motion says. “The Consent Decree resolves these claims by specifying methods and practices which will ensure delivery of each states’ apportionment.”

Federal officials haven’t said publicly why they oppose the deal. Mr. Stubbs denounced the proposed deal on the grounds that it would take management of the river water out of the hands of the irrigation districts and the Bureau of Reclamation.

“It is a hostile takeover,” he said.

The two irrigation districts weren’t permitted to intervene in the lawsuit. Mr. Stubbs said the 2008 operating agreement had worked well and argued Texas officials had made too many concessions. Lawyers for the state didn’t return messages seeking comment.

Economist Chosen as President of Columbia University

By Melissa Korn

Columbia University named economist Nemat “Minouche” Shafik, the current leader of the London School of Economics and Political Science, as its next president.

She will take the helm of the Ivy League institution in July, becoming its first woman president. At that time, six of

the eight schools in the Ivy League—all but Yale University and Princeton University—will be led by women.

In addition to academic roles at the University of Pennsylvania and Georgetown University, she has worked at the World Bank, the U.K.’s Department for International Development, the International Monetary Fund and the Bank

of England. She has led LSE since 2017 and in 2021 published a book titled, “What We Owe Each Other: A New Social Contract.”

“What set Minouche apart as a candidate is her unshakable confidence in the vital role institutions of higher education can and must play in solving the world’s most complex problems,” Jonathan

Lavine, chairman of Columbia’s board of trustees, wrote in a letter to the school community Wednesday.

Lee Bollinger, Columbia’s president for 21 years, said last April that he would step down at the end of the 2022-23 academic year.

Columbia, located in New York City’s borough of Manhattan, underwent a signifi-

cant physical expansion and massive fundraising push under Mr. Bollinger, but has also faced challenges including high debt loads for graduate students entering low-paying fields, inaccuracies in its submissions to U.S. News & World Report ranking and a federal lawsuit alleging antitrust violations in how the school awards financial aid.



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WORLD NEWS

Hong Kong Police Arrest 6 for Sedition

By SELINA CHENG

HONG KONG—Authorities arrested six people for sedition in a raid on a market selling pro-democracy books, trinkets and souvenirs, signaling there will be no letup in the crackdown on dissent in the city.

The raid, the biggest since April, came just days after the city's national security chief was named by Beijing as its top representative in the semi-autonomous city. It also followed a warning by Hong Kong leader John Lee that foreign forces were still at work in the city, which was roiled by antigovernment protests in 2019 and early 2020.

The three men and three women were arrested Tuesday evening during a raid in Mong Kok, a bustling shopping district known for its night markets.

As authorities clamped down on public demonstrations and other explicit shows of support for the pro-democracy

movement, some local businesses encouraged consumers to vote with their wallets. People ate, drank or shopped at places supportive of the protests, forming a "yellow" economy—the color that symbolizes the pro-democracy movement.

Many larger companies or chains seen as pro-Beijing were shunned, adding to the scars from protests that saw tear gas and pepper spray deployed in the heart of the financial center. Authorities said the crackdown restored the stability that Hong Kong needs to prosper. The city's financial secretary, Paul Chan, this week traveled to the World Economic Forum meeting in Davos in an effort to show Hong Kong remains a vibrant hub for global commerce and is friendly toward investment from the West.

Last week's promotion of Zheng Yanxiong to head the liaison office signals that keeping the lid on dissent remains a pri-



Leader John Lee says foreign forces are still at work in Hong Kong.

ority for Hong Kong authorities. He earned a reputation as a hard-liner after stamping out a rural rebellion in the mainland about a decade ago.

Mr. Lee, Hong Kong's leader, warned in an interview with a state-owned newspaper

Tuesday that the city needs to pass a local security law, in addition to the one that was imposed upon the city by Beijing 2½ years ago. He said foreign proxies are still trying to operate in the city, adding that some were using media outlets

or nongovernmental organizations as fronts.

Police from the national security department and customs officers arrested the six people on suspicion of printing, publishing and selling seditious books about antigovernment protests that occurred between 2019 and 2020, police said Tuesday. They were accused of endangering national security with acts with seditious intention, a colonial-era law that hasn't been used for decades until it was revived under the national security legislation of 2020.

Authorities confiscated 43 copies of the book, as well as other items deemed seditious after searching their businesses, a printing shop and their homes, police said. Officials alleged the items promoted separatism, violence and incited others to subvert the government, and the individuals in custody are part of an antigovernment organization.

BOJ Chief Won't Lift Bond Rate Target

By MEGUMI FUJIKAWA

TOKYO—The Bank of Japan's governor expressed confidence that he could prevail in a standoff with markets over his cap on government bond yields, but some analysts remained skeptical.

The bank on Wednesday dashed market expectations for another policy change and maintained its cap for the yield on 10-year Japanese government bonds at 0.5% after it raised the ceiling on Dec. 20 from 0.25%.

Gov. Haruhiko Kuroda denied that the central bank he has led for nearly a decade was on the same road to monetary tightening traveled in 2022 by the Federal Reserve and the European Central Bank.

"I don't think it is necessary to widen the range for the long-term yield," Mr. Kuroda said.

The cap is part of a policy the BOJ calls yield curve control, which also includes a minus 0.1% short-term policy rate.

Although speculators have repeatedly pushed the 10-year yield slightly above the new cap in recent days, Mr. Kuroda said he expected market functioning to improve. He said it would take some time for yields to settle down because markets had grown accustomed to the old cap.

"Yield curve control is sufficiently sustainable," he said.

Many analysts and investors said they didn't agree. To enforce its cap, the central bank in January alone has bought more than ¥17 trillion, equivalent to around \$131 billion, of Japanese government bonds with both short and longer maturities. That is the largest monthly purchase ever.

Macau Tycoon Gets 18 Years in Casino-Betting Scheme

By TONY LAI AND ELAINE YU

MACAU—A tycoon in the Chinese casino enclave of Macau was sentenced to 18 years in prison Wednesday after a court found him guilty of heading a criminal syndicate that ran massive under-the-table betting operations across the city's casinos.

Alvin Chau, a flamboyant industry figure who helped transform Macau into the world's richest gambling center by luring high rollers from mainland China during the past two decades, was convicted of more than 150 counts after a high-profile, monthslong trial. The case came as China is stepping up efforts to clean up the city's reputation and make it less reliant on gambling revenues.

Mr. Chau was the former

head of the city's then-operator Suncity Group, the city's largest junket company, which ran VIP rooms in major casinos in Macau. Junkets are networks of third-party agents tasked with recruiting high rollers, lending them money and collecting debts.

As the pandemic battered the fortunes of casinos in Macau in recent years, Mr. Chau's arrest in late 2021 sent another shock wave through the system, effectively outlawing junkets that fueled Macau's giddy growth after the former Portuguese colony's casino market was opened up to competition two decades ago.

A lower court Wednesday convicted Mr. Chau and a dozen others of an array of charges related to illegal gambling, fraud and organized crime. The other 12 were given terms



Alvin Chau once headed the city's largest junket company.

ranging from a suspended prison sentence to 15 years. The tycoon denied all the charges.

Those convicted also were ordered to pay the Macau gov-

ernment the equivalent of about \$830 million, as well as about \$275 million to five of the city's six casino operators to compensate for lost revenues over seven years to March 2021. The court acquitted Mr. Chau of money laundering.

Among the casinos awarded compensation were the affiliates of three American casino giants, Las Vegas Sands Corp., MGM Resorts International and Wynn Resorts Ltd.

Mr. Chau was accused of leading the group to carry out the so-called under-the-table betting activities in the VIP rooms of Suncity in Macau casinos. This practice refers to bets made privately between gamblers and junkets alongside official wagers to avoid paying the city's 39% tax rate on gambling revenue.

Judge Lou Ieng Ha, who

headed a three-judge panel presiding over the trial, said the evidence presented in court—including documents and files seized in the servers and offices of Suncity and wiretapped phone calls—showed Mr. Chau's guilt.

"The employees of Suncity systematically helped facilitate under-the-table bets and they were not able to do so without the consent of the leader of Suncity, Alvin Chau," the judge said. The activities cheated the Macau government and local gambling operators of billions of patacas—the local currency—as they "were not aware of the real amount of bets made by gamblers," she added.

Pedro Leal, a lawyer for Mr. Chau, told reporters that the defendants would likely appeal, saying there was a lack of evidence on the charges.



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WORLD NEWS

Israeli Court Blocks Cabinet Appointment

Netanyahu ally was imprisoned for bribery, fraud, breach-of-trust while previously in office

By Dov Lieber

TEL AVIV—Israel's Supreme Court struck down the appointment of a minister who is an important ally of Prime Minister Benjamin Netanyahu, dealing an early challenge to the stability of the newly sworn-in coalition government.

The judges found the appointment of Shas leader Aryeh Deri as a minister "extremely unreasonable" in light of his conviction last year for tax evasion. They noted his subsequent promise to quit political life as part of a plea deal and his conviction two decades ago on bribery, fraud and breach-of-trust charges while in office, for which he served

nearly two years in prison.

The court, in a 10-1 ruling, said Mr. Deri can't continue in his roles as interior, health and rotating finance minister.

The ruling comes as Mr. Netanyahu's government is rolling out a plan to overhaul the justice system, which coalition members demanded be expedited in light of the court's decision on Mr. Deri. The plan would give the ruling coalition more say in which judges are appointed, allow a simple majority of lawmakers to override the Supreme Court should it strike down legislation, and remove the ability for judges to base rulings on the grounds of reasonability, as they did in Mr. Deri's case.

Activists and the political opposition say the ruling coalition's proposals, which aim to curb the power of Israel's judiciary, could undermine the country's system of checks and balances. Mr. Netanyahu and his



Israeli Prime Minister Benjamin Netanyahu, right, with Interior and Health Minister Aryeh Deri at a cabinet meeting Wednesday.

allies have defended the wide-ranging proposals as necessary to restrain what they deem rampant judicial overreach.

Israeli law forbids a recent convict from serving as a minister. Mr. Netanyahu's coalition amended the country's law before the government was sworn in to allow people recently con-

victed of crimes to serve as ministers if they had suspended jail terms and didn't serve time in prison, like Mr. Deri.

The judges in their ruling on Wednesday criticized the amendment to the law for its apparent personal character but didn't challenge its legality. Still, they considered the

appointment unreasonable given Mr. Deri's criminal record and vow to leave politics.

"[The principle of] reasonableness is not in the written law but has been in our common law for decades," said Dr. Amir Fuchs, a senior researcher at the Jerusalem-based think tank the Israel Democracy Institute.

Shas, which is the second-largest party in Mr. Netanyahu's coalition, said the ruling negated the will of hundreds of thousands of voters who voted for the ultraorthodox leader a few months ago, with full knowledge of his record.

If Mr. Netanyahu ignores the court ruling, as some in his coalition want, opposition leaders say it would cause a constitutional crisis. "If Aryeh Deri is not fired, Israel will be in an unprecedented constitutional crisis," said opposition leader Yair Lapid.

On the other hand, members of the Shas party are threaten-

ing to topple the government if Mr. Deri isn't given a senior appointment. "If Aryeh Deri is not in the government—there is no government," Shas ally and Welfare Minister Yaakov Mergi, told Israel's national broadcaster Kan.

Shas controls 11 seats in the ruling coalition of 64 lawmakers in the 120-seat parliament, and its exit from the government would rob it of a majority and leave it vulnerable to collapse. Political analysts say it is unlikely Shas would leave the government so early after its formation.

Legal analysts say the government could try to reinstate Mr. Deri after passing its judicial-overhaul plan, which would allow the coalition to overturn Supreme Court rulings. "We will act in any legal way available to us and without delay to correct this injustice," said the party leaders of Mr. Netanyahu's coalition in a joint statement.

Sicilian Mafia's Bloodiest Era Ends With Arrest

By Margherita Stancati

ROME—The arrest of Sicilian mafia boss Matteo Messina Denaro marks the end of an era for Cosa Nostra, a once-dominant player in global crime that has largely been forced to retreat to its native island.

Captured this week after 30 years on the run, Mr. Messina Denaro was the last leading mobster who represented Cosa Nostra, as the Sicilian Mafia is known in Italy, in its heyday and still lived at large. He played a major role in the crime syndicate in the 1980s and 1990s, when it controlled the trans-Atlantic heroin trade.

"His arrest is a historical turning point for Cosa Nostra," said Teresa Principato, a prosecutor from Italy's directorate of anti-Mafia investigations. "The time of massacres

is now definitely over," she said, referring to the Mafia's bomb attacks in Italy in the early 1990s, for which courts have convicted Mr. Messina Denaro in absentia.

His ability to live freely for three decades sustained many Italians' belief that mafiosi enjoy protection from friends in high places.

Ms. Principato was previously a prosecutor in Palermo tasked with tracking down Mr. Messina Denaro. Her yearslong attempts to capture him were repeatedly thwarted by suspected moles within the justice department or law-enforcement agencies, she said.

During his years as a fugitive he was also able to travel, with evidence emerging of trips to Venezuela, Spain and the U.K. under a fake name, Ms. Principato said.

Mr. Messina Denaro, now



A woman displays a photograph of two assassinated anti-Mafia prosecutors during a demonstration on Monday in Palermo, Italy, a day after Italy's No. 1 fugitive, Mafia boss Matteo Messina Denaro, was arrested at a private clinic after 30 years on the run.

60 years old, was finally detained on Monday by Carabinieri military police while he was visiting a private hospital in Palermo for medical treatment under the alias of An-

drea Bonafede.

Investigators said they tracked him down after receiving a tipoff about his medical condition—colon cancer that has spread to his liver—and

gradually narrowing down the list of men in Sicily who matched the mobster's age and health profile.

He was a protégé of the Sicilian mafia's most notorious

chief: Salvatore Riina, whose faction, based in the town of Corleone in Sicily's mountainous interior, waged a bloody internal war to become Cosa Nostra's "boss of bosses."

Guatemala Widens Prosecutions of Ex-Corruption Officials

By Santiago Pérez and Juan Carlos Rivera

Guatemalan authorities have issued several recent arrest warrants and brought criminal charges against more judges and prosecutors previously given the job of weeding out corruption in Guatemala's government.

The moves have fueled concerns among the U.S. government and rights groups about democratic backsliding in Guatemala. More than 30 Guatemalan anticorruption judges and prosecutors have left the country under threat of arrest in the past two years. The departures occurred amid weakening accountability for corruption, according to Human Rights Watch, an advocacy group.

Guatemalan authorities also said they are investigating possible criminal offenses by former U.N. corruption investigator Iván Velásquez, who is serving as Colombia's defense minister.

The probe has strained relations between the administration of Guatemalan President Alejandro Giammattei and Colombia's leftist government.

Mr. Velásquez was the former chief of the U.N.-backed International Commission Against Impunity in Guatemala, or Cigig, as the commission was also known.

It was established in 2006 to investigate and prosecute entrenched corruption in Guatemala by opening its own criminal probes and working with Guatemala's attorney general's office to bring cases to local courts.

Mr. Velásquez prosecuted many high-profile Guatemalans for corruption, including former President Otto Pérez, who was convicted of fraud and racketeering, and sentenced to 16 years in prison last year. He also brought cases against the heads of Guatemala's central bank, customs and tax officials, legislators and political party leaders.

The commission was dismantled by the Guatemalan government in 2019 on grounds that it overreached, abused its authority and violated the constitution. The administration of former President Jimmy Morales ordered Cigig's prosecutors and investigators to leave the country.



Alejandro Giammattei

A Guatemalan prosecutor said earlier this week that the probe into Mr. Velásquez is related to Cigig's investigation into alleged bribery by Brazilian construction firm Odebrecht, which in 2016 agreed to pay up to \$4.5 billion to authorities in Brazil, the U.S. and Switzerland after admitting to distributing nearly \$800 million in bribes across Latin America.

Mr. Velásquez didn't respond to requests for comment. A post on Mr. Velásquez's Twitter account stated that his work in Guatemala was conducted with

total transparency and in compliance with the law. "We know the monster...but it doesn't scare us," read the post.

A U.N. spokesman said Wednesday that Cigig staff have legal immunity under the terms of the pact between the U.N. and Guatemala signed in 2006. Colombian President Gustavo Petro said Tuesday that his government would protect Mr. Velásquez, whom he appointed defense minister on taking office last year.

"We aren't going to allow...[Mr. Velásquez] to be persecuted for his fight against impunity," Mr. Petro said. Both countries summoned home their respective ambassadors in Guatemala and Colombia.

Mr. Giammattei said Mr. Velásquez is under investigation and not facing prosecution. "It would be nice if someone enlightened Mr. Petro on the difference," he told Spain's state-run news agency EFE.

After the closure of Cigig in 2019, Guatemalan authorities began to prosecute judges and prosecutors who worked with the commission or investigated corruption cases.

This week, they issued arrest warrants for several other former anticorruption officials, including former Attorney General Thelma Aldana, who was granted asylum in the U.S. in 2020.

Ms. Aldana didn't respond to requests for comment. A post on her Twitter account Wednesday stated that the work that she did with Mr. Velásquez and other Cigig officials was honest. "Nothing can destroy our legacy," read the post.

Last month, a spokesman for Guatemala's judiciary said the government requested the extradition of Juan Francisco Sandoval, the former head of Guatemala's Special Prosecutor's Office Against Impunity, to face charges of money laundering and blackmail. Mr. Sandoval, who is in the U.S. under asylum proceedings, denies the charges.

"This is unprecedented in Latin America because politicians are usually the ones who flee to exile. In the case of Guatemala, those who are forced to leave are high-ranking judiciary members doing anticorruption work," he said.

Mr. Sandoval left Guatemala

in 2021 after Attorney General María Consuelo Porras fired him for obstruction of justice and malfeasance, and ordered the dismantling of his security detail. "From that moment on I was at risk of being killed," he said in an interview.

In May, the State Department said Ms. Porras and her immediate relatives were ineligible to enter the U.S. because of her involvement in significant corruption, and for firing prosecutors who investigate corruption. Ms. Porras didn't return calls seeking comment. She has said that the sanctions against her are politically driven.

Rafael Curruchiche, the current head of Guatemala's Special Prosecutor's Office Against Impunity who disclosed the arrest warrants and the probe of Mr. Velásquez this week, also has been sanctioned by the U.S. on grounds that he obstructed high-profile corruption cases against government officials. He didn't return calls seeking comment, but has denied wrongdoing.

—Jenny Carolina González contributed to this article.

FROM PAGE ONE

Microsoft To Lay Off 10,000

Continued from Page One

Many top tech companies have pivoted to slashing thousands of positions in recent months as the business climate has deteriorated on the back of economic slowdown concerns, high inflation rates, rising interest rates and other factors.

Last year, Microsoft had more than one round of layoffs but didn't announce how many positions it cut. One round, which started in July, affected

less than 1% of the company's total workforce of more than 200,000 people, the company said at the time.

In his note to employees, Mr. Nadella didn't specify which parts of the company would be hit by the cuts. He said the company would be pulling back in some areas but continuing to hire in key strategic areas.

The tech sector had been on a yearslong hiring spree as companies invested in expansion and competed for talent by offering lucrative pay packages. As Covid-19 set in, the pace of hiring accelerated as the companies rode a wave of supercharged demand.

Microsoft was among the tech companies that ramped up hiring in recent years.

The company reported

221,000 employees at the end of its fiscal year through June. That was up 22% from the previous year.

The aggressive hiring trend tapered off last year. Tech employers cut more than 150,000 jobs in 2022, estimates Layoffs.fyi, a website that tracks the events as they surface in media reports and company releases.

This month, business software provider Salesforce Inc. said it planned to lay off 8,000 employees, or 10% of its global workforce, the biggest headcount reduction in its history.

Amazon.com Inc. recently said that it was laying off 18,000 people. The e-commerce leader began to notify the affected employees on Wednesday, according to an internal staff memo viewed by The Wall

Street Journal. The memo said the company plans to notify those in the U.S. and Canada by the end of the day.

Microsoft's move comes the week before it is scheduled to release its latest quarterly earnings.

Late last year, the Redmond, Wash., company said a sharp decline in personal computer sales and the dollar's strength were weighing on expansion. In the three months through September, its revenue grew 11% from a year earlier, its weakest increase in more than five years.

The issue of declining PC sales that has been squeezing Microsoft's Windows business looks to be around for some time. Worldwide shipments were down 29% in the fourth

quarter last year compared with the previous year, according to preliminary data from research firm Gartner Inc. Analysts don't expect that trend to improve until 2024.

Microsoft shares slid 1.9% Wednesday. They have slipped around 20% over the past 12 months, broadly in line with the tech-heavy Nasdaq Composite Index. Microsoft has fared better than many of the consumer-facing tech leaders. Meta Platforms Inc. is down close to 60% and Alphabet Inc. has lost around 30% in the past year. Amazon shares have fallen around 40%.

Mr. Nadella said the tech industry has to prepare for tougher times. "We in the tech industry will have to get more efficient—it's not about every-

one else doing more with less, we will have to do more with less. We will have to show our own productivity gains," he said.

Microsoft has been enjoying some positive news this year, as it negotiates increasing its investment in artificial intelligence startup OpenAI. This week the company said it was opening up access to OpenAI tools such as image generator Dall-E 2 and the technology behind ChatGPT, which can answer questions and write essays and poems.

In his note Wednesday, Mr. Nadella specifically mentioned AI as a priority, calling it "the next major wave of computing."

—Sebastian Herrera, Sam Schechner and Sarah Krouse contributed to this article.

FROM PAGE ONE

Ukrainian Spy Killed As a Traitor

Continued from Page One
and Paris. It also cast a shadow on his reputation among officials and colleagues worried about Russian influence.

Later in his career, Gen. Budanov said, Mr. Kiryeyev had cultivated ties with European intelligence services, as well as with Russian military and government officials. He also agreed to represent Kyiv in early cease-fire talks between Russia and Ukraine, a risky, high-profile assignment. Mr. Kiryeyev “enjoyed playing the 007 role,” a friend said.

The Feb. 24 invasion tested Russia’s investment and Ukraine’s resistance. Mr. Kiryeyev, who had a foot in both countries, was caught in the middle.

This article was based on financial and intelligence documents and interviews with U.S. and Ukrainian government officials, current and former members of Ukrainian security agencies, as well as Mr. Kiryeyev’s family, friends, bodyguards and business associates.

Moneymaking

Mr. Kiryeyev was born in Kyiv and began his professional life in finance working at the local offices of Western banks, including Crédit Lyonnais, Citibank and ING.

He was thickset and outgoing, and he skillfully handled clients, according to people who worked with him. Mr. Kiryeyev spoke Ukrainian, Russian, French and English.

A relative of his in 2003 became deputy chief of the SBU, Ukraine’s main successor to the Soviet-era KGB, according to a former head of the agency. The connection kindled Mr. Kiryeyev’s interest in espionage, associates said. Critics allege the SBU, now facing government scrutiny, has long been under Moscow’s influence. The agency, which declined to comment, has denied the claim.

In 2006, Mr. Kiryeyev went to work for Andriy Klyuyev and Serhiy Klyuyev, politically connected businessmen from Donetsk, a Russian-leaning region of eastern Ukraine. The Klyuyev brothers, who built their wealth in metals and real estate, were close to Viktor Yanukovich, a politician with Russian ties who would later become Ukraine’s president.

In 2015, the U.S. sanctioned Andriy Klyuyev for his alleged efforts to undermine democracy in Ukraine. Neither he nor Serhiy Klyuyev could be reached for comment.

Mr. Kiryeyev’s widow said her husband had given her a loose explanation for his decision to work with people in



The gravesite of Denys Kiryeyev in Kyiv. He received a posthumous award for exceptional duty in defense of Ukraine’s sovereignty.

Mr. Yanukovich’s circle. “We can’t exchange these people for other people. We have what we have,” she recalled him saying.

During Mr. Yanukovich’s presidency, Andriy Klyuyev served as secretary of Ukraine’s national security and defense council, as well as first deputy prime minister. Mr. Kiryeyev benefited from the Klyuyevs’ connections, taking senior positions at state-owned banks and hunting big game with SBU intelligence chiefs in the Carpathian Mountains, according to associates. He traveled with bodyguards he hired from an elite SBU unit.

