

# THE WALL STREET JOURNAL.

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Last week: DJIA 33706.74 ▼ 54.31 0.2% NASDAQ 12705.22 ▼ 2.6% STOXX 600 437.36 ▼ 0.8% 10-YR. TREASURY ▼ 1 6/32, yield 2.987% OIL \$90.77 ▼ \$1.32 EURO \$1.0040 YEN 136.93

## What's News

### Business & Finance

A swath of stocks has participated in the market's recent rebound, typically an encouraging sign of a rally's durability, yet few investors are willing to call a market bottom. **A1**

◆ Many smartphone owners are sticking with their current models longer, according to industry executives, as inflation lifts the cost of daily necessities like gasoline and food. **A1**

◆ Warren Buffett's bid to boost his big stake in Occidental Petroleum even further isn't expected to serve as a prelude to a full takeover of the energy company by the billionaire, at least for now. **B1**

◆ A \$1.7 billion jury verdict against Ford involving a fatal truck crash called into question the roof strength of older-model Super Duty pickups sold by the company over a roughly 17-year period. **B1**

◆ Amazon is adding new revenue streams ahead of the holiday season to help it counter inflationary pressures and other rising costs and as it recalibrates following a pandemic boom. **B1**

◆ Amazon is among the bidders in an auction for home-health-services provider Signify, according to people familiar with the matter. **B2**

◆ Israeli cyber firm NSO said it is replacing its chief executive and will lay off 100 employees, in a reorganization that follows criticism that clients abused its powerful spyware. **B4**

### World-Wide

◆ Severe droughts across the Northern Hemisphere are further snarling supply chains and driving up the prices of food and energy, adding pressure to a global trade system already under stress. **A1**

◆ Russian officials opened an investigation into a car bombing outside Moscow that killed the daughter of a prominent, far-right Russian ideologue who has long called for Russia to seize Ukraine. There was no claim of responsibility, and a Ukrainian official denied that Kyiv played any role in the bombing. **A1**

◆ The U.S. and South Korea were set to revive live-fire military drills after a years-long hiatus, sharpening their preparedness as the North Korean nuclear threat worsens and China steps up its presence around Taiwan. **A8**

◆ Liz Cheney said her political focus after leaving Congress will go beyond challenging Trump's hold on the Republican Party to include opposing candidates who promote his false claim that the 2020 election was stolen. **A4**

◆ The McKinney Fire, California's largest wildfire of the year, was 95% contained, officials said, nearly a month after it first erupted. **A6**

◆ California's Death Valley National Park reopened some of its most-popular sites to the public two weeks after severe flooding damaged roads and facilities. **A3**

### JOURNAL REPORT

Workplace Technology: Is Your Company Monitoring You? **R1-8**

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## Terrorist Attack on Somali Hotel Ends With 21 Civilians Dead



FEISAL OMAR/REUTERS

**SURVEYING DAMAGE:** Somali security forces ended a 30-hour siege of a popular hotel by Islamist militants in which 21 civilians were killed by gunfire and explosives, police said, the deadliest attack in the East African nation's capital in months. **A8**

## Droughts Take Widening Toll On World's Largest Economies

Severe droughts across the Northern Hemisphere—from the farms of California to waterways in Europe and China—are further snarling supply

By Matthew Dalton,  
Jim Carlton  
and Sha Hua

chains and driving up the prices of food and energy, adding pressure to a global trade system already under stress.

Parts of China are experi-

encing their longest sustained heat wave since record-keeping began in 1961, according to China's National Climate Center, leading to manufacturing shutdowns owing to lack of hydropower. The drought affecting Spain, Portugal, France and Italy is on track to be the worst in 500 years, according to Andrea Toreti, a climate scientist at the European Commission's Joint Research Center.

In the American West, a drought that began two de-

cadecades ago now appears to be the worst in 1,200 years, according to a study led by the University of California, Los Angeles.

Researchers compare droughts by measuring the growth of annual tree rings that reflect rainfall and temperature from year to year in specific areas. Climate scientists said this year's dry spells are partly due to La Niña, a cyclical pattern of cooler water in the eastern Pacific Ocean that pushes the at-

mospheric jet stream northward, leaving parts of Europe, the U.S. and Asia with less rain. The United Nations said the number of droughts worldwide has risen 29% since 2000 due to land degradation and climate change.

For some of the world's biggest economies, this summer's droughts are hurting industries including electricity generation, agriculture, manufacturing and tourism. That is *Please turn to page A2*

## Phone Sales Slow as Users Put Off Buying New Models

By YANG JIE  
AND SARAH DONALDSON