Over the years, Mr. Kiryeyev established cross-border connections. On Russia’s Navy Day, he hobnobbed in Crimea with generals from the Russian security services and knew many of them by their first names, according to a friend who joined him there.

In 2014, a citizen uprising against Russia’s political influence plunged Ukraine into a crisis. Violent protests erupted in Kyiv, and Mr. Yanukovich fled to Russia, along with the head of the SBU and more than a dozen top agency officials.

The Klyuyev brothers also relocated to Russia, and Mr. Kiryeyev helped to manage some of their assets from Kyiv, according to Mr. Kiryeyev’s associates.

During the chaos, Russia

seized Crimea and stirred rebellion in Ukraine’s east. After war erupted between Ukrainian forces and Russia-backed militias, Mr. Kiryeyev bought equipment for volunteer brigades fighting on behalf of Kyiv, according to his security chief. He bemoaned to friends and family Ukraine’s inability to reach its potential while hobbled by its powerful neighbor.

When Mr. Zelensky was elected president in 2019, Mr. Kiryeyev was on a shortlist to head a large, state-controlled bank but missed out on the post, according to his widow and banking colleagues. News articles and TV reports raised questions about his loyalty to the country. Mr. Kiryeyev’s widow said he dismissed the reports as slander.

In 2021, Mr. Kiryeyev’s spot in the intersecting spheres of Russian and Ukrainian business and security drew the attention of Gen. Budanov, at the time the recently appointed head of Ukraine’s military intelligence agency, known as the GUR.

‘I won’t go’

Years earlier, Gen. Budanov, a former commando, had spent time recovering from a war wound at Walter Reed National Military Medical Center in Maryland. He became acquainted with U.S. intelligence officials. In time, he earned the reputation as a reliable in-

terlocutor and counterweight to Russian influence in the SBU, according to a former senior U.S. official.

As Russia began amassing troops on the Ukraine border in the spring of 2021, Gen. Budanov said he summoned Mr. Kiryeyev to Ukraine’s military intelligence headquarters, a compound known as The Island and located on a peninsula along Kyiv’s Dnipro River.

Denys Kiryeyev had ties with Russian military and government officials.

Gen. Budanov appealed to Mr. Kiryeyev’s patriotism, he said, and asked him to use his financial and security contacts to try to infiltrate Russia’s military intelligence. “He had the necessary circle of acquaintances. Financial transactions were carried out through him,” the general said. “That’s why he had communication with everyone, including very influential people.”

Mr. Kiryeyev agreed to go along, motivated by duty and his fascination with the world of secret operations. A security team began driving Mr. Kiryeyev to Kharkiv, 300 miles east of Kyiv. There, he and another Ukrainian intelligence operative would take a separate car across the border, according to Gen. Budanov and one of Mr. Kiryeyev’s bodyguards.

He would return several days later, typically smoking a cigar during stretches of the long ride to brief Gen. Budanov, according to the member of his security team.

“He received information about everything,” the general said. “The world of special services and the world of finance are always connected, like the world of crime, at least in our countries.”

In fall 2021, as U.S. military and spy agencies began warning of the Russian threat, Mr. Kiryeyev learned from his sources that Moscow was readying to invade, Gen. Budanov said, and became the first to sound the alarm in Ukraine.

On Jan. 22 last year, the British Foreign Office said Russia was looking at one of Mr. Kiryeyev’s former bosses, Andriy Klyuyev, to join a puppet government that Moscow would install in Ukraine. In February, with an invasion appearing imminent, millions of Ukrainians began fleeing west to take refuge abroad.

On Feb. 18, the night before Mr. Kiryeyev had planned to leave Ukraine for an annual ski trip in the French Alps with his wife and a son, he arrived home late. “I won’t go,” Mr. Kiryeyev told his wife. She tried to change his mind.

“If I left for vacation,” she recalled her husband saying, “I wouldn’t be able to look myself in the eye.” She and her son flew to France without

him.

Five days later, on the afternoon of Feb. 23, Mr. Kiryeyev handed Gen. Budanov fresh intelligence: Russian President Vladimir Putin had just given orders to invade in the early morning.

Mr. Kiryeyev also knew the main point of attack, Gen. Budanov said.

At 8 a.m. on Feb. 24, low-flying sorties of Russian attack helicopters landed troops at Antonov Airport, several miles north of Kyiv. The Kremlin had planned to commandeer the airport to fly in troops and equipment for an assault on the capital.

Mr. Kiryeyev’s tip gave Ukraine a precious few hours to shift troops to counter the Russian assault, Gen. Budanov said. After a fierce battle with the Russians, the airport was damaged beyond use by the invading forces.

Pledge allegiance

With Russia’s plans for a quick strike foiled, the two sides arranged for cease-fire talks in Belarus. Because Mr. Kiryeyev knew two members of the Russian delegation, Gen. Budanov asked if he would attend. The general was betting that Mr. Kiryeyev’s connections could win a pause in the fighting and give Ukraine more time to mobilize its defenses.

Mr. Kiryeyev knew it would be risky for him to take such a public role in the conflict, and he didn’t want to go. For years, he had cultivated relationships on both sides of the border. The war forced him to declare his allegiance.

“Well, damn it,” he told the member of his security team. “Since the motherland says so, I’ll go.”

Mr. Kiryeyev joined Ukraine’s defense minister and other officials on the negotiating team ready to depart a Kyiv rail station, according to a former SBU counterintelligence official, who assisted

the group.

Photos of Mr. Kiryeyev seated at the negotiating table on Feb. 28 surprised many who knew him, including his wife, who had remained abroad. He hadn’t told her.

“After his appearance there, his connection with the special services became obvious to everyone,” Gen. Budanov said. “Unfortunately, the situation then was critical, and we had to take risks.”

Mr. Kiryeyev returned from Belarus and met with Gen. Budanov for several hours. Mr. Kiryeyev was aware of his jeopardy and left the meeting in a taciturn mood, according to the member of his security team.

Days later, a friend visited Mr. Kiryeyev at his home on Kyiv’s northern outskirts. Holding a large-caliber hunting rifle, Mr. Kiryeyev said he had used it to shoot at Russian operatives who had approached his property a few nights earlier, the friend said.

When Russia and Ukraine agreed to a second round of talks, scheduled for March 3, Gen. Budanov again prevailed on Mr. Kiryeyev to attend.

On the night before the negotiations in Belarus, Mr. Kiryeyev received a phone call from the office of Oleksandr Poklad, the counterintelligence chief at the SBU, according to Gen. Budanov. He said that Mr. Poklad, in charge of capturing intelligence and security officers suspected of working for Russia, wanted to meet. Mr. Poklad declined to comment for this article, as did a SBU spokesman, citing a law on state secrets.

Surrender

Mr. Kiryeyev drove to a Kyiv train station with his personal security crew and military-intelligence agents for his trip to Belarus. He told the bodyguards he might be arrested en route. “Don’t intervene,” he said, according to the member of his security team.

The group drove to the center of Kyiv and stopped near St. Sophia Cathedral. Several minivans with SBU agents pulled up and ordered the military-intelligence agents and Mr. Kiryeyev’s bodyguards to surrender their weapons.

Mr. Kiryeyev was directed to a minivan. His security detail lay prone on the street as the van drove away.

About 90 minutes later, the military-intelligence agents were summoned to the spot where they found Mr. Kiryeyev’s body.

Ukraine’s State Bureau of Investigation, which handles such homicides, declined to comment.

Over the next months, the government in Kyiv rooted out Russian accomplices in the security services.

“I don’t have time to deal with all the traitors,” Mr. Zelensky said in March. “But gradually they will all be punished.”

In July, Mr. Zelensky fired the SBU chief and removed or prosecuted dozens of the agency’s generals for their alleged role in facilitating the Russian invasion. Ukraine opened more than 650 treason cases involving government officials.

Mr. Kiryeyev was buried with military honors in Kyiv’s Baikove Cemetery, amid the graves of Ukrainian heroes. His widow briefly returned to the city in December.

She visited his grave three times, the last on her way out of the country.



Above, a military base hit by a missile in Brovary, Ukraine, on Feb. 24, 2022, the first day of the Russian invasion. Right, a Ukrainian neighborhood within sight of smoke from the battle at the Antonov Airport on Feb. 24. Denys Kiryeyev was credited with giving warning of the attack plans. In the ensuing battle, the airport was too damaged for Russian uses. Far right, a family taking shelter from airstrikes in a metro station in Kyiv on Feb. 24 last year.



CLOCKWISE: CHRISTOPHER OCHICONE FOR THE WALL STREET JOURNAL (2); DANIEL LEAL/AFP/GETTY IMAGES

PERSONAL JOURNAL.



FROM TOP: ILLUSTRATION BY JON KRABUSE; GETTY IMAGES (2)

By Dawn Gilbertson
and Allison Pohle

THE BEST AND WORST AIRLINES OF 2022

No one carrier had a particularly good year. Blame staffing shortages, aggressive scheduling, bad weather and big crowds.

Chaos. Bedlam. A nightmare. Frustrated fliers spared no superlatives when describing the mess that unfolded in 2022 as travelers returned in full force.

Delta Air Lines Chief Executive Ed Bastian, speaking on his airline's earnings call last week, described 2022 as "the most difficult operational year in our history."

This from the airline that gave travelers the fewest fits in 2022. Delta ranked first among nine U.S. carriers in The Wall Street Journal's 15th annual airline scorecard for the second consecutive year and fifth of the past six. **Alaska Airlines** was a repeat runner-up, followed by **Southwest Airlines**. (Yes, despite its year-end meltdown. More on that later.)

JetBlue Airways finished last for the second consecutive year, a notch below budget-minded **Frontier Airlines** and two spots behind merger partner **Spirit Airlines**.

Yet even the top airlines did worse than in previous years, a fact that may have many travelers nodding in agreement. Airlines are ranked by seven equally weighted metrics covering flight cancellations, on-time arrivals, delays, involuntary bumping, baggage handling and complaints.

You didn't have to be a frequent flier to run into travel troubles in 2022. The year was bookended by holiday travel woes, with a messy summer-vacation season and hurricane headwinds in between.

The reasons for the industry's problems are well documented, if little comfort to travelers. Fuller flight schedules to meet a surge in travel demand collided with staffing shortages and training backlogs. Air-traffic control issues multiplied. Extreme weather spread throughout the country.

Delta retained its crown by navigating the hurdles better than peers, but was far from perfect. The airline took the top spot in three of the seven categories, down from five in 2021.

Its on-time arrival rate of 81.7% beat all competitors, but was still down from 87.9% in 2021 and 83.4% in 2019, the industry's last normal year.

The airline that for years has pledged to "cancel cancellations" canceled nearly 31,000 flights, more than three times the number it called off in 2021, according to aviation-data company Anuvu. Delta and its regional airline partners canceled nearly 2% of their scheduled flights, compared with 0.6% in 2021 and 0.7% in 2019. Granted, this means almost all fliers got where they were going,

but it's still a trend no airline wants to continue.

"That is not what we expected. That is not what we're looking for," says John Laughter, Delta's operations chief.

Mr. Laughter says Delta, like other airlines, aggressively rebuilt its flight network after pandemic cutbacks. The airline moved quickly to pare its schedule to a more manageable level, among other steps. The moves gave Delta a second half that was "substantially better" than the first half of the year, Mr. Laughter says.

"We certainly had unprecedented challenges and [Delta employees] responded well," he says.

Delta still had the lowest cancellation rate among major carriers excluding **Hawaiian Airlines**, which isn't included in our rankings because of its focus on Hawaii and the operating buffer the tropical weather provides. Seattle-based Alaska would have edged Delta in this category were it not for the storms that socked the Pacific Northwest in late December, according to Anuvu data.

Flight cancellations were the big story for airline passengers in 2022. The number of cancellations by major U.S. carriers soared 69% in 2022, far outpacing the 13% increase in sched-

uled flights. The average cancellation rate of the major carriers was 2.6%, up from 1.8% in both 2021 and 2019.

Cancellations fell in the second half of the year as airlines got their act together. Nearly 60% of the cancellations occurred between January and June.

Allegiant Air, the carrier that shuttles vacationers to holiday spots like Las Vegas, Florida and Arizona from smaller cities, canceled 4.3% of its flights, the most of any airline. It also had the lowest on-time arrival rate, at 62.7%. Allegiant finished last in both categories in 2021, too, but this year's numbers were worse.

Allegiant spokeswoman Sonya Padgett said the airline was hurt by a "confluence of factors" in the first half of 2022, including extreme weather, Covid infections and staffing shortages. The operation began to stabilize in the second half of the year, she said.

"Though some of these causes were outside of our control, we are determined to better serve our customers and return to the high performance levels we maintained prepandemic," she said.

Allegiant ranked fifth overall, helped by its top showing in baggage handling and involuntary bumping. JetBlue earned the title no airline wants—worst performing U.S. carrier—because it posted relatively poor numbers in nearly every category. On the bright side, it posted the fourth-best showing on bumped passengers in the 12-month period ended Sept. 30, behind Allegiant, Delta and United. (The Journal's rankings use the most recent 12 months of data available for tarmac delays, involuntary bumping, mishandled bag-

gage and complaints, which don't include the full 2022 calendar year.)

The New York-based airline, praised by passengers for its in-flight amenities including free Wi-Fi, DirecTV and trendy snacks, had the highest rate of extreme delays and two-hour-plus tarmac delays. Its on-time

steps to improve its operation, including extra focus on limiting cancellations even during times of flight issues outside its control, Ms. Geraghty says. JetBlue shaved its cancellation rate in the second half of the year to 1.9% from 4.7% in the first half.

"We are largely a leisure carrier, and we know customers want to get where they booked their [vacation] flight for," she says. "So that's where we double down."

Southwest Airlines, third in the rankings, couldn't have scripted a worse ending to 2022. The airline canceled more than 16,000 flights during a costly Christmas meltdown that stranded passengers and their bags, sometimes for days. The airline doled out 25,000 frequent-flier points to nearly two million passengers as a gesture of goodwill and is in the process of reimbursing passengers for alternate flights and other expenses.

The airline canceled 3.2% of its scheduled flights, more than any airline except Allegiant and JetBlue, and a full point higher than in 2021.

Southwest, which had knocked Delta out of the No. 1 spot in 2020, held its ranking from 2021 on the strength of its relatively low rates of complaints, lengthy tarmac delays and mishandled bags.

The results come with a big asterisk. Baggage handling and complaint data for December 2022 won't be available for a couple of months and won't factor into our rankings until next year. (Southwest had a mini-meltdown in October 2021—the impact of that factors into this year's rankings.)

A Southwest spokesman said this year's scorecard shows the



Delta retained its rankings crown by navigating hurdles better than peers, but was far from perfect.



JetBlue posted relatively poor numbers in nearly every category.

arrival rate was second-to-last, at 63.6%. JetBlue canceled 3.3% of its scheduled flights, better than only Allegiant.

JetBlue was plagued by the same issues other airlines faced in the first half of the year, and like them it cut its roster of future flights to compensate.

JetBlue President Joanna Geraghty blames much of the airline's continuing operational issues on its heavy concentration of flights in metro New York and surrounding northeastern states. Three out of four of the airline's flights are in that ultra-congested region. No other airline comes close to that exposure, she says.

The airline is taking several

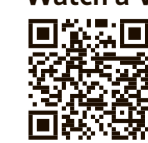
airline's success in rebounding from the impact of the Omicron variant in early 2022 and setting its operation up to handle a record number of summer travelers.

That's in the rearview, of course. The airline says it has work to do to get its operation on track this year.

Passengers on every airline can only hope for a smoother 2023.

Watch a Video

Scan this code for a video on how Southwest's meltdown affected airline rankings.



PERSONAL JOURNAL.



**ON THE
CLOCK
CALLUM
BORCHERS**

The job that Prince Harry renounced is a fantasy for many. Even more enviable, however, might be his burn-the-bridges style of quitting.

Leaving on good terms is one of the sacred tenets of business. You never know when someone from your professional past will wield influence over your future, the thinking goes, so you'd have to be reckless, rich or royal to light relationships on fire.

Yet some who can't fall back on a lucrative memoir or Netflix series say the conventional wisdom is often wrong—that setting old ties ablaze can advance a career or, at least, won't stall one.

"I have no regrets," says podcast host Sarah Fraser, who has publicly criticized what she calls toxic cultures at commercial radio stations in the Washington, D.C., market, where she was an on-air personality until 2015.

That's not to say that she never second-guessed herself. Building an audience and attracting sponsors to "The Sarah Fraser Show," which she launched after leaving radio, was initially difficult—she says money was so tight that she didn't buy new clothes for two years, despite dropping 50 pounds—and she wondered whether making enemies in the radio world had been a mistake.

But eliminating the option to go back intensified her commitment to independent podcasting, and Ms. Fraser, 40, says she now earns a living from a talk show that spans news and pop culture and generates 100,000 to 200,000 downloads a month.

"Sometimes you need to torch a bridge and it's the best thing you can do because it forces you to build your own business," she says.

Things don't always work out. How many singers have broken up bands to launch solo careers, only to flop? Whether in music or a less glamorous profession, it's often wise to preserve the possibility of a reunion tour.

Others who've scorched their paths of retreat say it can be clari-



Prince Harry, in his book and recent interviews, appears to view himself as a Buckingham Palace whistleblower.

Harry Burned Bridges. Should You Do It, Too?

fy, if scary, to know that they'll never work again with certain people or companies. Dispensing with the usual niceties of a split is a matter of conscience and involves calling out wrongdoing.

Harry, in his book and recent interviews, appears to view himself as a palace whistleblower, revealing flaws in the British monarchy and sharing the mental toll of royal life, including panic attacks and substance abuse. (Buckingham Palace hasn't commented on the book. Calls to the prince, through his publisher Penguin Random House, weren't returned.)

Commoners may not relate to the particulars of the prince's situ-

ation, but some who take a public stand find it can make a career. Susan Fowler Rigetti blogged in 2017 about sexual harassment she experienced at Uber Technologies Inc., spurring leadership changes at that company and leading her to a stint at the New York Times.

Then there are those who fancy themselves such hot commodities that they believe a few burned bridges can't hurt them because there will always be headhunters beckoning them to cross new ones.

Bridge burning can also be a way for indignant workers to settle scores while the labor market remains tight, despite recent layoffs.

"For too long, employers have held people down," says Doug George, a freelance content creator on Long Island, N.Y. "I may have a bad relationship with one company, but that employer has very little power over me."

Mr. George, 35, typifies what he calls a new age of work in which many people are independent contractors and side hustlers who relish being their own bosses. A former country club tennis pro, he offers private lessons in the Hamptons when he's not writing and marketing.

He says he tries to resolve conflicts whenever possible but doesn't worry about being blackballed when

he cuts off a client—be it an overly demanding business or a verbally abusive vacationer with a wayward forehead. The pool of other potential clients is big enough, he believes, that a few detractors won't hurt him.

Mike Conley, a software engineer who works from his home in Indiana, says he's had several job offers rescinded in recent months. He was gracious the first time, he says, understanding the cloudy economic outlook and staff

Some commoners who follow Harry's lead find taking a public stand can advance a career.

freezes or cuts in tech companies. When it happened five more times, however, he grew increasingly bothered by the realization that a company's word isn't always its bond.

When Mr. Conley, 50, backed out of a job he'd accepted in December, after learning that the role wouldn't be quite what he expected, he says he felt little guilt. He figures he's ruined any future chance of working for that company—and possibly some of its business partners, since people talk, he adds. But he says he has enough consulting projects and savings to hold out for something better.

It's too soon to know whether he'll eventually pay a price, but the experience of Dennis Wallace may provide some peace of mind. Mr. Wallace, 59, works in Tucson, Ariz., as a computer-aided designer at Raytheon Technologies Corp. and says he's repeatedly left jobs abruptly, starting when he quit a role without giving notice in 1985.

There are only so many major defense contractors, and he's worked for many of them, including Northrop Grumman Corp., Boeing Co. and General Dynamics Corp. He says he's been reunited, in new jobs, with plenty of former colleagues over the years and found that people care less about lack of loyalty than you'd think.

"My work speaks for itself," he says. "They'll put up with more if you're really good."

Hot Role Is Wedded To Job Engagement

By **RAY A. SMITH**

One of the fastest-growing roles at U.S. companies aims to address a rise in worker burnout and disengagement.

The job of employee-experience manager barely existed several years ago. Now the position ranks fifth in LinkedIn's 2023 list of the 25 fastest-growing jobs. It is the first time the role appears on the networking site's annual ranking, which tabulates the job titles that grew the most and have reached a critical mass among LinkedIn users over the previous five years.

Employee-experience management joins a long tradition of fanciful corporate monikers used to describe people-support roles, from director of well-being to chief happiness officer. And, yes, some of what these "EX" managers do looks a lot like repackaged HR functions, such as helping new employees get set up in the job and organizing training sessions.

Still, many in the job say it is much more technical. Employee-experience managers track and analyze daily workflow, office aesthetics and employee surveys to determine how engaged and satisfied workers are in their jobs. Employee-experience managers' primary aim is to improve staff productivity, loyalty and retention, they say.

Many companies created the role during the pandemic as many staff shifted to remote work, struggled with burnout and quit or switched jobs at some of the highest rates in decades, employers and HR officials say. In a June Gallup survey of more than 15,000 U.S. workers, about half described themselves as not engaged at work—meaning they did the minimum work required—a turn from the record engagement levels of the early days of the pandemic.

As senior program manager of employee experience

and engagement for the city of Bend, Ore., Joshua Romero says his main job is to play employee advocate. One of his more recent tasks included revamping the municipality's holiday party to include employees more in its charitable giving, selling raffle tickets to raise money for a local nonprofit nominated by staff. He is now examining how to cut the time employees spend in meetings and make the ones they do participate in more efficient.

"Some are meetings that we might not even need to be having, but we have a cul-

ture within our organization where people's go-to is 'let's do a meeting,'" he says.

A good part of the job involves describing to people who might be befuddled by the title what exactly an employee-experience manager does, adds Mr. Romero, who previously worked in communications for the city and took the newly created employee-experience role last year. "I'll sometimes say I do professional development or leadership development, and people know what that means," he says.

Clea Kanelos was appointed global experience manager at United Parcel Service Inc. in 2021 after working

in other HR roles at the company. She and her team have since visited hourly workers at UPS facilities around the world, observing them on their shifts and conducting one-on-one interviews about their daily jobs. They then give local leaders feedback on how to inspire staff.

One universal tip, she says: "Never underestimate the importance and significance of a handshake and saying hello to your people." The rising number of employee-experience managers is an acknowledgment that traditional HR managers have had their hands full managing Covid-19 workplace protocols, the shift to remote work and the return to offices, says Ben Granger, chief workplace psychologist



Employee-experience managers emerged during the pandemic.

at the software firm Qualtrics, which recently published an employee-experience guide for companies.

Job listings on Indeed.com that included a combination of the words "employee," "workplace" or "people" with either "experience" or "engagement" more than doubled between December 2000 and December 2021, when many companies were trying to gauge and address employee burnout, according to Indeed. Employee-experience managers typically earn a salary comparable to the \$55,000 to \$125,000 range for employee-relations managers, says Dan Roth, editor in chief of LinkedIn News.

As senior program manager of employee experience

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ARTS IN REVIEW

By LEE LAWRENCE

ART REVIEW

Making Pots, Building Bridges

The final work in the University of Michigan Museum of Art's "Clay as Soft Power: Shigaraki Ware in Postwar America and Japan" is a rounded vessel accompanied by an irresistible invitation: The "NOT" in the "PLEASE DO NOT TOUCH" label is crossed out. While our eyes take in the brown and orange hues of "Shigaraki Jar," our hands explore the ridges of its pleated form, the rough textures of its surface, the thin and crisp zigzag of its lip. It was made in 2021 by Takahashi Yoshiko, the sixth generation to work in her family's studio in Shigaraki, an area east of Kyoto hailed as one of six in Japan where people have without interruption been making pottery since the 12th or 13th century.

"Jar" is an effective finale to a show that explores the role Shigaraki has played in Japanese and American ceramics since the end of World War II. At one level, the exhibition traces familiar arcs: Japanese looking to their cultural heritage after a devastating military defeat; that same heritage galvanizing Americans to explore new avenues of artistic expression. But Natsu Oyobe, the museum's curator of Asian art, layers in a lesser-known narrative: the underlying political and diplomatic dynamics at work.

We first see three large storage jars made between 1300 and the early 1600s—their symmetry is imperfect, their surfaces marked by accidental scorches, cracks, white "hail" or "crab eyes" speckling (caused by the feldspar in Shigaraki clay), and eye-catching rivulets and splashes of glaze formed when ashes in the wood-fired kiln landed on the pot. In a pairing typical of how American museums began displaying these rustic ceramics in the 1950s, they are placed alongside 18th-century painted folding screens, which were already popular in the U.S. The aim was to predispose Americans to like the ceramics too and, the wall text notes, to shape public opinion.

The war now over, the U.S. needed Japan to be accepted as a democratic ally in the fight against Communism, and civic leaders like John D. Rockefeller III saw Japanese art as a powerful tool to counter stereotypes of the former enemy. Rustic ceramics evoked simplicity, deeply rooted traditions, and an aesthetic tied to the tea ceremony and Zen spirituality.

Against this backdrop, we meet Takahashi Rakusai III, the great-grandfather of the artist who made "Shigaraki Jar" and, until his death in 1976, head of the family workshop. He helped revive age-old techniques, forms and an aesthetic that embraced unpredictability. Yet the unblemished orange-red hue in Takahashi's "Shigaraki Ware Plate" (c. 1960) points to his having carefully positioned the piece in the kiln, out of reach of stray ash. Reverence for the past did not always preclude staying the hand of chance.

In 1963, John Stephenson recommended that the University of Michigan Museum of Art purchase it. A professor of ceramics at the university, he and his wife, Su-

sanne Stephenson, were among the first Americans to spend weeks, months, even years in Shigaraki, sponsored by a public institution or government-funded grant. Short videos bring their experience to life, and the selection of works illustrates the rich variety of creative responses.

Rob Barnard's "Large Jar" (2000s), for example, bears the hallmarks of a historical piece, while Mr. Stephenson's "Shigaraki Cut Low Vase" (1962) gives a teacaddy shape a dramatic neckline. Other artists made signature forms with the distinctive colors and textures of Shigaraki clay. In a 1998 Peter Voukos "Stack," orange contrasts with shades of gray, while a dense sprinkling of "hail" ratchets up the whimsy factor in Ken Ferguson's "Hare Basket in

Clockwise from top left: Tsujimura Shiro's 'Large Natural Ash-Glazed Vessel' (c. 1985); Shigaraki ware storage jar (late 16th-early 17th century); Fujimoto Hide's 'Crushed Vessel' (2014); Wada Morihiro's 'Vase (Watashigaraki)' (2000)

Shigaraki Style" (1994)—just some of the works made during residencies at the Shigaraki Ceramic Cultural Park, which Japan's government opened in the early 1990s.

By then, Japan had grown into a formidable economic power and stepped in where U.S. funding waned to bolster its reputation as a land of culture and build relationships through art. Among other things, Japan established programs for visiting artists, funded exhibitions in the U.S. and

sent such Shigaraki luminaries as Otani Shiro to conduct workshops. The exhibition's last section illustrates the effect this had by showcasing contemporary Japanese works in U.S. collections.

They are almost all vessels, ranging from Mr. Otani's "Shigaraki Vessel With Banded Patterning" (2010), with its play of kiln-created hues, and the diagonal drips of reddish-brown glaze of Tsujimura Shiro's "Large Natural Ash-Glazed Vessel" (c. 1985), notable for its diagonal drips of reddish-brown glaze, to Fujimoto Hide's "Crushed Vessel" (2014). Instead of discarding it because it collapsed in the firing, he has us admiring its slumps, tears, billows and folds. Many of the pieces show a skillful control of the materials and firing—witness the dramatic burn marks that highlight

the facets in Wada Morihiro's architectural "Vase (Watashigaraki)" (2000) or the sharpness and regularity of the ridges as we run our hands over the last piece in the show. That its maker, Ms. Takahashi, will one day succeed her father as head of the family studio is itself perhaps an unexpected product of soft power at work. By shaping clay on the wheel and firing their work, Ms. Stephenson and other female artists who came to Shigaraki were also making cracks in age-old taboos.

Clay as Soft Power: Shigaraki Ware in Postwar America and Japan
University of Michigan Museum of Art, through May 7

Ms. Lawrence writes about Asian and Islamic art for the Journal.



CLOCKWISE FROM TOP LEFT: JOAN B. MIRVISS; THE UNIVERSITY OF MICHIGAN; JULIA FEATHERGILL; SARAH GILLIS

MUSIC REVIEW

A Forgotten Country Crooner

By BARRY MAZOR

Morris "Howdy" Glenn had a Billboard country hit that charted for six weeks in the fall of 1977—his dramatic, distinctive take on Willie Nelson's 1962 song of longing "Touch Me." An excellent, fluid, big-voiced cover of Merle Haggard's "White Line Fever" was the B-side. That 45 was on the major Warner Bros. label, not some small-time obscurity. He was briefly promoted in the music-industry trade magazines as "The Singing Fireman"—which he, in fact, was—right along with Warner stablemates like Emmylou Harris,

Despite his major-label hit single in 1977, the distinctive black singer faded into obscurity.

Buck Owens, Hank Williams Jr. and Carlene Carter. Then he was nominated for Top New Male Vocalist by the Academy of Country Music.

You'll not be alone if the name of this Californian rings no bell at all: When the same label collaborated on the Country Music Foundation's groundbreaking 1998 CD set "From

Where I Stand: The Black Experience in Country Music," even they forgot to include him.

With the country-music industry, its fans and chroniclers now re-examining the unquestionably important role African-Americans have played in creating elements of the genre, in performing it, and in being a significant segment of its audience—all long underestimated and misunderstood—this forgotten pioneer has gotten another look. California country-music historian Scott B. Bomar, who produced and wrote the book for the "Bakersfield Sound" boxed set reviewed here in 2019, encountered photos of Mr. Glenn at work and spent years tracking down the story of the man (who died in 2012) and of his music. The result is "I Can Almost See Houston: The Complete Howdy Glenn," an unprecedented, single-disc, 23-track career-spanning collection set for release on Friday (Omnivore Recordings).

Born in Detroit in 1952—with his father both a bricklayer and a Baptist minister—he was raised on gospel but attracted to country music early. His family relocated to Los Angeles in 1971, and while working as an apprentice fireman in Inglewood, Calif., he got on stage at a local talent contest and won, with his rendering of Tom T. Hall's half-spoken, half-crooned "Old Dogs, Chil-



A new collection attempts to revive interest in Morris 'Howdy' Glenn

dren and Watermelon Wine." Glenn's 1976 small-label recording of the song is included on the set, and it immediately reveals his vocal gifts—meaning-laden phrasing that would please any country fan; a honeyed, gently Southern-tinged accent; and a vocal tone that splits the difference between the smooth, roots-pop master Brook Benton and the near-operatic drama of country singer John Conlee, who would be riding high on the country charts two years later. The title track, another early, small-label recording, emphasizes the dramatic angle. Glenn regularly appeared in Los

Angeles-area nightclubs while keeping his firefighting job. An invitation to perform at the Academy of Country Music Awards got him a songwriting contract, and then Andy Wickham, the British-born Warner Bros. producer who had worked with everyone from the Everly Brothers to Van Morrison and Joni Mitchell, signed him. A half-dozen tracks at the big label resulted, including that charting single, all included in this collection. Glenn's smart lyric-reading and his pliable, big-range sound now get more finished production backing, and his voice is entirely comfortable in the lush musical setting. One of

the Warner cuts is his take on the singing-test vocal chestnut "That Lucky Old Sun," a close cousin of "Old Man River," and he passes admirably—taking it small to start, huge by the finish, and just right. A track unissued at that time is historically fascinating: While Micky Newbury's "An American Trilogy"—combining "The Battle Hymn of the Republic," "Dixie" and "All My Trials," made famous by Elvis Presley—portrayed the Civil War in "Union and Confederacy, everybody suffered" terms, Glenn's medley of "The Battle Hymn" and "America the Beautiful" takes a side, patriotically but pointedly.

Glenn's released records sold, but as newcomers often are, he was dropped by the label in 1978, almost certainly because they didn't see great odds for his commercial future; his being one of the rare black artists in country certainly had not made those odds favorable.

He returned to recording for small labels through 1980; a fascinating artifact of that time is his version of "Mule Skinner Blues," the country, folk, blues and bluegrass standard from "the Father of Country Music" Jimmie Rodgers. It sounds like no one else's, with its hesitant, edge-of-seat vocal introduction, climbing to a falsetto-cry peak (not the traditional yodel), then leaping into chugging, full-speed verses. It's an original interpretation by a country singer with serious talent.

This is a release strong enough to spark repeated listenings, thankfulness for the rediscovery—and regret for what might have been but happened only so fleetingly.

Mr. Mazor reviews country and roots music for the Journal.

SPORTS

Messi, Ronaldo Set for a Final Showdown

When Paris Saint-Germain agreed to play a match in Riyadh, it didn't expect to be facing the Saudi league's newest all-star

By JOSHUA ROBINSON

Back when Paris Saint-Germain agreed to play a mid-season exhibition in Saudi Arabia in early 2022, the event was expected to be a lucrative and forgettable friendly match...

Then Cristiano Ronaldo intervened. By moving to Saudi Arabian club Al Nassr in December, he accidentally put himself in a position to play alongside a clutch of Saudi league all-stars against PSG on Thursday night...

"I feel very good and proud because I made that big decision in my football life," Ronaldo said in his Saudi unveiling, before the PSG match was announced. "I did my mission in Europe well and achieved everything."

He just didn't think that his European life would resurface quite so soon. Though Ronaldo and Messi dominated the soccer conversation for 15 years—and swept every Ballon d'Or award for a decade—they were only ever on the same pitch some three dozen times...

"I have always had a cordial relationship with Messi," Ronaldo, feeling magnanimous after his two goals, told Spanish television that night. "As I have said before, for 12, 13, 14 years, I've been sharing prizes with him."

The circumstances since then couldn't have changed more drastically. Messi, 35, is fresh off winning



Lionel Messi, left, and Paris Saint-Germain are set to play a team of Saudi league all-stars led by Cristiano Ronaldo.



the World Cup for the first time with Argentina last month, claiming the one trophy that had always eluded him.

Ronaldo, meanwhile, left the World Cup unemployed and in tears. He had just been cut loose by Manchester United after clashing with the club's coach and relegated to the bench for the Portuguese national team for its stunning loss to Morocco...

Ronaldo's move to Saudi said plenty about the modern economics

of the game. That his last confrontation with Messi should also come in Riyadh underlined the point emphatically: The Kingdom is serious about establishing its influence over the world's most popular sport—and it will spare no expense to do it.

In under a year, it has managed to do what no club ever did by signing up two of the most famous athletes ever to live. Seven months before it brought Ronaldo to the Gulf, Saudi unveiled Messi as a tourism ambassador for the Kingdom at a ceremony in Jeddah...

Messi won't have much time for Saudi heritage on this trip. PSG is

arriving on Thursday, on the morning of the game. The reality is that from a scheduling perspective, the match is one more headache that PSG didn't need. The calendar had already been compressed by a six-week break for the Qatar World Cup and the club is chasing silverware in three different competitions...

But money-spinning tours have become a necessary evil for clubs that spend as lavishly as PSG. The two-day jaunt to the Gulf, which first includes a stop in Qatar, could generate up to eight figures for the club, which reported losses of €370 million (\$402 million) last season. "The agreement was made last

season and the club has to respect it," said PSG coach Christophe Galtier, who took over at PSG over the summer. "Is it well timed? We had to respect the commitment that was made. I abide by that commitment."

Waiting for Paris will be a select team of all-stars drawn from the two most successful clubs in Saudi soccer, the Riyadh-based Al Hilal and Ronaldo's Al Nassr. This one-off marriage of convenience between the two squads is all the more absurd considering their decadeslong rivalry...

What's clear is that Thursday night's team might as well be called Ronaldo FC. Though he hasn't played a single game in Saudi yet, he was already appointed captain of the joint outfit by one of the most puzzling characters in soccer, Turki al-Sheikh. Not only is Sheikh the head of the Saudi General Entertainment Authority and a political enforcer of Crown Prince Mohammed bin Salman...

All of which helped Sheikh become one of the architects of Thursday's match—and its chief hype man. His latest stunt was auctioning off a golden ticket to the game for charity. Beyond the usual hospitality, it also comes with locker room access. Bidding opened at 1 million Saudi riyals (\$266,000) and the winner was a Saudi businessman named Musharraf Al-Ghamdi, according to Sheikh.

For the privilege of attending the last 2-for-1 of the Messi-Ronaldo era, he paid the sum of \$2.6 million.

"Great stars from two international teams [will meet]...historic moments," Sheikh tweeted. "An event that will not be forgotten."

The WSJ Daily Crossword Edited by Mike Shenk

Crossword grid with numbered squares for clues.

- 29 Former nuclear overseer org.
31 First family member
33 It's usually about a foot
35 Job requirement?
38 Birthplace of baseball's Aroldis Chapman
39 Prominent period
40 ISP option
41 A bit more than two pounds
42 Code name?
45 Lake north of Rochester
46 Less pleasant
47 Saison après printemps
49 Herald, as the new year
51 Letters from Salt Lake City
54 B in music
55 Broad lowlands
58 Little bit of progress, so to speak
60 Jaunty
61 Pass on the track
62 One may be bonded
63 Physics class unit
65 Let it out

LOOK INWARD | By Peter A. Collins

- Across
32 Judge
59 Be short with
9 Sushi unit
1 Belonging to former times
34 You can stick with it
61 Slips and such
10 Like some jobs and jokes
6 Delta and the like
36 2015 Verizon acquisition
66 Abdul-Jabbar, in college
11 Blue books
12 Mention
14 Illicit liaisons
37 Winter warmer-upper
67 More likely to induce goose bumps
13 No. on a bottle
15 Tackles
55 Broad lowlands
16 Person calling strikes, maybe
40 USMC overseer
68 Specifying exactly
20 Teriyaki sauce base
58 Little bit of progress, so to speak
17 Dress down
43 Curtis Mayfield's "Move__"
69 Woody vehicle?
22 Grazing expanse
18 Rips into
48 Catch
24 Meeting expectations
24 Meeting expectations
19 Yielders of warm, woolly fiber
44 Seat of power
25 "Termination Shock" author Stephenson
22 Grazing expanse
27 Class for would-be U.S. citizens
21 Choice
48 Catch
25 "Termination Shock" author Stephenson
22 Grazing expanse
60 Jaunty
22 Odoriferous adornment
50 Sacred Monkey Forest Sanctuary locale
61 Pass on the track
62 One may be bonded
63 Physics class unit
23 Wild goose chase
52 Med. school course
69 Woody vehicle?
65 Let it out
26 Presaging bad consequences
53 Stubbs of the Four Tops
66 Abdul-Jabbar, in college
11 Blue books
12 Mention
28 Where Zeus buried the monstrous giant Typhon
54 Sent off the pitch, in soccer
6 Released from the team
61 Pass on the track
62 One may be bonded
63 Physics class unit
30 Characters in books
56 Mao follower?
7 Meth suffix
31 Schism results, perhaps
57 "Ish"
8 Annoyed

▶ Solve this puzzle online and discuss it at WSJ.com/Puzzles.

Previous Puzzle's Solution

Grid of letters from the previous puzzle's solution, showing words like JAWNS, SCOOP, DESK, EVIL, OHARA, INCA, TONIC, WATER, ETAT, CEMENT, EIGHT, CARED, VERMOUTH, ODE, ENDORSE, SEA, GODS, NOLO, ALERT, GRENADE, LINE, GETTO, ANES, ACTI, AYE, ALLTRUE, ART, LEMONADE, LEVIS, SPASM, PEERED, POTS, APPLICIDER, DREI, RIGEL, KIND, FEDS, READS, ANTIS.

Chess World's New Villain: A Cat Named Mittens

By Andrew Beaton and Joshua Robinson

THE HEELS OF THE CHESS world have included Soviet grandmasters, alleged cheaters, and faceless supercomputers. But the game's latest villain is a fearsome genius who quotes French cinema and has played millions of games in just a couple of weeks.

She also happens to be a mean cat.

Mittens—or technically the chess bot known as Mittens—might look cute. Her listed chess rating of a single point seems innocuous. But her play over the past few weeks, which has bedeviled regular pawn-pushers, grandmasters, and champions who could play for the world title, is downright terrifying. And as it turns out, people are gluttons for punishment.

Since Chess.com introduced this bot with the avatar of a cuddly, big-eyed kitten on Jan. 1, Mittens has crashed the website through her sheer popularity and helped drive more people to play chess than even "The Queen's Gambit." Chess.com has averaged 27.5 million games played per day in January and is on track for more than 850 million games this month—40% more than any month in the company's history.

"This bot is a psycho," the streamer and International Master Levy Rozman tweeted after a vicious checkmate this month. A day later, he added, "The chess world has to unite against Mittens." He was joking, mostly.

Mittens also happens to reflect a broader evolution in modern chess. The game is no longer old, stuffy and dominated by theoretical conversations about different lines of a d5 opening. It's young, buzzy and proof that cats still rule the internet.

The past few months have seen yet another surge in the



A ruthless bot with an innocuous avatar is driving players crazy.

worldwide appeal of chess. The viral image from the World Cup was a Louis Vuitton advertisement showing Cristiano Ronaldo and Lionel Messi poring over a board. The picture that summed up the college football national championship was of a TCU fan playing chess on her phone in the stadium while the Horned Frogs got demolished by Georgia.

When Slovenian NBA superstar Luka Doncic was asked for his thoughts about Elon Musk's takeover of Twitter, he shrugged it off and said he uses his phone to play chess. None of those moments have driven people to virtual chess boards quite like a cat named Mittens who likes to taunt her opponents while she destroys them.

"I am inevitable. I am forever. Meow. Hehehehe," Mittens tells her opponents in the chat function of games. Chess.com has a number of bots ranging in skill level and styles for users to challenge.

This particular bot was the brainchild of a Hamilton College student named Will Whalen who moonlights as a creative strategy lead and Sean Becker, a Chess.com writer. Whalen had the crazy idea to put a strong bot behind cute eyes. Becker then

gave Mittens her evil genius personality that quotes Robert Oppenheimer, Friedrich Nietzsche, and even a 1960s Franco-Italian film called "Le Samourai." They even made it so Mittens's style of play is particularly frustrating to play against.

"Then Mittens was born," Whalen says.

Mittens' surprising popularity speaks to an underlying current in the chess world as freshly minted fans flow in: People are endlessly curious about new ways to engage with the ancient game. Facing novelty bots is just one of them. There has also been a new wave of interest in previously obscure chess variants.

Chess960 is a version of the game where all the non-pawn pieces are lined up in random order on the back rank. The wackiest variant is known as Duck Chess because there's a rubber ducky on the board that the players move after each turn to block pieces in its path.

"While I still think chess is a symbol of the highest level of strategic thinking," said Chess.com chief chess officer Danny Rensch, "it's also a game that is just incredibly fun and enjoyable."

Just not when you play Mittens.

FROM LEFT: MATTHEW MURVILLE/DPPI/ZUMA PRESS; AHMED YOSRI/REUTERS

TIMMY HOVNH/THE WALL STREET JOURNAL; VISUALS: CHESS.COM; ISTOCK (2)

OPINION

The Biden Document Payback



WONDER LAND
By Daniel Henninger

You know that a country's politics has become unhinged when its politicians forget one of the fundamentals of their profession: What goes around comes around. All that stuff about "my friend" and "the gentlelady" flows from knowing that if a politician overdoes the torment, his opponent will spend years waiting for the moment of payback. Exhibit Z is a sitting president saying about his predecessor: "How could anyone be that irresponsible?" Now comes the Democrats' predictable crucible with everyone's former good friend, Joe Biden.

Democrats stoked the Trump bonfire for years. Now it's put them in political hell.

Democrats initially argued that the Biden and Trump classified-document details weren't comparable. Um, so what? No one cares about comparable. With the Biden documents, absent facts, we're into the comfort zone of American politics—rank speculation.

So let's speculate, a word that sounds like an activity that should be—and once was—done in private.

The timeline of the Biden document tale begins on Nov. 2 when Biden aides are said to have discovered classified papers at the Penn Biden Center, and then turned them over to the National Archives. But it seems more likely the actual

timeline began on or about Aug. 9, the day after the FBI raided former President Trump's residence at Mar-a-Lago.

Amid the get-Trump din, a light bulb must have gone off in a Biden aide's head: What if the old man did the same thing? Actually, not "what if," but *when* did Mr. Biden move his own cache of classified documents out of the Obama White House? They all do it.

While it's been said that moving boxes is below the pay grade of White House lawyers, they do mop-ups. They would have known they were the ones who had to go looking without making the president an informed party to their hunch. Maybe they could have let this sleeping dog lie, but legal liability for conversations thought to be private about theoretical crimes has become an expensive proposition in Washington.

Why the FBI wasn't called in immediately to take it from there to the Biden Delaware residence, Corvette garage and Rehoboth beach house is a question now disappearing into a murk of Justice Department rationales. But that and uncountable other questions will be asked by the chairmen of the Republicans' House Payback Committees, Reps. Jim Jordan and James Comer.

The Democrats are in hell days after their premature conclusion that the GOP's House speaker drama had put them in heaven. Publicly Democrats like California Rep. John Garamendi call it an "embarrassment." Privately, they have to wonder if the Biden garage will finally connect the president to Hunter's global influence-peddling business.

Democrats aren't in hell merely because of the Mar-a-Lago comparable. Ring-fence



these two document disputes and normally they'd fade from view as procedural smoke. The Democrats are in pain because of the four-year political bonfire they lit and stoked from 2016 through 2020.

There were moments through and after the Trump term when some of us mused that the onslaught was over the top by any standard. Two impeachments? Now Joe Biden knows what it feels like to be media clickbait for all the wrong reasons.

This is the permanent politics of retribution, and it can get worse. The investigations of two special counsels—Robert Hur for Mr. Biden and Jack Smith for Mr. Trump—will hang like two cement shoes waiting to drop across 2023 and perhaps into the 2024 presidential campaign. Potential candidates soon need to visit primary states to campaign and fundraise, but the frozen legal status of Messrs. Trump and Biden will hamper that process.

Attorney General Merrick Garland's decisions to appoint special counsels may sound like the responsible thing to do, but it was not. The special counsel is the unhappy stepchild of bad

experiences with the so-called independent counsels who overwhelmed our politics in the 1980s and '90s.

The Clinton-Lewinsky independent counsel was the most famous, but there were many, many others through the Carter, Reagan, George H.W. Bush and Clinton presidencies. Merits aside, they became instruments of political destruction. Clinton Interior Secretary Bruce Babbitt was investigated—and after 18 months cleared—by an independent counsel over statements to Congress about denying a license to an Indian casino.

Normal prosecutors, to the extent anything limits their reach, operate inside the institutionalized realities of an established office. Nearly all the "independent" prosecutors had just one target and virtually unlimited funds to investigate. Most ended with no indictment after keeping their targets twisting in the wind for years. In 1999, Congress mercifully let the enabling statute expire.

Appointing a single-target special counsel was a bad habit then and is becoming one again. Instead of a serious political country, the U.S. is turning into Argentina. Witness the theory that the Democrats themselves leaked Mr. Biden's document vulnerabilities to get him out of the way. Some conspiracies are too Machiavellian to be true.

What would King Solomon do? Herewith a way out of the Trump-Biden dilemma: a grand plea bargain. We the people pardon both Messrs. Trump and Biden (including Hunter). We will drop everything against you if in return all three of you will just go away.

Write henninger@wsj.com.

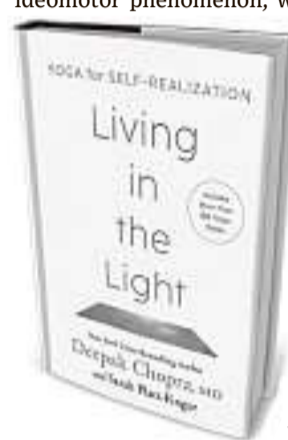
BOOKSHELF | By Bill Heavey

Bromides Of Bliss

Living in the Light

By Deepak Chopra, with Sarah Platt-Finger
(Harmony, 294 pages, \$24)

In 1993, Deepak Chopra went on "The Oprah Winfrey Show" to promote his latest book. To demonstrate the power of the mind, he had Ms. Winfrey dangle a small washer on a string and imagine it swinging back and forth, then in a circle, then in a circle going the other way. The washer did all of these things. Mr. Chopra pronounced this "living proof that every cell in your body is eavesdropping on your internal dialog." Ms. Winfrey, astonished, said, "If you can do it with a string, it means you can do it with your life." The alternative-medicine practitioner agreed. "You can fulfill any desire in life that you want because inherent in having the desire is the mechanics for its fulfillment." Skeptics maintained that the demonstration proved nothing more than the ideomotor phenomenon, which occurs when a person unconsciously moves an object, like the pointer on a Ouija board. Mr. Chopra's book sold 100,000 copies the next day.



Mr. Chopra has since written more than 90 books. His net worth is reported to be around \$150 million, and he charges upward of \$75,000 for a speech. Twice a month, he offers a six-day wellness retreat at a spa in Arizona that costs approximately \$6,000 per person (another thousand or two for the Raja Package upgrade).

For those who can't get away, there is the seven-day Renew and Restore Detox Kit of capsules, oils and "guided rituals" for \$165. As recently as 2013, Mr. Chopra served on the board of Men's Wearhouse.

Mr. Chopra's latest book is "Living in the Light: Yoga for Self-Realization." Actually, the first half of the book is his. The second half, by the yoga teacher Sarah Platt-Finger, combines line drawings of 54 yoga postures with descriptions of each pose and the energies it activates. As a casual yoga student for decades, I recognize these postures. But I didn't know, for example, that poses involving all four limbs on the floor evoke "the playfulness of our inner child" or that forward bends target parts of the body where we store "false narratives that we acquire from a very young age," much less that *uttanasana*, the intense stretch pose, "opens the back gates of all chakras, pacifying their rajasic qualities and increasing *tamas*—the quality of inertia."

In his part of the book, Mr. Chopra offers a 30-day program of Royal Yoga over six weeks (you get week-ends off) to help you learn to live in the light. Royal Yoga is the classical yoga that most Westerners know. The "light" is defined as "pure awareness; it is the cosmic consciousness that creates and maintains the universe and everything in it." It is your true self, your essential nature. To live in the light is to "cast off every form of ignorance, pain, and suffering." And this is not, Mr. Chopra adds, some distant goal. It is available to you right now. The "point of arrival" at the light "is always now," he writes. "You can't move to where you are already standing—this is the experience of timelessness." This last statement prompted me to write "What does this mean?" in the margin. Within two pages, I had shortened that phrase to WDTM?

The program delves into the eight limbs, or *ashtangas*, of yoga. These each have Sanskrit names, of course, which the author dutifully provides. But for his purposes, he rebrands them as "Social Intelligence," "Emotional Intelligence," "Bringing the Light to Your Body," "Vital Energy" and "Staying in the Light." Mr. Chopra covers each of these topics in a week, then in the final week merges the final three *ashtangas* into "The Power of Attention."

Deepak Chopra's 30-day Royal Yoga program promises to help us reach 'the experience of timelessness.' What does that even mean?

Each day focuses on a particular aspect of the *ashtanga* being studied and begins by asking you to silently repeat, twice, an affirmation. It can be chosen from a variety of positive, reassuring mantras: "I embrace the wholeness of myself." "My essence is transcendent." For all I know, these statements are true. Repeating them actually made me feel better. But their cumulative effect is also bromidic. You get to a point where they all feel the same. It's wonderful to be free of any need to cling or grasp, to join your body in the present moment and ground yourself in life's infinite potential. But I found myself comparing the 30 daily affirmations on offer. The first one—"I create the peace that surrounds me"—was so similar to the last—"I embody the field of infinite possibilities"—that it seemed as if someone who had never lived in the light could easily switch them and no one would be the wiser.

The effect of a constant stream of vague injunctions to vibrate in the light as you focus on the continual bliss that is your birthright is that when the author says something outside of such sentiments, it really grabs your attention. I found only two such instances, but both were striking. One comes in the chapter on vital energy, where the author encourages you to choose the freshest produce in the market. "Don't eat leftovers," he writes. In addition to the obvious health benefits, Mr. Chopra tells us that little actions like this help make our daily routines "a little more conscious." The other comes in the final chapter, when he guides us back to our "touchstones"—things or moments when we realize that "there is more to life than just material experience." Mr. Chopra writes: "The test is for you to allow yourself to enter into, say, a Mozart concerto or a ballad by Alicia Keys, and experience transcendence."

Mr. Chopra's teaching is at once supremely accessible, unfailingly reassuring and utterly opaque. It's like being locked in a room at an upscale spa. A piped-in voice affirms that you live in the flow of creative intelligence, that you embody infinite possibilities and that you are the creative source of your own reality. But you're still waiting for the massage, the smell of lavender and eucalyptus is beginning to get to you, and you fear that the next sound you hear will be the song of the humpback whale.

Mr. Heavey is a writer in Bethesda, Md.

Biden Bets It All on Republican Failure

By Karl Rove

White House aides have been encouraging media coverage that credits President Biden with "a slew of legislative achievements" that give him "significant momentum" and leave him with "a stronger hand to play" in 2023. As he contemplates re-election, his approval rating has "surged" after the midterms.

Not according to the RealClearPolitics average. It has Mr. Biden's approval rising, but only from 42.1% Election Day to a little under 43% today. That's a budge, not a surge, and 3 points lower than Donald Trump's approval rating when he lost in 2020.

Admittedly, the Republican Party's weak midterm showing gave Mr. Biden a better election than expected. But victory owing to your opponent's weak candidates doesn't mean you're strong, only lucky. Luck often disappears in politics, especially if you're making mistakes yourself.

The president's bragging about the economy is certainly a mistake. His remarks last Thursday were filled with rosy descriptions. Inflation is dropping "month after month, giving families some real breathing room." Gasoline and food prices are falling, wages are rising, unemployment is low—and because of Mr. Biden's policies, "Americans are starting to feel the benefits in their everyday lives."

Cue the band for "Happy Days Are Here Again." Except

voters aren't happy. Year-over-year inflation has slowed modestly, but in December it still was almost five times as high as it was when Mr. Biden took office. Wage increases have lagged behind price hikes for almost two years. Mr. Biden's approval on the economy is 38%—down about 2 points from Election Day. On the question of the country's direction, a mere 29% believe America is headed the right way. This economic reality looks particularly grim next to the president's claims that we've entered an economic land of milk and honey. Voters will think he's content with a possible recession.

The president would be better off saying sacrifice and hard work will bring better days, with the help of his American Rescue Plan and Inflation Reduction Act. But underpromising and overdelivering have never been Mr. Biden's strength. Just as he has embellished his own life—claiming he was arrested in South Africa, grew up in a Puerto Rican community, graduated in the top half of his law-school class and more—so he exaggerates his policy achievements and the country's condition. This creates a disconnect between the world he describes and what Americans are experiencing.

Team Biden is compounding this problem with its handling of the discovery of classified documents in an office Mr. Biden used at the Penn Biden Center after leaving the vice presidency. They were found

on Nov. 2—six days before the midterms—but this information didn't become public until Jan. 9, in a news report. The administration also sat on a Dec. 20 discovery of classified materials at the president's Delaware home until Jan. 12. This raised further suspicions.

His overconfidence hides a weak hand. His only hope is that the GOP's is weaker.

Team Biden dismisses all this as a simple oversight caused by the hectic nature of Mr. Biden's final days as vice president. That won't fly. If chaos is a legitimate excuse, what White House departure was more chaotic than Mr. Trump's?

Besides reducing Mr. Trump's vulnerability on his mishandling of classified documents, Mr. Biden's scandal raises other questions. Who moved classified materials to his office at the Penn Biden Center? How did secret documents get to Mr. Biden's Delaware home? Did the former vice president draw on them for speeches or other writings? Did the Penn Biden Center's staff, including now-Secretary of State Antony Blinken and Biden adviser Steve Ricchetti, see folders marked classified during the nearly two years Mr. Biden had an office there? (Mr. Blinken has said he

had "no knowledge" of the documents "at the time.")

There's also a question that should have been asked in 2020: Did Chinese money fund Mr. Biden's salary and staff at Penn Biden? The University of Pennsylvania, the center's sponsor, recently dodged, saying "The Penn Biden Center never solicited or received any gifts from any Chinese or other foreign entity" and adding that "one hundred percent" of the center's budget comes from "university funds." As Mr. Biden might say, c'mon, man. The university received \$54.6 million in Chinese money from 2014 to 2019, according to the New York Post, and money is fungible. It doesn't help appearances that Mr. Biden subsequently appointed the university's president and former trustee board chairman as ambassadors.

Team Biden is hoping all this doesn't much matter. They're betting House Republicans will screw up for the next two years, coming across as shrill, angry, negative and nuts; and that the GOP will nominate Mr. Trump, the easiest Republican for the president to beat.

Team Biden might win those bets. But they're risky. Democrats are playing a weak hand and hoping the GOP hand is even weaker.

Mr. Rove helped organize the political-action committee American Crossroads and is author of "The Triumph of William McKinley" (Simon & Schuster, 2015).

The Sundance Film Festival Loyalty Oath

By Gary Geipel

Here's a new form of woke authoritarianism: a demand that you sign a loyalty oath to go to the movies.

I attended Utah's Sundance Film Festival before the pandemic, then started watching its offerings online. This year's festival begins Thursday, and I looked forward to seeing new, small-market films from my recliner. But when I logged in to buy tickets, I was stopped at the virtual door.

The site wouldn't sell me tickets unless I affirmed the festival's "Community Agreement." Among other things, I had to promise to be "vigilant in the fight against the spread of COVID-19," to avoid "unwelcome sexual attention,

harassment, stalking, and inappropriate physical contact of any kind," and to refrain from "abuse or intimidation including that related to race, gender, position, or wealth."

When you watch a movie, the Safety & Belonging Team will be watching you.

What if I slipped up and engaged in "intimidation related to wealth," whatever that means? Someone could squeal using a "name-optional reporting form," and the complaint would be "taken seriously and reviewed carefully by Sundance Institute's Safety

& Belonging team." The team has the authority to impose "exclusion from Sundance Institute programs, platforms, or spaces—including a complete ban on further participation in any Institute program or event."

I asked if I could buy tickets without affirming the agreement and was denied via an anonymous email. The damage I might have done to someone's sense of "belonging" while watching films from my Indiana basement, 1,500 miles from Park City, Utah, apparently was too much to risk.

As a classical liberal with conservative sensibilities, I was often challenged and sometimes offended by Sundance films. Good. Movies can open our minds and make us

think—as most good art does. But this depends on the freedom to think for ourselves and question established orthodoxies without fearing anonymous informers and Orwellian enforcement teams.

Writing in the past tense about Sundance makes me sad. But more of us—patrons, donors and especially liberal-minded board members of arts organizations—have to learn to echo Aleksandr Solzhenitsyn: "No, not through me."

If we don't, we can prepare for the Sundance loyalty oath to become the norm at cultural venues. And we should prepare our imaginations for whatever comes after that.

Mr. Geipel is a communications consultant and writer based in Indianapolis.

OPINION

REVIEW & OUTLOOK

A Crucial Moment for Ukraine

Western governments are applauding themselves for helping Ukraine resist Russia's invasion, and some credit is certainly due. But as the war's first anniversary looms, so does a new moment of decision: Will the U.S. and Europe let the war grind on as a brutal stalemate, or will they provide enough military aid so Ukraine can take back its territory and win the war?

That's the strategic choice, unspoken publicly but looming in the background, as Ukraine's allies meet Friday at Ramstein Air Base in Germany. The Ukraine Defense Contact Group includes 50 governments, and Defense Secretary Lloyd Austin and Chairman of the Joint Chiefs Gen. Mark Milley will attend. Their decisions will set the terms of war from the Ukrainian side for the rest of the winter and beyond.

The Ukrainians have put up a heroic fight and retaken some of the territory Russia grabbed early in the war. But the bitter truth is that Vladimir Putin shows no sign of letting up despite his humiliating setbacks. Mr. Putin is venting his frustration by lobbing missiles at apartment buildings, with one in Dnipro killing 40 people, including children, this week. American Patriot missile defenses are still weeks or months from arriving, as Ukrainian troops train on the system in Oklahoma.

Russia may be gearing up for another offensive. The Institute for the Study of War warned this week that Russia is "preparing to conduct a decisive strategic action in the next six months," perhaps in an attempt to overrun Luhansk Oblast in the east.

Mr. Putin may also expand his conventional force to 1.5 million troops, up from 1.35 million now. He is working to revive Moscow's ability to produce weapons and calling every dictator in his Rolodex for arms. Russian casualties are of no great consequence to him. He thinks that, as the war drags on, he can outlast Western support for Kyiv and still emerge with much of Ukraine under his control.

That may prove to be right if Ukraine can't build on its gains in the latter half of 2022 and retake its territory soon. Ukrainians clearly have the will to keep fighting, as Vitali Klitschko notes nearby, but they need more and better arms than the West has provided so far.

An emerging fiasco over Ukraine's urgent request for tanks illustrates the problem. The U.K. said this week it will provide Challenger 2 tanks to Ukraine, but only 14. News reports Wednes-

day said Germany won't sign off on transfers of its Leopard tanks unless the U.S. provides its own Abrams tanks. This military pas de deux should embarrass both the Germans and the White House.

Leopards are excellent battle tanks in service across European militaries, with some 2,000 in NATO cupboards, by one estimate. Military analysts have suggested the Ukrainians would need at least 100 to make a dent on the battlefield, and the priority should be providing the tanks rapidly and at scale. The U.S. Marines recently retired their tank battalions as part of a strategy shift, and those Abrams could be put to good use in Ukraine.

Yet the Biden Administration is leaking that the aid it plans to announce this week won't include tanks. Neither will the U.S. offer the Army tactical missile system, which would allow the Ukrainians to strike targets from afar, launched off the HIMARS systems that have been deployed to such great effect.

This reluctance is a profile in puzzling timidity. The White House fear is apparently that the war will escalate if Mr. Putin continues to lose ground. The Russian is capable of anything, but there is no moral or strategic case for giving Ukraine just enough weapons to bleed for months with no chance of victory.

* * *

The stronger case is to help Ukraine win rapidly with more arms and by scrapping U.S. restrictions on how Ukraine wages war. The U.S. has said Ukrainian strikes on Russian territory are off-limits, and the practical effect has been to let Moscow concentrate forces on Eastern Ukraine without having to defend some of its own depots and bases. Why should a dictator who rolled over a foreign border be free to claim his territory as sacrosanct?

The rejoinder is that Mr. Putin might unleash a nuclear weapon, but the past months have shown that he will make that decision based on his own calculations in any case. If he does, he will face even more global ostracism and Western help for Ukraine.

A long and ugly stalemate in Ukraine would put Russia in position to menace its neighbors for years to come, which would be even more costly for the U.S. and Europe. President Biden is receiving plaudits for keeping the Ukraine coalition together despite the economic and military strains. But the praise will turn to harsh and deserved criticism if the war grinds on and Russia wins its war of bloody attrition.

Other states, including New York and Colorado, are also enacting so-called pay transparency laws, on the theory that it ensures equity if every job applicant can start negotiating under the same expectations. But even if the law prohibited wide salary ranges, job advertisements usually say (using Tesla as an example) that actual offers may vary by

"market location, job-related knowledge, skills, and experience."

Compensation also depends on bargaining power. A valuable prospective employee might receive a counteroffer from his current company, or he might have second thoughts about moving his family across the country.

The hilarious pay scale postings are another case of progressive designs failing when they run up against the real world. The equity laws end up delivering less accurate information for applicants without helping "equity."

But it's bewildering to see the Club for Growth, whose reason for being is promoting growth economics, smack a politician for working in private industry at Eli Lilly. Even more odd is the higher-ed slam: Mr. Daniels as president of Purdue University froze tuition for a decade; cut costs on everything from textbooks to meal plans; and experimented with paying for college with equity instead of debt. He stepped down at the end of 2022 as the most successful college President in the country.

Mr. Daniels is coming in for this treatment because his politics of restraint and compromise is now declassing in some corners of the GOP. But putative "fighters," including many backed by the Club for Growth, lost or barely squeaked out winnable GOP races in November. Voters favored candidates who appeared to be sane and competent, and Mr. Daniels's record in Indiana in expanding school choice, restraining spending, and reinventing toll roads fits that bill. He won the Governorship in 2004 after 16 years of Democratic rule, and he won re-election in 2008 by 17 points even as President Obama carried Indiana.

A contest among Mr. Daniels, Mr. Banks and others could be a productive exercise that tests what GOP voters want on economics, cultural issues and foreign policy. Conservative groups love to rail about "the establishment," but groups like the Club for Growth are the new establishment as the institutional power of the party has atrophied. They do the GOP no good by denying voters choices about who should represent them in Washington.

NATO's reluctance to provide tanks reveals U.S. ambivalence.

LETTERS TO THE EDITOR

The Case of the Documents and the Corvette

The discovery of classified documents at President Biden's think-tank office and now in a box next to his Corvette at his Wilmington, Del., garage wouldn't even be news had the Democrats not sought to criminalize usual and customary presidential behavior in their obsession to get Donald Trump ("Two Presidents, Two Special Counsels," Review & Outlook, Jan. 13). They all have papers. Some of them get packed by whoever into boxes that find their way to storage rooms and garages. Some they know about, as they plan their memoirs, and others are likely inexplicable.

I knew the moment I heard about the Mar-a-Lago raid that it was a replay of the effort to apply Logan Act violations to incoming Trump national-security folks who met with foreign counterparts during the run-up to Inauguration Day. They all do it. DWAYNE KEITH Valrico, Fla.

In the mid-2000s, my son embarked on an Eagle Scout project that involved cataloging the contents of the storage boxes that had been sent to the George H.W. Bush Library in College Station, Texas, by the outgoing Bush administration. The box contents were surprising. One box contained only a stapler, one a trash can and at least one was empty. One box contained several folders labeled "SECRET." Fortunately, they were empty. Apparently, when a presiden-

tial administration packs up, the aides and staffers grab a box and throw in whatever is at hand. Yes, the situation needs looking into. No, it's not a national-security crisis.

JOHN PRICE
Georgetown, Texas

It has been noted that those who handle Mr. Biden's documents discovered the material in question on Nov. 2, 2022, six days before Election Day. It then took more than two months for the Justice Department to make this story known—after the midterms and the Georgia Senate runoff. Coincidence? I don't think so.

ANDREW J. MACDONALD
Fanwood, N.J.

I was struck by your line: "On current evidence there's no good case for putting a President in prison—much less making two Presidents into cellmates." I can think of a very good case for it: a play. There must be a playwright out there who can write a great comedy with that as the premise.

ANDY WEINTRAUB
Trumansburg, N.Y.

I echoed a sigh of relief when Mr. Biden told us that classified documents were in the garage with his Corvette. I would have been beside myself if they were residing with a '55 Buick.

PHIL SERPICO
Kew Gardens, N.Y.

Court Is the Real Threat to Israeli Democracy

Yohanan Plesner opens his op-ed against Israel's proposed judicial reforms ("The Case for a 'Constitutional Truce' in Israel," Jan. 11) with James Madison's famous quote: "The accumulation of all powers, legislative, executive, and judiciary, in the same hands, whether of one, a few, or many, and whether hereditary, self-appointed, or elective, may justly be pronounced the very definition of tyranny."

Ironically, it is as if Madison were writing about the Supreme Court of Israel. Through a "judicial revolution" in 1995, and an unprecedented interpretive method developed by then-Chief Justice Aharon Barak, the court usurped the legislative power. Using a unique and exclusive "reasonableness" doctrine, it also transferred the last word on all executive decisions, including appointments to ministerial positions, to its own hands. And above all, the court holds a preposterous veto power over the appointment of justices to its own body.

In each one of these aspects, Israel shines in solitude among Western countries. Its Supreme Court has become "the very definition of tyranny."

MK SIMCHA ROTHMAN
Jerusalem

Mr. Rothman is a member of Israel's Knesset for the Religious Zionism Party.

The Other Choice Facing the Republican Party

William Galston questions whether Republicans should follow former President Donald Trump (not to mention Sen. Mitch McConnell) or former Rep. Paul Ryan on entitlements, including Social Security and Medicare ("The Dilemma of the 'Working Class' GOP," Politics & Ideas, Jan. 11). Last year the Congressional Budget Office, which regularly underestimates future federal debt and debt-to-GDP ra-

tios, forecast that interest will consume 38% of federal revenue in 2052. Markets will convulse long before then, hurting all.

The most logical place to cut spending is the two largest outlays, Social Security and Medicare, as life expectancy increased almost 30 years from 1900 (the year when people first eligible for both programs were born) to 2021. Mr. Galston is really asking: Should Republicans act like mature patriotic adults and live in the real world, or continue on the vote-buying path of live-for-today people who don't get it, including Democrats and most Americans.

ALLEN BUCKLEY
Atlanta

The Forced End of Gas Stoves Is an Electrician's Dream

If it is true in Kathy Hochul's New York that after 2030 you won't be able to replace your gas stove ("The Coming Gas Stove Culture War," Review & Outlook, Jan. 14), who is going to foot the bill for making your kitchen electric-range compatible? Electric stoves run on 220V rather than the 110V circuits that run through most homes. Kitchens with gas stoves typically don't have 220V outlets available, meaning a new line must be run from the home's electrical panel. Depending on how many walls need to be opened up and the length of the new line, it could be equal to the cost of the new stove. Is the electrician's lobby behind this policy change?

KEN DAVENPORT
San Diego

The Bad Logic of Defunding

Out of the gate, House Republican "Lawmakers Vote to Repeal IRS Funding" (U.S. News, Jan. 10). Let me get this straight: The left clamored to defund the police, and now the right bays to defund the IRS? These must be bookends of brilliant thinking because no one ever misbehaves on the streets or cheats on their taxes, right?

RICHARD L. MURRAY JR.
Greenwood Village, Colo.

Letters intended for publication should be emailed to wsj.letters@wsj.com. Please include your city, state and telephone number. All letters are subject to editing, and unpublished letters cannot be acknowledged.

Hospital Marketing Machine

Regarding Brenda Cronin's "Is Experience Always Necessary?" (op-ed, Jan. 4): Practicing medicine for the past 25 years, I have seen the shift of hospital administrations' mission from caring for patients to making money. Each hospital now has a marketing machine constantly developing slogans to show the public we care more than our rivals. My favorites are "patient-focused care" and "Covid clean."

LESLEY FRASER, M.D.
Basalt, Colo.

Pepper ... And Salt

THE WALL STREET JOURNAL



"Sure, it's never worked for us before, but that means maybe we're due."

When Pay Transparency Is Opaque

Wanted: Software engineer willing to work for anywhere between \$90,000 and \$900,000. That advertisement might sound ridiculous, but it's a real job posting from Netflix, and as is often the case with things that defy rational answers, government regulation helps explain it.

California has a new law requiring employers with 15 or more workers to "include the pay scale for a position in any job posting." Given that tech companies are in dog-eat-dog competition for talent, Netflix isn't the only shop to take a liberal reading of salary ranges.

Tesla has a software engineering position that pays between \$104,000 and \$348,000.

TikTok is hiring a software engineer and offering \$126,000 to \$304,704.

DoorDash wants a head of design and is willing to deliver \$252,000 to \$350,000.

New state laws to promote pay 'equity' don't work as planned.

Who's Afraid of Mitch Daniels?

The 2024 election is already underway, and voters can be forgiven for tuning out the noise for a while. But one contest worth watching is the Republican Senate primary in Indiana, where ostensible conservatives are trying to head off a bid from Mitch Daniels, the state's reform Republican Governor from 2005-2013. Why the sudden fear of healthy political competition?

Sen. Mike Braun is vacating his seat to run for Governor of the Hoosier State, and on Tuesday GOP Rep. Jim Banks announced his Senate candidacy. Mr. Banks, who has run the conservative House Republican Study Committee, is a Navy veteran on the House Armed Services Committee and popular with the self-styled populist right. Other possible contenders are Rep. Victoria Spartz, incumbent Gov. Eric Holcomb, and Mr. Daniels.

Last week the Club for Growth released an ad pre-emptively attacking Mr. Daniels as "not the right guy for Indiana." After "50 years in Big Government, Big Pharma and Big Academia, Mitch Daniels forgot how to fight," the 60-second spot says. Then comes the damning photo: He stood next to George W. Bush, presumably while serving as his budget director, where, by the way, his reputation as a fiscal hawk earned him the nickname "The Blade."

Mr. Daniels's worthy preoccupation with government debt has sometimes led him into cul-de-sacs, such as the income-tax increase he proposed in his first year as Governor. These columns opposed it, and Mr. Daniels later thought better of it.

The Club for Growth tries to deny Hoosiers a choice of candidates.

OPINION

Ukrainian Victory Would Be Great for America

By Vitali Klitschko

When Russia brutally invaded Ukraine in February 2022, many predicted that my country would be overwhelmed and the war would end quickly. As we near the improbable one-year mark of this conflict, it's clear that Ukrainians are far stronger than Vladimir Putin imagined. I see this strength every day as I walk the streets of Kyiv—resilient people going about their lives with steely determination, even as they endure constant assault. In subzero conditions and with no heat, my hometown celebrated the holidays with hope, coming together to light the tree on Sofia Square and sing, despite fears of continued shelling.

Continued military and humanitarian support will end the war sooner and boost the global economy.

In 2023, Ukraine can defeat Russia decisively and end this horrific war, which would be great not only for democracy and freedom but for the U.S. economy as well. To win rapidly and convincingly, we need more help from our strongest ally, America.

We ask for the continued support of the American people with full appreciation of their generosity so far. We are grateful for the nearly \$25 billion in security assistance we have received from the U.S. since the invasion began. There is no question that it has helped us remain strong.

But we need more to stop the aggressors and guarantee freedom for all Ukrainians. While Ukraine's defenders have recaptured various regions and fought back Russian

advances in others, we need to take our campaign to the next level. If we can demonstrate resolute defensive capabilities such as the Patriot missile system, Mr. Putin will be forced to relinquish his dream of conquering Ukraine. Winning requires rapid access to advanced weaponry that a country of our size and wealth simply doesn't have on its own.

In addition to military support, Ukrainians need help surviving the difficult and sustained onslaught from Russia. This humanitarian need can be seen plainly in the streets of Kyiv. Just the other day, a bomb exploded near my apartment in the middle of the night. We can't stand to live in constant terror. The toll is not only physical but emotional—and the trauma will linger for years.

With everything going on in the U.S., it's easy for Americans to wonder why they should do more. There are two reasons.

The primary reason is that helping your friend during a brutal attack is the right thing to do. But American support isn't only a question of morals. America's investment in the liberation of Ukraine will protect other European nations against Russian aggression. Suing Hitler for peace wasn't an option in World War II, and it isn't today with Mr. Putin. If the West permits Russia to seize parts of Ukraine, Mr. Putin will be emboldened to turn his attention to retaking former Soviet satellite states, many of which are now North Atlantic Treaty Organization members.

The second reason is that helping Ukraine is good for America's economy, global leadership and businesses. According to research from the U.S. Federal Reserve, expected global economic growth has fallen more than 50% as a result of the invasion.



Ukrainian soldiers train in the parking garage of a Kyiv shopping mall.

drones. Last week, we shot down 37 of 40 missiles fired at Kyiv. But our capabilities are mostly defensive. We need even more advanced weaponry to take back lost territory. This, combined with our knowledge of our land and determination for freedom, will carry us to victory.

We also need to continue sustaining our people. Since October, Mr. Putin has attacked our power plants and electric grid in a cruel attempt to freeze Ukrainians into submission. Because of that, we need help with basic services, such as keeping our people warm at night and helping doctors perform surgery. We need more backup power generators, buses, electrical-grid replacement parts, satellite internet access, Wi-Fi routers and ambulances. We can't let the aggressors weaponize freezing temperatures and a lack of electricity.

Just as Mr. Putin fails to grasp the determination of my countrymen, he also misreads America's loyalty to its friends. He believed economic challenges and political division in the U.S. would stop Americans from rallying in defense of freedom and against evil. He was wrong.

I'll use a boxing analogy, because I am a fighter. When Russia fought dirty and put Ukraine on the ropes, America stood up for us, like an honest referee would. Every day, Ukrainians picking up the pieces in their liberated cities and fighting on the front lines are profoundly grateful for that. When the rebuilding begins, we won't forget who helped make it possible.

If America can step up its assistance further as this conflict nears its end, Ukraine's reconstruction will come even sooner, and the world economy can return to solid growth.

Mr. Klitschko is mayor of Kyiv.

A Question for Congress: Why Didn't the SEC Stop FTX?

By Hal Scott
And John Gulliver

The Securities and Exchange Commission brought an enforcement action last week against the cryptocurrency brokerages Genesis Global Capital and Gemini Trust. As with the failure of crypto exchange FTX, the SEC is late to the game—likely too late for the 340,000 U.S. customers affected by Genesis' decision to halt all withdrawals.

Genesis' financial problems stem from large holdings with FTX, and it is unlikely to be the last crypto firm caught in FTX's wake. Who is to blame and what can be done to protect U.S. retail investors in crypto?

Rep. Patrick McHenry, the new chairman of the House Financial Services Committee, can answer that question by investigating the SEC's failure to prevent the FTX disaster. The harm to U.S. investors from the alleged theft of FTX customer assets by Sam Bankman-Fried is likely to be enormous. FTX's global operations held more than \$8 billion in customer assets, and there were 2.7 million U.S. customers of FTX's U.S. operations alone. FTX customers have had their assets frozen in bankruptcy and now face

large losses. They deserve to know why the SEC failed to be the "cop on the beat."

In 2008, after Bernie Madoff's Ponzi scheme was revealed, SEC Chairman Christopher Cox promptly initiated an internal investigation into the commission's failures to uncover the fraud. Gary Gensler, the current chairman, has so far failed to do the same. Madoff's evasion of applicable SEC regulations was a surprise. FTX's state of nonregulation was the reddest of flags. Madoff was largely cheating rich sophisticated investors. FTX's retail investors were left helpless.

Congress should begin by asking a very basic question: Why wasn't FTX subject to any SEC regulation and enforcement? Mr. Gensler has said the laws governing the securities industry provide the SEC with the legal authority to regulate crypto exchanges and to bring enforcement actions against them for fraud. The SEC's view, as reflected in its recent civil actions against FTX executives, is that FTX was trading securities, specifically tokens, or crypto issued by the company itself.

If the SEC has the authority to regulate crypto exchanges, it should have done so long before now. The

SEC could have simply prohibited U.S. customer assets from being held by unregulated crypto exchanges. Instead, as we have written in these pages, the SEC's only action made the problem worse by blocking banks and brokers from taking custody of crypto assets.

Securities regulators seem to be more interested in protecting their turf than protecting investors.

Similarly, the SEC has asked crypto exchanges to register with regulators, but it has provided no guidance making it possible to do so. Once the SEC does provide that guidance, it should require crypto exchanges to register or shut them down. Instead, the SEC has taken enforcement actions against alleged unregistered public offerings of crypto tokens for lack of disclosure, while largely ignoring the risky activities of crypto exchanges with millions of retail customers. Worse, as reflected in this month's regulatory agenda, the SEC still has no plan to regulate crypto exchanges.

Congress needs to investigate the SEC's regulatory failings.

Congress also needs to investigate the missed opportunities to catch the alleged fraud. Mr. Gensler and his staff met with Mr. Bankman-Fried and FTX executives repeatedly in the months preceding FTX's failure. Those meetings were reportedly focused on providing FTX with a regulatory license as a securities exchange, apparently without probing their operations at the same time.

In early 2022, the SEC also sent FTX inquiries related to its handling of customer assets—the heart of the alleged fraud—but these inquiries clearly didn't lead to an enforcement action. What was FTX's response to these inquiries? Did the SEC follow up? Congress needs to investigate all SEC meetings and communications with Mr. Bankman-Fried and his staff.

Mr. Gensler has lobbied against bipartisan legislation that would have provided the Commodity Futures Trading Commission with additional regulatory authority over crypto markets. This could have protected retail investors, but the SEC and CFTC are rival regulators with a long history of competition. Congress should investigate the ex-

tent of Mr. Gensler's lobbying and whether this turf war was a higher priority than protecting investors.

Congress also should examine whether a lack of SEC staff resources contributed to the SEC's failure to stop the FTX scam or to regulate crypto markets generally. The SEC has embarked on an unprecedented rule-making agenda to remake U.S. capital markets. Overworked staff have departed, and resources are being diverted away from their core functions. Did this contribute to the lack of action against FTX?

Although the focus of Congress's investigation should be the SEC, lawmakers should also look to whether banking regulators and the CFTC, through action or inaction, may also have contributed to the failure to stop FTX's alleged scam.

It is time for the House Financial Services Committee to exercise its oversight authority and hold the SEC accountable for its failures. The U.S. customers of FTX deserve nothing less.

Mr. Scott is an emeritus professor at Harvard Law School and director of the Committee on Capital Markets Regulation. Mr. Gulliver is the committee's research director.

The Davos Crowd Sees Republicans as the Enemy



GLOBAL VIEW
By Walter Russell Mead

Davos, Switzerland
It is that time of year again. The skies over Davos are thick with private jets flying in billionaires to bemoan the problems of climate change and, as U.S. climate envoy John Kerry put it this week, save the planet. Traffic jams clogging the streets, security checks at every hotel, nonstop parties and receptions all over town—the World Economic Forum is back.

The locals seem unimpressed. As one harried resident told me, Davos

natives treat forum week the way many New Orleans locals treat Mardi Gras. It's a great time to get out of town and, with accommodations going for thousands of dollars a night, an enterprising resident can cover a year's mortgage payments by renting out the old homestead to frenzied forum goers.

The antics of the Davoisie are easy to mock. It isn't only the discordant but relentless mix of green virtue-signaling and conspicuous consumption. You will hear more talk about the evils of inequality here than anywhere except an American university's diversity office, yet everyone wears a badge that delineates his exact place in an elaborate

and inflexible pecking order.

But something serious is happening at Davos. The divide between the consensus of the business and political leaders who gather here and the values and perceptions that shape American conservatives and the Republican Party is growing into a chasm. Both sides will have to think and act carefully, or the upheavals in European-American relations that marked the Trump years will fade into insignificance when the GOP is back in power—with or without Donald Trump.

Criticism of Davos used to come mostly from the left. These days, its most bitter critics come from the populist right. And a Davos elite that once saw doctrinaire leftism as the greatest obstacle to global prosperity and progress now increasingly sees right-wing populism as the enemy of everything good.

The WEF grows out of a German understanding of capitalism. After World War II, German conservatives believed that to stave off both communism and right-wing populism, German private enterprise would have to adopt a more social posture. Business needed to demonstrate that capitalism could beat the socialists at their own game. Big business would work with the government to achieve important social-welfare goals. That necessarily implied coordination between private sector and political leaders. Forums where business and government leaders could meet privately

and hash out plans for harmonious social development were a necessary feature of this model.

That ethos of coordinating public and private efforts to achieve social goals powered the WEF from its earliest years, and the vision of public/private partnerships in service to the forum's vision of the common good

The elites at the World Economic Forum have a German, not an American, view of capitalism.

remains the animating principle of Davos to this day. While the old West German conservatives focused their efforts on German society, Davos has gone global on the theory that since problems such as inequality are global, coordination between business and government must be as well.

These ideas are a problem from the traditional standpoint of American pro-market conservatism. The genius of capitalism, American conservatives have generally felt, is in its capacity for disruption and invention. Grand national economic plans, to say nothing of international plans, generally fail, and the concentration of power such planning gives to the state leads to corruption and, ultimately, authoritarian rule.

The second point of conflict be-

tween the Davos consensus and what might be called the center of gravity of the American Republican Party involves climate change. From the Davos point of view, climate change is an immediate danger that threatens to plunge the world into an era of misery and war, conceivably bringing an end to human civilization. There is no time to lose. Those who don't see the situation as urgent, or who oppose the global coordination that, in the Davos view, is necessary for an adequate response, aren't just conventional political opponents. They must be defeated if humanity is to thrive.

Most American conservatives reject this narrative on two levels. At one level they simply do not believe that the grand plans and projects of climate experts will work as advertised. And at another, many though not all remain skeptical that climate change will arrive as quickly or be as devastating as the Davos consensus believes. To the degree that Republicans influence the future of American politics, the U.S. will largely reject the Davos agenda. The American economy is so large, and American political influence so pervasive, that the Davos agenda will fail without American support.

Both sides need to reflect. Years of bitter clashes over climate policy won't advance the Davos agenda. A poisonous trans-Atlantic atmosphere won't strengthen America's international position, depolarize American politics, or boost American growth.

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Bond Rally Intensifies on Japan Policy

Weak economic reports bolster Treasuries but trigger 614-point Dow drop

By SAM GOLDFARB

The 2023 rally in U.S. Treasuries picked up new momentum on Wednesday after the Bank of Japan maintained its cap on bond yields while new data pointed to a further slowdown in U.S. inflation and economic activity.

The yield on the bench-

mark 10-year U.S. Treasury note settled at 3.374%, according to Tradeweb, down from 3.534% Tuesday and its lowest close since early September.

Yields, which fall when bond prices rise, initially dropped overnight after the BOJ said it would continue with large-scale bond purchases to keep its cap on the 10-year Japanese government-bond yield at 0.5%. Facing higher inflation and a weakening yen, the central bank had lifted the cap from 0.25% in December.

That decision to keep policy unchanged provided an immediate boost to government bonds around the world because it reduced speculation that Japanese yields could extend their recent climb. Some analysts have warned that higher yields on Japanese bonds could put further pressure on Japanese investors to sell foreign bonds and buy Japanese debt instead.

From there, U.S. economic data took center stage and nearly all of it was also good for Treasuries.

Reports on retail sales, industrial production and supplier prices provided further support for investors who believe that economic growth is slowing and inflation pressures are easing. Only an index of U.S. home builders' confidence ticked upward, but it still indicated that more builders view conditions as poor rather than good.

Meanwhile, the same reports hammered stocks. The Dow Jones Industrial Average dropped 613.89 points, or 1.8%, to 33296.96. The S&P 500 lost 62.11 points, or 1.6%,

to 3928.86 with each of its 11 sectors in the red. The Nasdaq Composite Index shed 138.10 points, or 1.2%, to 10957.01.

"Today is very much [about] slowing growth," said Priya Misra, head of global rates strategy at TD Securities.

She noted that yield declines were especially acute among Treasuries that mature in around five years. That is a sign that investors are betting the Federal Reserve will stop raising interest rates earlier than expected—and then also

cut them more than anticipated, amid escalating wagers that the economy will slide into a recession. Treasury yields largely reflect investors' expectations for what interest rates set by the Fed will average over the life of a bond.

Wednesday's move in Treasuries only extended what has been a head-spinning reversal for the market since the start of the year.

Treasury yields spent most of 2022 climbing, creating a drag on other assets such as

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Trial Puts Musk's Tesla Tweets in Spotlight

By REBECCA ELLIOTT AND MEGHAN BOBROWSKY

The trial over Elon Musk's 2018 tweets about potentially taking Tesla Inc. private quickly focused on whether those statements were fraudulent or the rushed shorthand of a chief executive earnestly trying to communicate with shareholders.

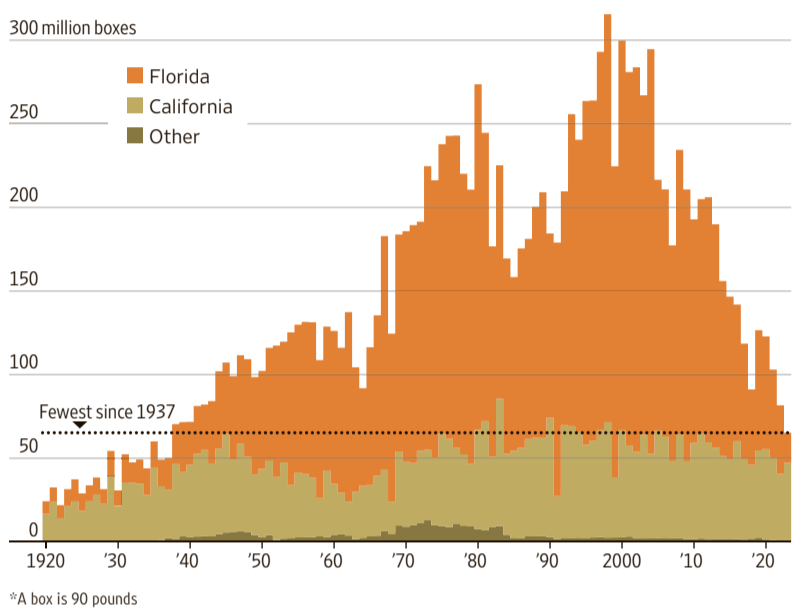
The class-action case being tried in federal court centers on Mr. Musk's tweets more than four years ago floating the possibility of taking Tesla private and the effect they had on individual investors' decision making.

"Am considering taking Tesla private at \$420. Funding secured," Mr. Musk, then Tesla's chairman and chief executive, tweeted on Aug. 7, 2018. He later added, "Investor support is confirmed."

The lead plaintiff, investor Glen Littleton, sued Mr. Musk, Tesla and members of Tesla's board at the time, alleging the tweets were false and spurred

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U.S. orange production, annually*


Florida's Orange Crop Is Smallest In Decades, Hit by Weather, Disease

By RYAN DEZEMBER AND DAVID UBERTI

Florida orange growers are harvesting their smallest crop in nearly 90 years, the result of an ill-timed freeze, two hurricanes and citrus disease that is laying waste to its groves.

The Sunshine State is expected to produce just 18 million 90-pound boxes of oranges, the Agriculture Department said last week. That would be less than half the size of last year's poor crop and a 93% decline from

Florida's peak output in 1998. Worse still, the Agriculture Department said the fruit this year is small, which means more oranges are needed to fill each box and to squeeze for the same amount of juice.

The measly crop is a blow to an industry that has become synonymous with Florida, which will produce fewer oranges than California for the first time since World War II, when the concentrated-juice business was born. Unfortunately for juice makers and

drinkers, California oranges are mostly for eating.

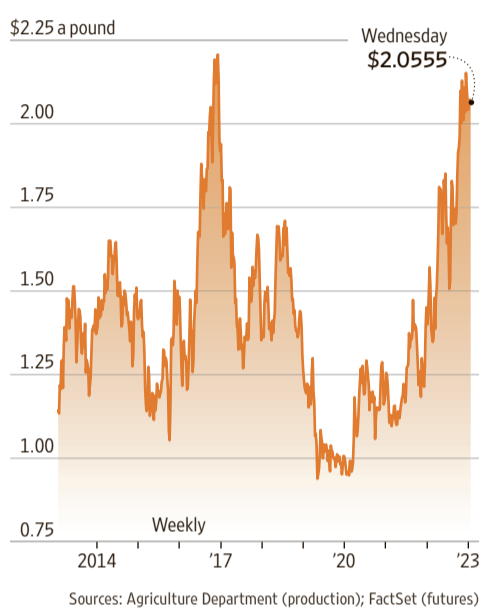
Short supplies of Florida's juice oranges have lifted frozen concentrate orange-juice futures to near records. Juice at the grocery store, increasingly made with fruit imported from Brazil and Mexico, has never cost more, which won't help with the yearslong decline in consumption.

Frozen concentrate orange-juice futures were one of last year's top-performing commodities, rising more than 40% to reach within pennies of

the record in December. Futures have remained at lofty levels, ending Wednesday at \$2.0555 a pound, about 20 cents shy of the record notched in 2016 when there were worries about the Brazilian crop.

Retail juice prices are sharply higher as well, said Judy Ganes, a Panama-based commodities and futures analyst. Not-from-concentrate juice is fetching more than \$10 a gallon, while reconstituted juice recently hit a record

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Frozen concentrate orange-juice futures price


RedBird Boosts Stake in Blade Air Mobility

By LAURA COOPER

The private-equity firm RedBird Capital Partners has amassed a more than 5% stake in the air-transportation provider Blade Air Mobility Inc., according to the investment firm's founder.

RedBird, best known for its investments in media companies and pro sports teams including the Boston Red Sox and AC Milan, has built the stake since originally taking a 1% position in Blade in 2021, according to the firm's founder and managing partner, Gerry Cardinale.

The firm participated in a private investment in public equity at that time, alongside Blade's merger with a special-purpose acquisition company, or SPAC, sponsored by the travel- and leisure-focused firm KSL Capital Partners. Mr. Car-

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Disney Paid Executive \$119,505 Per Day

By ERICH SCHWARTZEL

Even by show-business standards, former Walt Disney Co. executive Geoff Morrell netted a huge payday from his brief time in Hollywood.

Mr. Morrell started working at Disney on Jan. 24, 2022, as its chief corporate-affairs officer. He left less than four months later after a public-relations implosion that led to employee protests and pitted the company and then-CEO Bob Chapek against Florida Gov. Ron DeSantis.

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FTX Expanded To Africa With Parties, Promises

By ALEXANDRA WEXLER

Weeks before cryptocurrency exchange FTX filed for bankruptcy, dozens of young Nigerians in skintight dresses and brightly colored suits shimmied under limbo bars, posed for photos in front of the company's logo and sipped expensive liquor at a swanky beachfront venue.

The party in Lagos, Nigeria, was part of the Bahamas-based exchange's push into Africa, where, in the final days before its implosion, FTX was aggressively recruiting new customers whose funds are now stuck in

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bankruptcy proceedings. U.S. prosecutors have charged FTX's founder, Sam Bankman-Fried, with fraud for allegedly stealing billions of dollars of customer funds from FTX and of defrauding investors and lenders to his trading firm, Alameda Research. He has pleaded not guilty.

Behind the glitzy facade of events like the Oct. 8 Lagos party, FTX targeted new customers in Africa with the more bread-and-butter promise that stablecoins, tokens whose value is supposed to be pegged to the U.S. dollar, along with 8% annual interest on tokens, offered protection against tumbling local currencies and runaway inflation.



Beyond the money he himself lost, Muhammad Sabiu said he feels bad for drawing others to FTX.

That message was particularly attractive this past year, when the Federal Reserve's interest-rate hikes and concerns over a pandemic-era buildup in public debt drove the dollar to record highs against African currencies such as the Nigerian naira and the Ghanaian

cedi. Foreign-exchange restrictions in many African countries also mean that dollars are often inaccessible to ordinary savers except at a hefty premium on the black market, making cryptocurrencies an enticing alternative.

In addition to slick parties

and events aimed at teaching potential new customers how to use FTX, much of the exchange's outreach in Africa was built on a program of ambassadors, including university students, who worked to recruit new users with \$5 sign-

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U.S. Accountant Shortage Has Firms Looking Overseas

By LINDSAY ELLIS

A national shortage of accountants is prompting small and midsize firms to hire overseas for the first time as they seek workers to audit U.S. companies' books and prepare Americans' tax returns.

Large firms such as KPMG LLP and PricewaterhouseCoopers LLP have long hired international accountants to support client work. Now, with tax season poised to

kick off, small and midsize accounting outfits that serve family businesses, individuals and smaller companies say they are offshoring jobs as local recruiting pipelines dry up and accountants leave the profession in droves.

Dan Geltrude, founder of an accounting firm in Nutley, N.J., hired a 10-person tax team in Ahmedabad and Bengaluru, India, last year and plans to expand to 15 workers.

"This would have been a

crazy idea for us 10 years ago. Now, this is absolutely part of our operations," he said. "There's no other way for us to meet the demand."

More than 300,000 accountants and auditors have quit in the past two years, according to federal data, and many companies say the turnover has left them unable to meet customers' needs for services such as annual business audits and preparing tax returns.

Some firms say they have

stopped performing external audits for businesses altogether because they are unable to staff those projects, several managing partners and presidents of firms that employ fewer than 50 people said. For small organizations, the cost of a basic audit or regulatory compliance is rising rapidly.

Several certified public accountant firms in Muskogee, Okla., have stopped preparing organizational audits in recent

years, citing staffing shortages and the challenges of keeping up with regulatory requirements, said Kathy Hewitt, one local firm's managing partner. The audits for nonprofits that her firm serviced usually cost about \$3,000, but she had to increase the price to around \$10,000 to deal with the heavier workload and additional hours required to comply with new regulations. In 2021, her firm stopped per-

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'Black Panther: Wakanda Forever' is set to hit Chinese theaters next month, along with 'Ant-Man and the Wasp: Quantumania'.

Disney Gets Boost as China Clears Pair of Marvel Films for Release

BY DAN STRUMPF AND RACHEL LIANG

HONG KONG—China has cleared two of Walt Disney Co.'s Marvel movies for screening in the country, a significant victory for Hollywood after years of tighter Chinese restrictions on new releases. Disney's Marvel Studios said on Chinese social media that two of its films, "Black Panther: Wakanda Forever" and "Ant-Man and the Wasp: Quantumania," will hit Chinese theaters next month. The movies will be the first in the superhero franchise to be released in China since 2019. The previous seven superhero films produced by Marvel, Disney's most profitable film studio over the past decade, haven't received release dates in the China market, cutting into international box-office sales. China's approval of Disney's latest Avatar film, "Avatar: The Way of Water," last month—the same day as its global release—was the most recent sign of a thaw, recording a box-office take in China

of more than 1.5 billion yuan, equivalent to \$221.4 million, since it was released in late December, according to Mao-yuan Entertainment, a China data-tracking company. Marvel Studios said on its Weibo social-media account that the latest Black Panther film would be released in China on Feb. 7, about three months after its international release. The film has grossed about \$837 million in global revenue, according to Box Office Mojo. The studio said its Ant-Man film would hit Chinese theaters on Feb. 17, the same day as its scheduled release in the U.S. Separately, "Shazam! Fury of the Gods," a superhero film from Warner Bros. Discovery Inc.'s DC Studios, secured permission for release in China, according to a Wednesday report from China Film News, a publication run by China's film-industry regulator. No date was given for the film's release. Representatives for Disney, Marvel and Warner Bros. Discovery didn't respond to a request for comment.

The releases suggest China's censors might be easing up on Hollywood films. U.S. film studios have struggled for years to get major movies shown in China, as political sensitivities have heightened under President Xi Jinping. Disney executives have blamed the lower-than-expected revenue from some releases on China's tightened film controls. The releases of the two Marvel movies will be the first in China since 2019. China's movie industry had a particularly bleak year in 2022 as the country imposed frequent lockdowns across the country that forced movie theaters to suspend operations. Though Beijing offered relief measures to the industry, the country's box-office revenue last year declined to just over 30 billion yuan, according

to the China Film Administration. That was 36% lower than in 2021, and less than half the record figure in 2019. The success of Avatar offered the industry a breather, as cinemas benefited from China's abrupt reversal of its zero-Covid policies. Chinese investment bank CICC last month estimated that the total revenue from mainland China's movie industry this year would rebound to 54.7 billion yuan, about 85% of its 2019 level. China's approvals of foreign films fell sharply after the start of the Covid-19 pandemic, though some industry observers expect a rebound this year. The releases come as Disney is defending its board and returning Chief Executive Robert Iger against a proxy fight launched by activist investor Nelson Peltz. Mr. Peltz and his hedge fund TriFund Management LP launched a campaign for a board seat last week to fix what he has described as a series of missteps, including in executive compensation and deal making.

Executive Received Big Payday



Geoff Morrell

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For those 70 weekdays, Mr. Morrell made \$8,365,403 in total compensation—or about \$119,505 a day, according to calculations based on a proxy statement that Disney filed Tuesday. When the payouts associated with his termination agreement are taken into account, that per-day figure jumps to \$176,746. Disney paid Mr. Morrell about \$500,000 to move his family to Los Angeles from London and \$500,000 to move away when he lost the job. After he left the company, Disney bought the \$4.5 million Southern California home that Mr. Morrell purchased, according to Disney's filing. The revelation of Mr. Morrell's pay comes as Disney faces renewed criticism over its executive compensation, which activist investor Nelson Peltz described as "over the top." Mr. Morrell's exit from Disney followed weeks of tumult for Mr. Chapek, who was fired in November. As the company's head of communications and government relations, Mr. Morrell was an outsider brought into the Disney fold, having worked for years in the Pentagon and at BP PLC.

\$4.5M

Price of Southern California home that Mr. Morrell bought

He was hired at a base salary of \$489,500 and given a bonus of \$2.75 million upon joining to replace compensation he was leaving behind at BP. Stock awards, options and other compensation would add about \$5.1 million to his fiscal 2022 compensation. The realized value of his fiscal 2022 compensation is expected to be about \$2 million less due to some performance-based payments not vesting, given his abbreviated employment, according to a person at Disney. Soon after starting the job, Mr. Morrell and Mr. Chapek found themselves embroiled in controversy surrounding Florida's Parental Rights in Education bill, which prohibits instruction on sexual orientation or gender identity for kindergarten to third-grade students. Mr. Morrell and others advocated an approach that kept Disney out of the political fray, opting not to weigh in on charged matters as his predecessor, Robert Iger, had. The decision to sit it out—and then to speak out against the bill—angered Disney em-

ployees and turned the company into a favorite target of Mr. DeSantis. Disney, which navigated the polarized politics of the past several years with its brand intact, saw that reputation tarnished among progressives and conservatives. Mr. Morrell drew attention internally for other perceived missteps, such as when he accidentally tweeted the secret opening date of a "Guardians of the Galaxy" roller coaster. Mr. Morrell said he was leaving Disney on April 29. "After three months in this new role, it has become clear to me that for a number of reasons it is not the right fit," he said. Mr. Morrell stands to collect an additional \$4,006,849 as part of his termination agreement. That includes about \$2.5 million in the remaining base salary of his contract and a \$1.5 million target bonus for fiscal 2022. Disney bought the home Mr. Morrell purchased in Southern California, the proxy said. The company said in the proxy that this was standard practice for "relocation practices for unique circumstances," and that a third-party vendor bought the house for the same amount Mr. Morrell paid. Public records show that Mr. Morrell spent \$4.5 million on a California Colonial home in the city of Pasadena in April 2022. Disney's proxy noted it gave Mr. Morrell \$527,438 to relocate his family from London to Los Angeles. That is several times the amount paid to other Disney executives who relocated in 2022. Two other high-ranking executives were paid relocation expenses in 2022: chief human resources officer Paul Richardson, who received \$125,021, and general counsel Horacio Gutierrez, who received \$81,246, according to the proxy. Disney paid Mr. Morrell an additional \$506,310 on June 25—about two months after he said he was leaving Disney—"to account for his unique circumstances," which included his relocation out of the Los Angeles area. Mr. Morrell has since moved back to Washington, D.C. Earlier this month, the consulting firm Teneo Holdings LLC said he was joining as president of global strategy and communications, a newly created role.

Accountant Shortage Tests Firms

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forming them altogether. Now, Ms. Hewitt said her past clients tap Tulsa CPA firms for their audits, which can cost as much as \$15,000. Mr. Geltrude's overseas group performs entry-level work, such as preparing tax returns and inputting data, freeing up managers to assign entry-level U.S. accountants to review those efforts and find tax-savings opportunities for clients, he said. While salaries for his overseas workers aren't significantly less than U.S. employees in real dollar terms, his firm does save money by using a third-party contractor to hire the workers, which pays for the benefits and training. "We're filling the gap as much as we can with India," Mr. Geltrude said. Jo Barsa, managing partner of AccuVisors, Inc., a San Diego-based CPA firm, said she hired two certified accountants in the Central Luzon area of the Philippines before the pandemic and now has six, with plans to add more. The hires, full-time employees, work year-round at salaries that are between one-quarter to one-third of the \$75,000 to \$125,000 that her firm pays U.S. accounting staff. The employees in the Central Luzon area import transactions from QuickBooks and prepare monthly financial statements for customers, Ms. Barsa said. They work on data entry and provide analysis after training on AccuVisors' processes and clients. Within two years she expects newly hired workers to begin preparing U.S. tax returns. Pacific Accounting & Business Services, which does international staffing for smaller U.S. accounting firms, said it hires people who already have tax-work experience, local certifications and software expertise. The employees still need guidance on state-specific regulations and tax law, said John Bugh, the firm's chief revenue officer. Makosi, a New York-based professional services staffing company, said it hired more than 1,000 accountants last year, most based in South Africa, for work for U.S., British and Australian public accounting companies. International staff "can pretty much do [90% to 95% of an audit]," said Darren Isaacs, Makosi's chief executive. "Not only are our guys going to do good work, but they are also probably going to outperform what your full-time employees are doing." Clients' two biggest concerns are how to work across time zones and whether employees know how to conduct U.S. audits and understand General Accepted Accounting Principles. Makosi requires employees to work their clients' business hours for the first several weeks of an engagement, which can mean overnight shifts. The company shares videos of individual workers with the clients they will be assigned to demonstrate their language proficiency. A five-day virtual training covers topics ranging from U.S. regulations to cultural differences in email writing. (Americans, the instructors warn, are often curt.) International accounting talent is in such high demand that it, too, will run thin, Mr. Isaacs said. Tapping international accountants for more strategic work such as complex tax work is on the rise, because there is no other short-term way to fill the U.S. talent gap, said Calvin Harris Jr., chief ex-

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BUSINESS NEWS

Southwest Pilots Set Vote to Empower Union

By ALISON SIDER

Southwest Airlines Co. pilots plan to vote later this year on whether to authorize union leaders to call for a strike should they deem it necessary, as they become increasingly frustrated with what they say are stalled contract negotiations.

Capt. Casey Murray, president of the Southwest Airlines Pilots Association union, told members Wednesday that the union plans to hold the vote starting May 1, citing what he said was a lack of progress years into talks with the airline.

An affirmative vote from the airline's pilots wouldn't mean a strike is inevitable or imminent but would convey pilots' support for union leaders to pursue a walkout under a process governed by federal labor rules. The vote is largely symbolic, and Mr. Murray said in an interview that it is akin to a vote of "no confidence" that would express pilots' displeasure.

The union's call for a strike-authorization vote doesn't affect the airline's operation and won't have any bearing on the negotiations, Adam Carlisle, vice president of labor relations at Southwest, said in a statement. He said the airline would continue working to-

ward an agreement at the negotiating table, with mediation scheduled to resume next week.

Mr. Murray said holding a referendum like this is a first for Southwest's pilots—the culmination of what he said was years of frustration that has bubbled to the surface during a protracted contract negotiation, a rocky re-emergence from the Covid-19 pandemic and in the aftermath of the airline's recent difficulties recovering from a severe winter storm.

U.S. labor laws make airline strikes difficult and rare. The last time U.S. passenger airline pilots went on strike was at Spirit Airlines Inc. in 2010.

Southwest's pilots asked government mediators to step in and oversee their negotiation last year. For a strike to go forward, the National Mediation Board would first have to agree that talks have reached an impasse and would then offer both sides a chance to arbitrate their dispute. If either refuses, there would be a 30-day cooling-off period.

While any strike could be months away, if it happens at all, the union hinted at the possibility for disruption, writing that it would schedule its vote in May to give Southwest customers more time to plan.

Boeing Plans Jetliner of Future

By DOUG CAMERON
AND MICAH MAIDENBERG

Boeing Co. won a NASA-backed contest to build a prototype of a new, fuel-efficient jetliner that officials said the company aims to fly for the first time in 2028.

The plane the aerospace giant plans to develop would install longer, thinner wings supported from below on a single-aisle fuselage, a design that officials said would cut down on fuel needs. The National Aeronautics and Space Administration didn't disclose the names of rivals who participated in its competition, which was aimed at kick-starting the development of more environmentally friendly aircraft.

Boeing executives and NASA leaders on Wednesday described the plane as experimental, with multiple technical challenges to resolve before the inaugural demonstration flight several years from now. The planned jet won't necessarily become part of the lineup that Boeing manufactures and sells, executives from the company said.

In November, Boeing Chief Executive David Calhoun said he had pushed back plans for the company to create its own new plane until the 2030s.

"This is really to have confidence in technology to enable it to be considered for



The prototype, to be built with NASA backing, would have longer, thinner wings for fuel efficiency.

commercialization," Boeing technology chief Todd Citron said of the prototype jet. The company is looking to see if the benefits match predictions for the plane, he said: "That would be the precursor for then consideration on a commercial product."

The aviation industry has faced pressure from governments and airline customers to address its contribution to climate change, spurring manufacturers to roll out strategies to try to mitigate emissions from planes.

NASA Administrator Bill

Nelson said the agency created the competition as the private sector wasn't prepared to take on all of the risk alone. Boeing's planned jet is funded with a \$425 million NASA contribution over seven years, and \$725 million from the company and its partners.

The planned Boeing jet's long, thin wings would be delicate and need support struts to reduce the stress where they join the body. NASA and Boeing must also study operational issues on the prototype jet, such as deicing wings and fueling the plane, said Bob

Pearce, associate administrator at NASA for its aeronautics research unit.

Other potential aircraft designs discussed in the aviation industry, such as so-called double bubbles, which combine two nearly round fuselages, also seek to improve fuel efficiency.

Boeing hasn't developed an all-new plane since the 787 Dreamliner in the early 2000s, and Mr. Calhoun has said emerging technology such as more efficient engines don't support the business case for one now.

Lufthansa Bids to Acquire Stake in Alitalia's Successor

By MAURO ORRU
AND BENJAMIN KATZ

Germany's Deutsche Lufthansa AG said it submitted a bid to buy a stake in ITA Airways, the Italian carrier formerly known as Alitalia, in a bet on the continued recovery in air travel.

Lufthansa said Wednesday it was seeking exclusive talks with the Italian government to initially acquire a minority stake in ITA Airways, with an option to buy the remaining shares at

a later date. The move comes after a consortium including Air France-KLM Group and Delta Air Lines Inc. failed to reach a deal to buy a stake in ITA after entering talks last year.

Lufthansa said it wanted to expand in Italy because of its importance as one of Europe's biggest economies and most popular vacation destinations.

The move comes amid a recovery in international air travel in the wake of the pandemic, with airlines adding new routes and expanding ca-

capacity to meet rising demand. ITA increased direct flights to Asia, North America and South America, adding routes from its hub in Rome Fiumicino to New Delhi, the Maldives, San Francisco and Rio de Janeiro.

ITA Airways started operations in late 2021 after the collapse of Alitalia, which was embroiled in special bankruptcy proceedings for years even before the spread of Covid-19. The new airline relaunched with less than half of Alitalia's aircraft fleet, reducing its network to fo-

cus on profitable routes, with the Italian government searching for a new partner or buyer.

Alitalia struggled to make money—a prospect that has become tougher with rapid expansion in Italy by European low-cost carriers, including Ryanair Holdings PLC and Wizz Air Holdings PLC, which are undercutting ITA on pricing and costs.

For Lufthansa to secure a deal for ITA, it will need to win the support of the Italian Ministry of Economy and Finance in talks on how ITA can

be integrated into Lufthansa's operations and network.

"Acquiring ITA is one of the most challenging propositions in European aviation," Alex Irving, an equity analyst at Bernstein, said in a note to clients. "The airline has been persistently loss-making."

A consortium of Air France-KLM, Delta and investment firm Certares Management LLC secured the right to enter exclusive talks with the Italian government in August last year over plans to privatize

ITA Airways. Those negotiations didn't bear fruit and the period of exclusivity expired at the end of October.

Air France-KLM said Wednesday that it intended to be part of the talks purely as a potential commercial partner, and not as a majority shareholder. The Italian government wants to fully privatize the airline. Air France-KLM will continue to follow ITA's privatization, it said, adding that it remains interested in partnering with the Italian carrier.

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TECHNOLOGY

Apple Revives Its Full-Size Speaker

By JOSEPH DE AVILA

Apple Inc. is bringing back the full-size HomePod after discontinuing the original version of its smart speaker.

Online ordering for the HomePod for \$299 started Wednesday and will be available beginning Feb. 3.

The new version of the HomePod adds room-sensing technology that recognizes sound reflections from surfaces nearby. That helps the speaker determine whether it is close to a wall or is in an open room, which allows it to adapt the sound to fit its surroundings.

The HomePod also is equipped with new sensors, allowing it to listen for smoke and carbon-monoxide alarms and send notifications to an iPhone. It can sense temperatures and close blinds when a certain temperature is reached in a room.

The upgraded HomePod also supports a tech standard called Matter. It allows smart-home gadgets like energy-saving thermostats and app-controlled lights to be compatible



The new version of the HomePod adds room-sensing tech that adapts sound for its surroundings.

with devices made by Apple, Amazon.com Inc. and other companies that have signed on to the standard.

Cupertino, Calif.-based Apple began selling the voice-activated speaker in 2018, following in the footsteps of Amazon's Echo and Alphabet Inc.'s Google Home. The HomePod was originally

priced at \$349, compared with \$100 for Echo and \$129 for Google Home. But the higher price for the HomePod turned off some consumers. The company cut the price by \$50 after it initially sold poorly.

In 2020, Apple began selling a \$99 version called the HomePod Mini. One year later, Apple discontinued the full-

size version of the HomePod to focus on the HomePod Mini.

"With the popularity of HomePod Mini, we've seen growing interest in even more powerful acoustics achievable in a larger HomePod," said Greg Joswiak, Apple's senior vice president of worldwide marketing.

Amazon's Echo controlled 67% of the smart speaker market in the U.S. at the end of last year, followed by Google Home, which comprised about 27% of the market, according to estimates from research firm Consumer Intelligence Research Partners. Apple's HomePod made up about 6% of the market.

Over half of all smart speakers sold are the lowest-priced models, typically selling for under \$100, said Michael Levin, co-founder of Consumer Intelligence Research Partners. The new HomePod is well designed for playing music, which remains the most frequent use of smart speakers, he said. "Still, it's not really positioned to sell any kind of volume," because of its higher price point, he said.

The iPhone maker on Tuesday unveiled its latest iteration of the MacBook Pro. The new versions will come with Apple's in-house designed chips called the M2 Pro and M2 Max, which the company says will deliver more efficient performance and longer battery life.

RedBird Bets on Air Mobility

Continued from page B1

Cardinale has been a personal investor in Blade since 2016. Blade currently has a market value of about \$272 million, after a roughly 40% decline in its shares over the past year.

Blade provides short-distance passenger flights using helicopters and planes throughout the U.S., Canada, Europe and India, including to sports and live-entertainment events such as the Monaco Grand Prix and the Coachella Valley Music and Arts Festival in California.

It also has a large and fast-growing medical business that transports human organs for transplant and constitutes over 50% of revenue, according to Rob Wiesenthal, founder and chief executive. The company is the largest dedicated air transporter of human organs for transplant in the U.S., he said.

As a result of its crossing the 5% threshold, RedBird will have observer rights on the board of directors, including access to company information and the ability to collaborate with management.

Mr. Wiesenthal said he believes combining air-mobility capabilities with entertainment and event opportunities in the RedBird portfolio will help boost Blade's business. This combination includes the ability to provide short-distance air travel to large concerts and sporting events.

The investment is one of several aviation deals for RedBird, which invested around \$200 million across these businesses, according to Mr. Cardinale.

RedBird's relationship with the jet operators will allow Blade to use aircraft for longer-distance medical-transportation missions, Mr. Wiesenthal said, further expanding the medical side of Blade's business.

—Miriam Gottfried contributed to this article.

Companies Cut Global IT Spending in 2022

By ANGUS LOTEN

Companies worldwide made deep cuts in enterprise technology spending last year, with tighter information-technology budgets likely to stretch well into the year ahead.

Global IT spending contracted 0.2% in 2022, dropping to \$4.38 trillion—a rare instance of corporations spending less on digital business tools than in the previous year, according to IT consulting and research firm Gartner Inc.

Gartner had initially estimated that IT spending increased 0.8% last year.

The firm now expects spending to climb 2.4% this year, less than half the rate of its previous estimate in October, as economic

uncertainties continue to rattle markets, Gartner said in a report Wednesday.

PCs, smartphones and other devices are recording the biggest cuts, following a surge in spending after the Covid-19 outbreak to outfit employees for remote work, Gartner said. The devices segment of its spending forecast is projected to fall 5.1% this year, to roughly \$685 billion, after dropping more than 10% in 2022.

Spending on business software and IT services is expected to remain steady, accounting for more than \$2.16 trillion in projected spending in 2023, Gartner said. Within IT

services, spending on consulting services alone is forecast to reach \$264 billion, up 6.7%

from 2022, Gartner said.

Many corporate technology leaders said to weather tough market conditions—including high interest rates, inflation and weaker consumer and business spending—they plan to narrow the focus of their budgets in the year ahead.

"We just don't have the capacity to focus on 10 things," said Dani Brown, chief information officer of Whirlpool Corp.

Ms. Brown said her spending priorities involve "foundational" aspects of IT, such as software that promises to unlock business value, IT modernization and hiring.

Continued spending on IT services reflects a tight labor market for tech workers, with tech departments bringing in

outside IT staff to implement and support new applications. In the U.S., the unemployment rate for technology occupations in all sectors stood at 1.8% in December, roughly half of an overall national rate of 3.5%, according to IT trade group CompTIA.

Shanthy Iyer, CIO at cloud-based document management services provider DocuSign Inc., said shaky economic conditions are prompting the company to "focus our investments and efforts on areas that will provide the largest impact." She said her focus is on talent retention, including efforts to train existing employees while hiring workers with skills that can help drive the company's use of emerging digital tools.

"The pressure to increase digital revenue is driving urgency to start investing in areas with the best opportunity to save money, make money and do more with less," said Chris Bedi, chief digital information officer at software firm ServiceNow Inc. "Leaders can no longer afford to experiment with one-off solutions, and instead are turning to proven platforms that drive value, fast," Mr. Bedi said.

Kathryn Guarini, CIO at International Business Machines Corp., said an estimated 78% of global business leaders will continue investing in technology in 2023, according to IBM research.

—Isabelle Bousquette contributed to this article.

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Twitter Auctions Off Items From Offices

More than 600 pieces, including bird logo sign, listed as surplus corporate assets

By ALYSSA LUKPAT

Twitter Inc. auctioned kegerators, pizza ovens and other supplies from its San Francisco headquarters in what appeared to be its latest cost-cutting move.

More than 600 items were being sold online through Wednesday afternoon, according to an auction page run by Heritage Global Partners Inc. The items were described on the page as surplus corporate office assets.

Some of the more quirky pieces on sale include a neon sign of Twitter's bird logo and a digital photo booth.

Heritage Global Partners declined on Wednesday to say how much money the auction raised. Twitter didn't return a request for comment Wednesday. The company hasn't said why it is auctioning its office supplies.

Elon Musk took over Twitter



Heritage Global Partners is selling more than 600 items from Twitter's San Francisco headquarters, including an '@' sculpture.

in October for \$44 billion, saddling the company with about \$13 billion in debt. Twitter has since tried to boost its bottom line by cutting thousands of employees and offering users a paid subscription service. The company hasn't booked an annual profit since 2019.

Twitter was accused last month of not paying rent in one of its offices.

The office landlord, Columbia Reit-650 California LLC, sued the company over more than \$136,000 in missed payments. The office named in the lawsuit is more than a mile

away from Twitter's headquarters.

The items listed in the auction offered a snapshot of life there before Mr. Musk took over. It was a place where employees could store beer kegs in a kegerator, lounge in a hanging chair and eat lunch on

a banquette.

The company culture has shifted under Mr. Musk. Some employees have reportedly slept at work, although there were no beds listed for auction this week.

At least part of Twitter's headquarters appeared to be

out of commission recently because auction pictures this week showed whiteboards and tables piled high in some areas.

Mr. Musk has talked about ending remote work for most employees. He wrote in an email in November that they needed to work long hours or leave.

"We will need to be extremely hardcore," Mr. Musk wrote.

He had warned earlier that Twitter could possibly go bankrupt because of what he described as dire economic challenges facing the company.

Other items up for auction included 68 packs of power strips and 48 boxes of KN95 masks, which both received bids above \$1,000 earlier Wednesday, and an "@" sign sculpture, which had drawn a bid of \$12,000. There were also typical office supplies like chairs, couches and phone booths.

Successful bidders can pick up their items starting next week, according to Heritage Global Partners. If the item is too big for the company to carry, the buyers will need to hire movers.

Musk's Tweets Are Weighed

Continued from page B1

swings in the prices for Tesla stock, options and bonds, costing investors billions of dollars. He is seeking damages for those losses. Tesla's stock closed up 11% the day Mr. Musk tweeted about potentially taking Tesla private, then gave back those gains and fell further as questions emerged about the deal.

"His lies caused regular people like Glen Littleton to lose millions and millions of dol-

lars," Nicholas Porritt, an attorney for Mr. Littleton, said of Mr. Musk during opening statements Wednesday.

Alex Spiro, an attorney for the defendants, described Mr. Musk's tweets as shorthand and "funding secured" as a throwaway term that, while technically inaccurate, didn't differ enough from the actual state of affairs to matter to the market. "This was not fraud. Not even close," Mr. Spiro said. "Not all deals that are considered come to pass."

Mr. Musk, who could testify as early as this week, has said in court filings that he believed he had support from Saudi Arabia's sovereign-wealth fund to take Tesla private.

Mr. Littleton, the lead plaintiff, testified that after seeing Mr. Musk's tweets, he thought



Lawyer for Elon Musk and other defendants, Alex Spiro, in red tie, arrives at court in San Francisco for the trial Wednesday.

Tesla definitely was going to go private. Mr. Littleton said he moved quickly to liquidate certain positions.

"This represented a threat to my livelihood," he said.

U.S. District Judge Edward Chen, who is overseeing the trial in San Francisco, chastised

Chen zeroed in on prospective jurors' personal views of Mr. Musk and his takeover of Twitter Inc., as well as the extent to which they could set those views aside. Attorneys for Mr. Musk and Tesla had asked Judge Chen to move the case to Texas on the grounds that Bay Area jurors had been exposed to excessive, negative publicity about Mr. Musk. Judge Chen late last week rejected that request.

Last year, the judge ruled that Mr. Musk's tweets about potentially taking the company private weren't true and that he acted recklessly in making them. Jurors are being asked to decide, among other issues, whether the tweets were material to investors.

Mr. Musk last took the stand two months ago in a Delaware

trial over his pay package at Tesla. In 2021, he appeared before Delaware's business-law court to defend Tesla's roughly \$2.1 billion takeover of home-solar company SolarCity Corp. in 2016. A judge sided with Mr. Musk, finding that Tesla hadn't overpaid, as a group of Tesla shareholders alleged. That decision has been appealed.

Mr. Musk and Tesla each agreed in 2018 to pay \$20 million to settle civil charges brought by the Securities and Exchange Commission over the same tweets. Mr. Musk also agreed to step down as chairman of the company, while remaining CEO. He later said in legal filings that he felt pressured to settle with the SEC. Last year, a federal judge denied Mr. Musk's request to scrap his settlement.

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BUSINESS & FINANCE

Luxury Brands Start to See Signs of Recovery in China

By Nick Kostov

Burberry Group PLC and Cartier-owner **Cie. Financière Richemont SA** said sales to Chinese shoppers were starting to pick up, an early sign of recovery in what was the luxury industry's biggest market before the pandemic.

Persistent Covid-19-related disruption in China has been a major headache for makers of high-end clothing, handbags and jewelry, which came to rely on spending by Chinese shoppers at home and abroad over the past two decades. Now, as Beijing lifts restrictions, the question is when and how strongly Chinese spending will bounce back.

Burberry and Richemont reported falls in quarterly sales in China amid a surge in infections there, but said they made a stronger start to the New Year. Shares in Burberry rose around 3% Wednesday, while Richemont stock rose slightly in European trading.

"As we reopened, we've seen very promising signs. We've seen strong trade coming through," said Julie Brown, Burberry's chief financial officer, adding Chinese consumers were out shopping in places such as Hong Kong and Macau.

"We've seen early green shoots with the Chinese consumers traveling more to Asian countries," she said. "Still very small, but we've certainly seen elements of it."

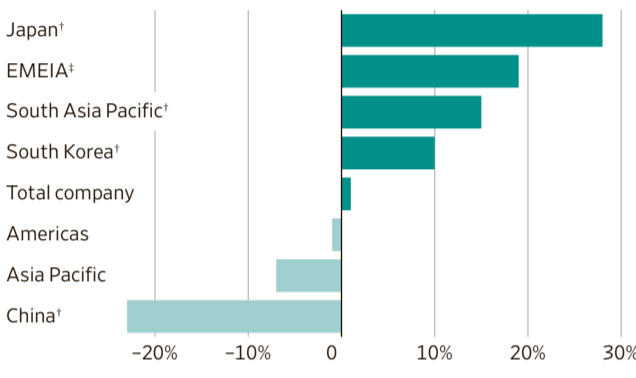
Richemont said it was starting to see a recovery in China. "Stores have reopened, traffic has come back and we are experiencing a strong retail rebound," a spokeswoman for the Swiss company said.

Executives caution that the pace and timing of the recovery remains unclear. As the recent wave of infections peaks, life in China remains disrupted and some stores have had to shut because of staff absences.



Cartier owner Richemont said store traffic in China is coming back.

Burberry's comparable sales for selected countries/regions, change from a year earlier*



*For the quarter ended Dec. 31 ¹Included in Asia Pacific ²Europe, Middle East, India, Africa Source: the company

Some economists say the scarring from the pandemic, including lost jobs and closed businesses, may take time to heal. One early test will be China's weeklong Lunar New

Year holiday, which begins on Jan. 21 and typically is an important sales period for luxury-goods companies.

For now, China remains a drag on the companies' per-

formance. Burberry reported a 23% drop in sales in China for the three months to Dec. 31, affected by Covid-19 related store closures and lockdowns.

At Richemont, which owns brands including Van Cleef & Arpels and Chloé, China sales for the same period were down 24%. It said a "massive increase of Covid cases" hit customer traffic and staff unavailability led to a reduction in store hours or temporary closures.

Burberry is more exposed to the Chinese market than most companies. Before the pandemic, it made 40% of its sales to Chinese shoppers, with almost half of those sales coming outside mainland China. In the latest quarter, it made around a quarter of its sales to Chinese consumers, with roughly 2% of those coming outside mainland China, Ms. Brown said.

Bernstein analyst Luca Solca said Wednesday that investors would likely look through weakness at the end of last year and be encouraged that "Chinese consumers have seemingly gone back to stores in droves in the first two weeks of the year."

Consulting firm Bain & Co. said Chinese spending on luxury declined last year but predicted it would recover by the second half of this year.

It estimated Chinese consumers accounted for between 17% and 19% of global luxury spending last year. By contrast, they accounted for one-third of global spending on luxury goods in 2018, the consulting firm said. The firm forecasts the Chinese consumer will represent up to 40% of global purchases by 2030.

Excluding mainland China, Burberry said comparable-store sales grew 11% last quarter versus the same period a year earlier, with Europe in particular performing well.

Lower Aluminum Prices Punish Alcoa

By Denny Jacob

Alcoa Corp. reported a 20% decline in revenue for the fourth quarter, citing challenging market conditions and lower prices for both alumina and aluminum. Pittsburgh-based Alcoa said sales decreased to \$2.66 billion from \$3.34 billion. Analysts polled by FactSet expected \$2.65 billion.

Shipments of aluminum were up 3% from the prior quarter, thanks to factory restarts in Brazil and Australia. In 2023, Alcoa expects to ship between 2.5 million and 2.6 million metric tons.

The company recorded a second consecutive quarterly loss, to \$374 million from \$392 million year over year. On a per-share basis, the loss was \$2.12 compared with \$2.11 a year earlier.

The adjusted loss was 70 cents a share, compared with earnings per share of \$2.50 in the year-ago quarter.

Analysts polled by FactSet expected an adjusted loss of 81 cents a share.

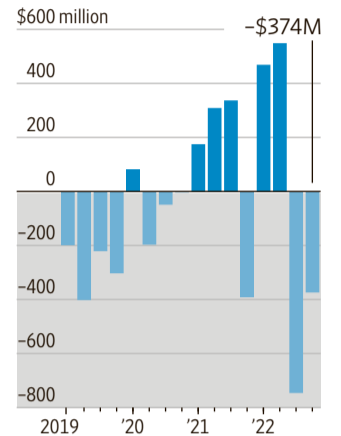
Alcoa, which also reported its full-year results, saw aluminum and alumina pricing rise in the first half of 2022,

followed by falling prices in the second half of the year. Higher costs for raw materials, energy and production have persisted, the company said.

The company said its loss included a \$217 million charge related to a tax expense.

"We will address current challenges while maintaining our future focus, as the long-term outlook for our industry remains strong," Chief Executive Roy Harvey said.

Alcoa's quarterly net profit/loss



Sources: S&P Capital IQ; the company

Hertz Chairman Departs

By Dean Seal

The **Hertz Global Holdings Inc.** chairman who helped lead the company through its post-bankruptcy reorganization is stepping down and will be succeeded by Chief Executive Stephen Scherr.

The rental-car outfit said Greg O'Hara, the founder and senior managing director of Certares Management LLC, is stepping down after 18 months at the helm of the board. His firm and Knighthead Capital Management LLC jointly won control of the then-bankrupt company in 2021.

Mr. O'Hara will be suc-

ceeded by Mr. Scherr, who entered Hertz's C-suite last February.

Thomas Wagner, a co-founder of Knighthead, will remain on the board as vice chair while Colin Farmer, another senior managing director at Certares, will continue to serve as lead director.

Hertz also said Wednesday that Jeffrey Nedelman, another senior managing director at Certares, is joining the board along with Fran Beranzohn, a former deputy general counsel at Goldman Sachs Group Inc.

Hertz shares rose 1.1% to \$16.97 on Wednesday.

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Table with columns: Stock, Sym, Close, Net Chg. Includes GE Healthcare GEHC, GFL Environmental GFL, GSK GSK.

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Table with columns: Stock, Sym, Close, Net Chg. Includes Sony SONY, Southern SO, SoCoopper SCCO.

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Table with columns: Stock, Sym, Close, Net Chg. Includes Sony SONY, Southern SO, SoCoopper SCCO.

W X Y Z

Table with columns: Stock, Sym, Close, Net Chg. Includes WEC Energy WEC, WesternDigital WDC, WarnerMedia WBD.

T U V

Table with columns: Stock, Sym, Close, Net Chg. Includes TC Energy TRP, TD Symx SNX, TDK Connectivty TEL.

IPO Scorecard

Table with columns: Company, SYMBOL, IPO date/Offer price, Wed's close, % Chg From 1st day.

Dividend Changes

Table with columns: Company, Symbol, Yld, Amount New/Old, Frq, Payable/Record.

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New Highs and Lows

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session.

Table with columns: Stock, Sym, Hi/Lo, Chg. Lists new highs and lows for various stocks.

Highs

Table with columns: Stock, Sym, Hi/Lo, Chg. Lists stocks that reached new 52-week highs.

52-Wk %

Table with columns: Stock, Sym, Hi/Lo, Chg. Lists 52-week percentage changes.

52-Wk %

Table with columns: Stock, Sym, Hi/Lo, Chg. Lists 52-week percentage changes.

52-Wk %

Table with columns: Stock, Sym, Hi/Lo, Chg. Lists 52-week percentage changes.

52-Wk %

Table with columns: Stock, Sym, Hi/Lo, Chg. Lists 52-week percentage changes.

52-Wk %

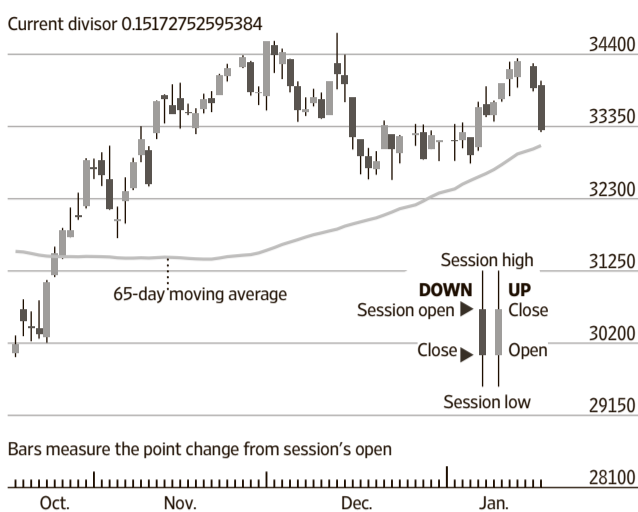
Table with columns: Stock, Sym, Hi/Lo, Chg. Lists 52-week percentage changes.

MARKETS DIGEST

EQUITIES

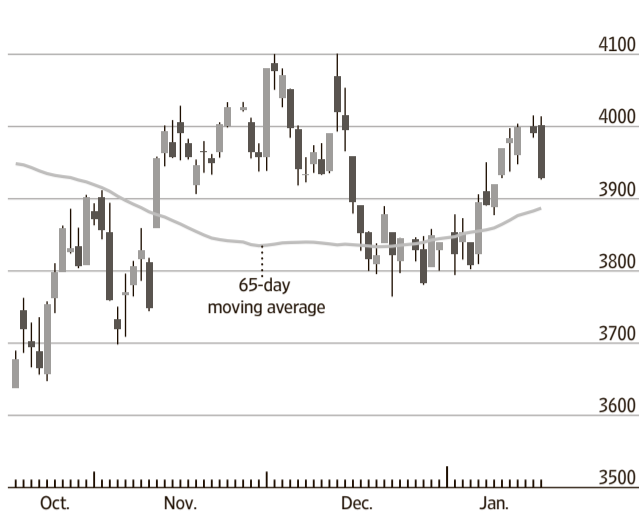
Dow Jones Industrial Average

33296.96 ▼613.89, or 1.81%
High, low, open and close for each trading day of the past three months.



S&P 500 Index

3928.86 ▼62.11, or 1.56%
High, low, open and close for each trading day of the past three months.



Nasdaq Composite Index

10957.01 ▼138.10, or 1.24%
High, low, open and close for each trading day of the past three months.



Major U.S. Stock-Market Indexes

Table with columns: Index Name, High, Low, Close, Net chg, %chg, 52-Week High, Low, %chg, YTD, 3-yr. ann. %chg. Includes Dow Jones, Nasdaq Stock Market, S&P, and Other Indexes.

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services...

Most-active issues in late trading

Table listing late trading issues with columns: Company, Symbol, Volume, Last, Net chg, After Hours %chg, High, Low.

Percentage gainers...

Table listing percentage gainers with columns: Company, Symbol, Latest Session Close, Net chg, %chg, 52-Week High, Low, %chg.

Trading Diary

Volume, Advancers, Decliners

Table showing trading statistics: Total volume, Adv. volume, Decl. volume, Issues traded, Advancers, Declines, Unchanged, New highs, New lows, Closing Arms, Block trades.

International Stock Indexes

Table of international stock indexes with columns: Region/Country, Index, Close, Net chg, Latest %chg, YTD %chg.

Percentage Gainers...

Table of percentage gainers with columns: Company, Symbol, Latest Session Close, Net chg, %chg, 52-Week High, Low, %chg.

Most Active Stocks

Table of most active stocks with columns: Company, Symbol, Volume, %chg from 65-day avg, Latest Session Close, %chg, 52-Week High, Low.

Percentage Losers

Table of percentage losers with columns: Company, Symbol, Latest Session Close, Net chg, %chg, 52-Week High, Low, %chg.

Volume Movers

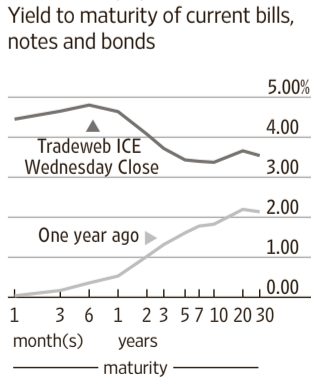
Table of volume movers with columns: Company, Symbol, Volume, %chg from 65-day avg, Latest Session Close, %chg, 52-Week High, Low.

CREDIT MARKETS

Consumer Rates and Returns to Investor

Table of consumer rates and returns: U.S. consumer rates, Selected rates (New car loan, Bankrate.com avg, etc.), Interest rate trends.

Treasury yield curve



Forex Race



Corporate Borrowing Rates and Yields

Table of corporate borrowing rates and yields with columns: Bond total return index, Close, Yield (%), 52-Week High, Low, Total Return (%).

CURRENCIES & COMMODITIES

Currencies

Table of U.S.-dollar foreign-exchange rates in late New York trading for various countries and currencies.

Commodities

Table of commodity prices with columns: Commodity, Close, Wednesday Net chg, %Chg, 52-Week High, Low, %Chg, YTD %chg.

COMMODITIES

wsj.com/market-data/commodities

Futures Contracts

Metal & Petroleum Futures table with columns for Open, High, Low, Settle, Chg, and Open interest. Includes Copper-High, Gold, Palladium, Platinum, Silver, Crude Oil, and Agriculture Futures.

Soybean Meal, Soybean Oil, Rough Rice, Wheat, and other commodity futures table with columns for Open, High, Low, Settle, Chg, and Open interest.

Interest Rate Futures table with columns for Ultra Treasury Bonds, Treasury Bonds, and other interest rate instruments.

Treasury Notes, 5Yr. Treasury Notes, 2Yr. Treasury Notes, 30 Day Federal Funds, 10 Yr. Del. Int. Rate Swaps, and other fixed income futures table.

Currency Futures table including Japanese Yen, Canadian Dollar, British Pound, and Swiss Franc.

Index Futures table including Mini DJ Industrial Average, Mini S&P 500, Mini S&P Midcap 400, Mini Nasdaq 100, and others.

Index Futures table (continued) with columns for Open, High, Low, Settle, Chg, and Open interest.

Cash Prices | wsj.com/market-data/commodities

Wednesday, January 18, 2023

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace—separate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

Cash Prices table with columns for Wednesday and Wednesday. Includes Energy, Metals, Fibers and Textiles, Grains and Feeds, and Fats and Oils.

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=contracted; D=CME; E=Manfra, Tordella & Brookes; H=American Commodities Brokerage Co; K=bi-weekly; M=monthly; N=nominal; n.a.=not quoted or not available; P=Souland Publishing; R=SNL Energy; S=Platts-TSI; T=Comcot Limited; U=USDA; V=Benchmark Mineral Intelligence; W=weekly; Y=International Coffee Organization; Z=not quoted. *Data as of 1/17

Source: Dow Jones Market Data

Borrowing Benchmarks | wsj.com/market-data/bonds/benchmarks

Money Rates

January 18, 2023

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Money Rates table with columns for Inflation, Federal funds, Labor, Secured Overnight Financing Rate, DTCC GCF Repo Index, Secondary market, Fannie Mae, Other short-term rates, Call money, Commercial paper (AA financial), and Discount.

Exchange-Traded Portfolios | WSJ.com/ETFresearch

Exchange-Traded Portfolios table showing largest 100 exchange-traded funds, latest session, with columns for Symbol, Closing Price, Chg, and YTD (%).

Bonds | wsj.com/market-data/bonds/benchmarks

Tracking Bond Benchmarks

Return on investment and spreads over Treasuries and/or yields paid to investors compared with 52-week highs and lows for different types of bonds

Bond tracking table with columns for Total return close, YTD total return (%), Index, Yield (%), Latest, Low, High, and Total return close. Includes Broad Market, Mortgage-Backed, U.S. Corporate Indexes, High Yield Bonds, and Global Government.

Global Government Bonds: Mapping Yields

Yields and spreads over or under U.S. Treasuries on benchmark two-year and 10-year government bonds in selected other countries; arrows indicate whether the yield rose (▲) or fell (▼) in the latest session

Global Government Bonds table with columns for Coupon (%), Maturity, Country, Latest, Yield (%), Previous, Month ago, Year ago, Spread Under/Over U.S. Treasuries, in basis points, Latest, Prev, Year ago.

Corporate Debt

Prices of firms' bonds reflect factors including investors' economic, sectoral and company-specific expectations

Investment-grade spreads that tightened the most...

Investment-grade spreads table with columns for Issuer, Symbol, Coupon (%), Yield (%), Maturity, Spread, Current, One-day change, Last week.

...And spreads that widened the most

Spreads that widened table with columns for Issuer, Symbol, Coupon (%), Yield (%), Maturity, Spread, Current, One-day change, Last week.

High-yield issues with the biggest price increases...

High-yield issues table with columns for Issuer, Symbol, Coupon (%), Yield (%), Maturity, Bond Price as % of face value, Current, One-day change, Last week.

...And with the biggest price decreases

High-yield issues table (continued) with columns for Issuer, Symbol, Coupon (%), Yield (%), Maturity, Bond Price as % of face value, Current, One-day change, Last week.

*Estimated spread over 2-year, 3-year, 5-year, 10-year or 30-year hot-run Treasury; 100 basis points=one percentage pt.; change in spread shown is for Z-spread. Note: Data are for the most active issue of bonds with maturities of two years or more

Source: MarketAxess

BUSINESS & FINANCE

Foreign Investors Pare China Bonds

BY REBECCA FENG

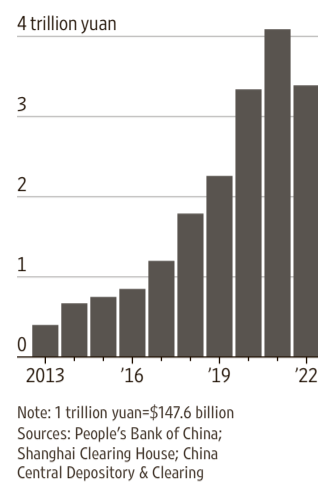
Foreign investors reduced their exposure to China's domestic bond market last year, the first time they have become net sellers since the central bank started releasing data a decade ago. Foreigners cut their holdings of yuan-denominated bonds by the net equivalent of \$91 billion in 2022. It was the only net annual outflow since China's central bank began publishing foreign ownership figures in 2013, according to data from two of China's clearinghouses. That took total foreign holdings of Chinese bonds

down to the equivalent of \$500 billion, from \$591 billion at the end of 2021. The net sales included a \$51 billion outflow from policy-bank bonds, which are securities issued by large Chinese state-owned lenders, and a \$24 billion reduction in foreign exposure to China's government bond market. The prolonged outflow finally came to an end in December, when international investors returned to China's bond market after 10 months of selling. They bought a net \$8.6 billion of yuan-denominated debt. The Chinese government's end to its strict zero-Covid re-

gime could encourage more foreign investors to return to the country's bond market this year, analysts at Nomura wrote in a research note in mid-December. The bond outflows last year were partly a response to Russia's invasion of Ukraine in February, which led to worries that Beijing's close ties to Moscow could trigger U.S. sanctions on Chinese entities. Investors were also put off by China's strict zero-Covid policy, which hampered economic growth, a weakening of the yuan against the dollar and the rise of U.S. bond yields. Chinese government bonds for years yielded significantly

more than their U.S. counterparts. That changed in April. The 10-year Treasury note on Wednesday yielded around 3.48%, versus the 10-year Chinese government bond's 2.93%. The Federal Reserve aggressively increased interest rates last year to combat rising inflation, while the People's Bank of China cut rates by small amounts to address an economic downturn. Chinese bonds have started 2023 at attractive valuations, said Alan Siow, a fixed-income portfolio manager at asset manager Ninety One. That provides "a compelling entry point" for investors, he said.

Yuan-denominated bonds held by overseas investors



Note: 1 trillion yuan=\$147.6 billion. Sources: People's Bank of China; Shanghai Clearing House; China Central Depository & Clearing.

CoinDesk Retains Bankers To Explore Options

BY LAUREN THOMAS AND VICKY GE HUANG

CoinDesk Inc., a cryptocurrency-focused media company, has retained investment bankers at Lazard Ltd. to help it explore options including a partial or full sale, according to its chief executive officer. CoinDesk's parent company, Digital Currency Group Inc., has received multiple unsolicited offers north of \$200 million in the past few months, according to people familiar with the matter.

Meanwhile, another DCG unit, Genesis Global Capital, is preparing to file for bankruptcy within days, according to people familiar with the matter. "Over the last few months, we have received numerous inbound indications of interest in CoinDesk," CoinDesk Chief Executive Officer Kevin Worth said.

DCG acquired CoinDesk in 2016 for \$500,000, the people said. CoinDesk generated \$50 million in revenue last year from online advertising as well as its index and events business, they said. The \$13.5 billion Grayscale Bitcoin Trust, offered by CoinDesk sister company Grayscale Investments, tracks the CoinDesk Bitcoin Price Index.

The past year was marked by a series of crypto bankruptcies as the Federal Reserve boosted interest rates, deflating the most speculative investments. Genesis is in the final stage in preparing paperwork before it files for chapter 11, said the people with knowledge of the matter.

The crypto lender has been considering filing for bankruptcy for months, and the firm laid off 30% of its staff across the company this month to "navigate unprecedented industry challenges," a company spokesperson said at that time.

Genesis is among the latest digital-asset firms that are struggling to survive a collapse since prices in digital currency fell early last year. The lender suffered steep losses from loans it supplied to the now-defunct trading firm Alameda Research and crypto hedge fund Three Arrows Capital, both of which filed for bankruptcy last year.

Genesis has been working with investment bank Moelis & Co. to evaluate its options for the future, including a potential chapter 11 filing. Representatives for Genesis and DCG didn't respond to requests seeking comment. Moelis didn't comment.

Genesis, which also operates crypto asset manager Grayscale Investments, crypto news outlet CoinDesk, mining and staking firm Foundry, crypto exchange Luno, data platform TradeBlock, wealth management firm HQ and DCG Real Estate.

Barry Silbert, chief executive of DCG, last week told The Wall Street Journal that the company owes Genesis \$447.5 million in dollars and 4,550 bitcoins valued at about \$78 million.

Bloomberg News previously reported the timing of the bankruptcy filing.

Crypto Platform Charged With Laundering

BY MENGQI SUN AND ALEXANDER OSIPOVICH

U.S. authorities designated cryptocurrency exchange Bitzlato Ltd. as a primary money-laundering concern and charged its founder with allegedly facilitating money laundering for criminals.

The Treasury Department designated Bitzlato a concern under a section of the USA Patriot Act, a law used to combat money laundering and terrorist financing, for allegedly laundering illicit funds for ransomware actors based in Russia.

This type of action, a rarely used so-called death-knell sanction that cuts off the entity from the U.S. financial system, has been used mainly in the past against banks and other financial institutions and in most cases has forced the institution to close.

Bitzlato, which is based in Hong Kong but operates globally, allegedly exchanged more than \$700 million in cryptocurrency with Hydra Market, a darknet marketplace that was the largest in the world before it was shut down in April 2022,

the U.S. Justice Department said. Bitzlato also received more than \$15 million of ransomware proceeds, the Justice Department said.

Anatoly Legkodymov, the founder and majority owner of Bitzlato, was arrested Tuesday night in Miami. Mr. Legkodymov, a 40-year-old Russian national who lives in Shenzhen, China, was scheduled for his first court appearance Wednesday afternoon at a federal court in Florida.

Concurrent with the U.S. action, French authorities have taken their own enforcement steps, including closing Bitzlato's digital infrastructure and seizing its cryptocurrency.

U.S. prosecutors said Bitzlato lacked effective know-your-customer procedures to check users' identity as required by U.S. anti-money-laundering laws and did substantial business with U.S.-based customers despite claiming not to accept users from the U.S.

Representatives for Bitzlato and for Mr. Legkodymov couldn't be immediately reached for comment.

"Today the Department of



Deputy Attorney General Lisa Monaco says criminals who break U.S. law from other countries can expect to face justice in the U.S.

Justice dealt a significant blow to the cryptocrime ecosystem," Deputy Attorney General Lisa Monaco said Wednesday. "Today's actions send the clear message: Whether you break our laws from China or Europe—or abuse our financial system from a tropical island—you can expect to answer for your crimes inside a United States courtroom."

Deputy Treasury Secretary Wally Adeyemo said authorities continue to investigate whether

Bitzlato was used to help circumvent sanctions that were imposed on Russia over its invasion of Ukraine. The enforcement action should serve as a warning against the use of crypto to launder illicit funds and as a reminder that U.S. authorities are ready to act if they see it occur, he said, adding that there could be other charges against Bitzlato or its founder.

"The message [to those using crypto tools to circumvent Russian sanctions]: We will, in col-

laboration and coordination with our allies and with the DOJ, find you and go after you and take actions against you with the tools at our disposal," Mr. Adeyemo said at Wednesday's press conference announcing the enforcement action.

The Justice Department said enforcement actions imposed in recent weeks against the crypto industry have shown that investments in improving its expertise in the sector are paying off. Ms. Monaco told The Wall Street Journal last month that a surge of Justice Department resources into cryptocurrency investigations more than a year ago helped prosecutors quickly charge FTX founder Sam Bankman-Fried and the move augurs a spate of aggressive enforcement actions ahead.

The enforcement action against Bitzlato comes as the crypto industry continues to face scrutiny following upheaval in the sector last year. U.S. prosecutors charged Mr. Bankman-Fried last month with eight counts of fraud. Mr. Bankman-Fried has pleaded not guilty.

—Jan Talley contributed to this article.

FTX Expanded To Africa

Continued from page B1

up bonuses and free giveaways. Ambassadors were given targets for new recruits and trading volume generated by their referrals.

Compared with crypto users in the U.S. or Europe, African traders usually invest much smaller amounts and are more likely to use their tokens to preserve savings, pay for day-to-day purchases and send money across borders, according to Kim Grauer, head of research at Chainalysis, a New York-based blockchain analysis firm. In sub-Saharan Africa, 80% of all crypto transfers are for amounts under \$1,000, compared with 71% in North America, according to Chainalysis.

"Most of the people we meet with in Africa are not using extra funds, they're putting their livelihoods on the line to put food on the table," said Ray Youssef, chief executive of Paxful, a Delaware-based peer-to-peer bitcoin marketplace popular in Africa. "And now [those who invested with FTX] will most likely never see their funds again."

Mr. Bankman-Fried himself helped promote FTX to customers in Africa eight days before the company filed for



FTX targeted African customers with stablecoins. A street scene in Kano, Nigeria

bankruptcy. "Hello, West Africa!" he tweeted on Nov. 3, telling his followers the exchange was now accepting deposits in West African CFA francs, a currency used in Benin, Burkina Faso, Ivory Coast, Guinea-Bissau, Mali, Niger, Senegal and Togo.

FTX was handling about \$500 million in trading volume a month in Africa, with the bulk coming from Nigeria, said Pius Okedinchai, who was the education lead for Africa at FTX as well as an ambassador. Mr. Okedinchai, who lives in Lagos, said his main job was to promote FTX in Nigeria and other African countries through online information sessions and in-person events with speakers and panels.

"We know how to play the game. We know how to get people involved," he said.

Mr. Okedinchai said FTX set him targets of \$1 million in trading volume from referrals that he had to hit every month, with at least \$100,000 coming from new referrals. The pay wasn't great, he said, but declined to provide details.

Some of the attendees of Mr. Okedinchai's events were other FTX ambassadors, including university students. FTX set up its African campus ambassador program about two years ago, Adebayo Juwon, FTX Africa's former business development manager, told Nigerian newspaper Business Day in June.

He declined to comment.

Campus ambassadors had to organize and host a successful event, defined as having at least 500 attendees, before getting paid \$200 for the event, and then being put on a monthly stipend of \$200, said a Fortunate Atueyi, 23, a chemistry student at the University of Nigeria, Nsukka, who became an FTX campus ambassador in March. FTX provided upfront funding for publicity, marketing, refreshments, transportation and other costs associated with holding an event, Mr. Atueyi said.

Mr. Atueyi said he has lost his own savings, around \$1,000, which he had invested with FTX in stablecoins. "Part of the reason why I was saving it there was naira inflation," said Mr.

Atueyi. "I prefer my money in USD rather than naira."

FTX Africa hit a similar note when it shared an invitation to a Twitter Spaces webinar on a company-administered group on the messaging app Telegram with more than 11,000 members on Nov. 4. The webinar, called "Hedging over inflation using FTX Earn," promised to teach attendees how to capitalize on "the recent stretch on the Naira and a ton of other currencies like Ghanaian (sic) Cedis, South African Rand and Kenyan Shilling."

Muhammad Sabiu, 27, began working for FTX Africa in August. FTX paid him \$1,000 a month—\$800 plus a \$200 allowance for giveaways and marketing—provided he hit his monthly targets, Mr. Sabiu said. "Our KPI was: Create trading volume and some sign-ups."

Mr. Sabiu, who is married with a 1-year-old son, said he had close to \$2,000 in his account when FTX filed for bankruptcy, money he was due to transfer as the balance of a payment for a hectare of land in Gumel, Nigeria, on Nov. 13.

More than the money he lost, Mr. Sabiu said he feels bad for convincing many of his friends, neighbors and community members to deposit their savings on FTX.

"For my community, I don't know how much altogether we have stuck in there," he said. "When the whole thing crashed, I was ashamed of the influence I had."

—Alexander Osipovich contributed to this article.

Mutual Funds

Data provided by LIPPER

Top 250 mutual-fund listings for Nasdaq-published share classes by net assets.

Legend: e-Ex-dividend; f-Previous day's quotation; g-Footnotes x and s apply; j-Footnotes e and s apply; k-Recalculated by Lipper, using updated data; p-Distribution costs apply; r-12-1-R redemption charge may apply; s-Stock split or dividend; t-Footnote x and r apply; v-Footnote x and e apply; x-Ex-dividend; z-Footnote x, x and s apply; NA-Not available due to incomplete price, performance or cost data; NE-Not released by Lipper; data under review; NN-Fund not tracked; NS-Fund didn't exist at start of period.

Table with columns: Fund, NAV, Chg, %Ret, Net YTD. Includes sub-sections for American Century Inv, Ultra American Funds, and various equity and bond funds.

Table with columns: Fund, NAV, Chg, %Ret, Net YTD. Lists various equity and bond funds such as Fidelity, PIMCO, and iShares.

Table with columns: Fund, NAV, Chg, %Ret, Net YTD. Lists various equity and bond funds including Invesco, JPMorgan, and PIMCO.

Table with columns: Fund, NAV, Chg, %Ret, Net YTD. Lists various equity and bond funds including Vanguard, iShares, and Fidelity.

Table with columns: Fund, NAV, Chg, %Ret, Net YTD. Lists various equity and bond funds including Vanguard, iShares, and Fidelity.

MARKETS

Dow Loses 614 Points After Weak Data

All 11 sectors of S&P 500 finish in the red as retail-sales figures raise growth concerns

BY JOE WALLACE
AND ERIC WALLERSTEIN

Stocks fell after a fresh batch of economic data offered worrying signs of how the economy is weathering the Federal Reserve's tightening campaign.

The S&P 500 lost 62.11 points, or 1.6%, to 3928.86 with each of its 11 sectors in the red. The Dow Jones Industrial Average dropped 613.89 points, or 1.8%, to 33296.96. The Nasdaq Composite Index shed 138.10 points, or 1.2%, to 10957.01. All three major indexes gave up gains made in early trading.

Wednesday morning data showed retail sales fell 1.1% in December, with higher interest rates and inflation hurting spending on vehicles, gasoline and furniture. Wholesale price inflation fell to its slowest pace since March 2021, brightening the price outlook for consumers and policy makers but casting a

cloud over hopes for a "soft landing."

"This was good news for the Fed," said Sam Millette, fixed-income strategist for Commonwealth Financial Network. "The slowdown in demand and slowing producer inflation toward year-end is a positive sign that the Fed's more restrictive monetary policy is having a real impact in combating inflation."

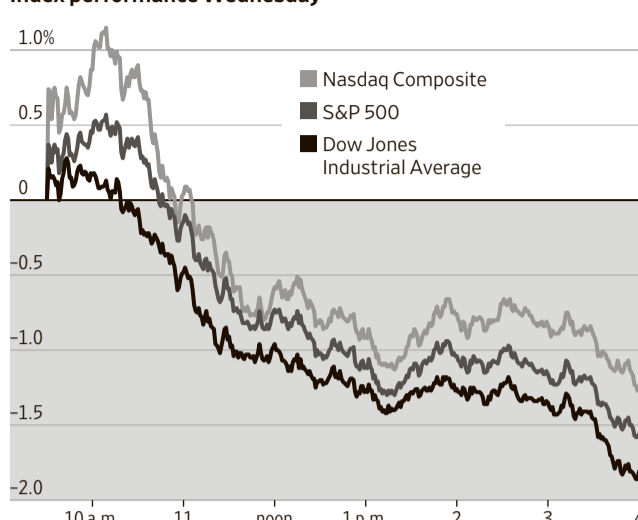
Derivatives traders are betting that slowing economic data solidify odds that Fed officials will opt for a relatively small quarter-point rate increase at the coming meeting.

Despite positive news on the inflation front and the likelihood of a slower pace of interest-rate increases, investors grew increasingly worried about recession risk as trading continued. It remains to be seen if the Fed's rate increases will throw the economy into a deep downturn, especially as the effects of tighter policy have yet to fully filter into the economy.

Investors jumped into Treasury bonds as a result, raising bond prices. The yield on the 10-year Treasury note slid to 3.374% from 3.534% Tuesday.

In a Wall Street Journal event Wednesday morning, Federal Reserve Bank of St.

Index performance Wednesday



Source: FactSet

Louis President James Bullard said he expects the benchmark rate to reach between 5.25% and 5.50% this year, well above market-based expectations of about 4.9%, adding to worries.

Stocks have advanced this year in most major markets after a bruising 2022, buoyed by confidence that inflation might move toward central banks' targets without causing a major recession.

Some money managers say that optimism might have been

misplaced.

"Markets aren't remotely priced for the coming recession," said Trevor Greetham, head of multiasset at Royal London Asset Management. "We're in this sort of interregnum between the interest-rate-driven bear market of 2022 and the earnings-driven bear market of 2023."

A steep slowdown could pinch companies' earnings and weigh on stocks in the coming months even if the Fed pauses

interest-rate increases, he added.

Still, Mr. Greetham said RLAM's multiasset funds aren't bating down the hatches for a recession just yet. They are tilted toward shares in defensive sectors such as consumer staples and stocks in emerging markets that stand to benefit from China's reopening. He said the firm will start to snap up government bonds and sell stocks when it thinks a downturn is imminent.

Moderna rose \$6.33, or 3.3%, to \$197.02 after the company released trial results for a vaccine to fight the RSV virus. PNC Financial Services fell \$9.78, or 6%, to \$152.07 after the bank set aside \$408 million for credit losses in its quarterly results. J.B. Hunt Transport Services, rose \$8.73, or 4.95%, to \$185.02 despite reporting disappointing earnings.

In Europe, gains in basic-resources stocks offset losses for real-estate stocks, leaving the Stoxx Europe 600 up 0.2%.

Global markets were broadly higher. Japanese stocks surged after the Bank of Japan kept its interest-rate targets unchanged. The Nikkei 225 index rose 2.5% on Wednesday. Early Thursday, the Nikkei was down 1.2%, Hong Kong's Hang Seng

Index was down 0.5%, the Shanghai Composite was down 0.2% but South Korea's Kospi was up 0.3%.

Brent crude fell 1.1% to \$84.98 a barrel. The global benchmark reached as high as \$87.81 after the International Energy Agency said China's reopening would help lift global oil demand to records, but those gains evaporated.

The dollar rose. The WSJ Dollar Index increased 0.1% to 95.28. The dollar fell against the euro and British pound but rose against the yen.

AUCTION RESULTS

Here are the results of Wednesday's Treasury auctions. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

17-WEEK BILLS

Applications	\$107,556,123,700
Accepted bids	\$36,579,325,200
* noncompetitively	\$456,288,600
* foreign noncompetitively	\$100,000,000
Auction price (rate)	98.476139 (4.610%)
Coupon equivalent	4.746%
Bids at clearing yield accepted	39.49%
Cusip number	912797FF9

The bills, dated Jan. 24, 2023, mature on May 23, 2023.

19-YEAR, 10-MONTH BONDS

Applications	\$33,956,802,400
Accepted bids	\$12,000,004,700
* noncompetitively	\$19,782,400
* foreign noncompetitively	\$0
Auction price (rate)	104.489600 (3.678%)
Interest rate	4.000%
Bids at clearing yield accepted	68.93%
Cusip number	9128310TMO

The bonds, dated Jan. 31, 2023, mature on Nov. 15, 2042.

Rally in Treasuries Intensifies

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stocks and leading to the worst returns for bond investors in records going back to the 1970s.

Yields, though, started dropping in the first trading session of 2023 and have fallen further than they rose to start last year.

Many individual and institutional investors entered the year feeling optimistic about bonds, lured by the highest yields in more than a decade. Further signs of easing inflation and some soft economic data have only given them more confidence that the threat of rising interest rates has diminished, giving them greater license to start embracing those yields.

Fed officials have sent mixed signals to investors. While they have clearly suggested that the days of raising interest rates by 0.75 percentage point every meeting are over, they have also been hesitant to express too much optimism about inflation and have repeatedly signaled that they don't expect to cut rates this year.

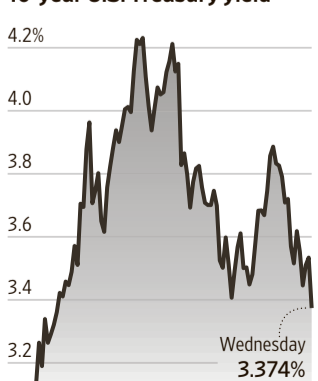
Federal Reserve Bank of St. Louis President James Bullard said Wednesday that it would be appropriate to raise rates by a 0.5 percentage point at the Fed's Jan. 31-Feb. 1 meeting. He said that he sees the Fed's benchmark federal-funds rate sitting between 5.25% and 5.5% at year-end, which is well above market-based measures of rate expectations.

Still, many investors are convinced that economic data will eventually force the Fed to change its tone.

The economy right now is at a "tipping point where real incomes for consumers are negative...and consumers are no longer able to just buy indiscriminately," said Barbara Reinhard, head of asset allocation at Voya Investment Management.

Ms. Reinhard said her team last year had added Treasuries to multiasset portfolios that they manage. They have also shifted into stocks that could better weather a recession that she expects to arrive late this year or early next year.

10-year U.S. Treasury yield



Wednesday 3.374%

Source: Tradeweb ICE Closes

Oil Demand Seen Hitting Record in 2023

BY WILL HORNER

China's rapid shift to reopen its economy following lengthy Covid-19 lockdowns should help oil demand rise to a record this year, the International Energy Agency said.

The energy watchdog lifted its forecast for oil demand growth this year by nearly 200,000 barrels a day to 1.9 million barrels a day. The extra demand means that the IEA now expects total oil demand this year to average 101.7 million barrels a day, well above prepandemic levels and a record amount.

Beijing's rapid pivot away from its zero-tolerance approach to Covid-19 cases has largely taken the oil market by surprise and boosted predictions that China's reopening could swiftly herald a rebound in the nation's oil demand.

A similarly sudden turnaround for the fortunes of economies in Europe and the U.S. also is boosting oil-demand expectations, the IEA said. Europe's economy this year is expected to fare better than previously forecast, as warmer temperatures have eased its energy supply crisis. Meanwhile, the Federal Reserve's efforts to tame inflation have shown recent signs of success.

In its report, the IEA pointed to "a faster than anticipated reopening of China" and a "somewhat improved economic outlook," as well as lower oil prices, for the upward revisions to its oil demand forecasts.

China's demand for oil makes up most of the revision. The IEA raised its forecast for Chinese demand by 100,000 barrels a day to 15.9 million barrels a day.



China's reopening has boosted predictions that the nation's oil demand is set to rebound. A tanker at a Chinese oil terminal last year.

A strong increase in demand for aircraft fuels as international travel recovers will account for almost half of this year's increase in oil demand, the IEA said. Demand for jet fuels and kerosene, both of which are used as aviation fuels, are expected to rise by 850,000 barrels a day this year, following a similarly strong 2022.

China's reopening will unlikely be a smooth path and the recovery in oil demand isn't certain, the IEA said, pointing to "massive underreporting" of Covid cases and a weak economy. Oil demand would depend on Chinese households spending more, a tough ask given the state of their finances, the IEA

said. "Hardship and disruptions therefore look set to prevail in the near-term. As China faces a challenging winter, its exit path will unquestionably be bumpy and drawn-out," it said.

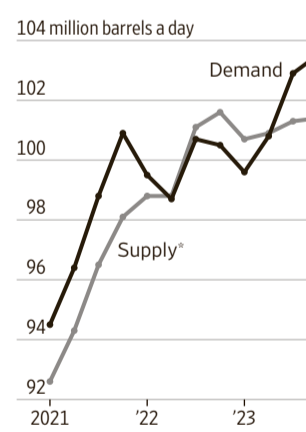
In a separate report Tuesday, the Organization of the Petroleum Exporting Countries held off from making adjustments to its demand forecasts, saying that China's reopening could spur a flare-up in Covid-19 cases that could delay a rebound in crude demand.

The stronger economic outlook for Europe also isn't entirely positive for oil demand, the IEA said. High natural-gas prices and reduced gas supplies

from Russia had in recent months boosted expectations that European nations would need to burn more crude-derived heating fuels to compensate.

In December, the IEA had raised its demand forecasts on those expectations. But it said Wednesday that the extra demand would come in around 200,000 barrels a day less than expected last month, as warmer-than-usual winter temperatures in Europe meant fewer European utilities were switching from natural gas to oil. The Paris-based agency kept its estimate of 2022 oil demand largely unchanged at 99.9 million barrels a day.

IEA global oil supply and demand estimates, quarterly



*Based on current OPEC+ targets
Source: IEA

Florida's Orange Crop Falls

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\$6.27 a gallon, she said. Those prices are up more than 20% since 2016, the last time futures climbed as high as they are now, and roughly double the cost 20 years ago.

"It's like liquid gold," Ms. Ganes said. "Prices are justified to be high, yet that also limits demand."

High prices may push growers to invest in protecting trees from Asian citrus psyllids, the tiny invasive winged insects that spread citrus greening disease, and discourage them from turning to other crops, said Tanner Ehmke, an economist at agriculture-focused CoBank. Still, prospects for the Florida orange aren't bright, he said.

"The long-term trend will be for production to continue declining because of citrus



Short supplies of juice oranges have lifted frozen concentrate orange-juice futures to near records.

greening," he said.

European explorers brought oranges to Florida. Juan Ponce de León, Hernando de Soto and the like arrived carrying seeds and citrus trees were blooming around St. Augustine, Fla., by the late 16th century.

During World War II, Agriculture Department scientists

figured out how to evaporate water from orange juice to make a concentrate that could be distributed to soldiers. Orange juice was suddenly available to the masses cheaply and year-round. Florida growers organized themselves and orange juice became an expected part of the American breakfast.

In its late 1970s heyday, there were more than 50 processing plants in Florida. The area dedicated to orange groves peaked at more than 665,000 acres in the late 1990s.

Suburban sprawl took a toll. Citrus greening, spread by the breeze-borne psyllid, arrived a few years later and expanded

during a string of hurricanes in 2004.

Greening is transmitted when the psyllids suck sap from trees. The incurable bacterial disease starts its way through the tree like a hardening of the arteries, blocking nutrients and water. Oranges drop from branches unripe and unusable.

Researchers have struggled to find remedies. Farmers switched to alternative crops like peaches, hops and pineapples. Meanwhile, consumption has waned as Americans have come to view sugary drinks differently. The number of Florida acres with orange trees has fallen by nearly half since the late 1990s, leaving less margin for frosts and storms like those that ruined crops in 2022.

A freeze last January damaged budding trees. In September, Hurricane Ian, a deadly Category 4 storm, made landfall near Fort Myers, Fla., and ripped across the middle of the state, flinging fruit from branches and uprooting trees. In November, Hurricane Nicole hit Florida's Atlantic Coast and barreled north up the peninsula.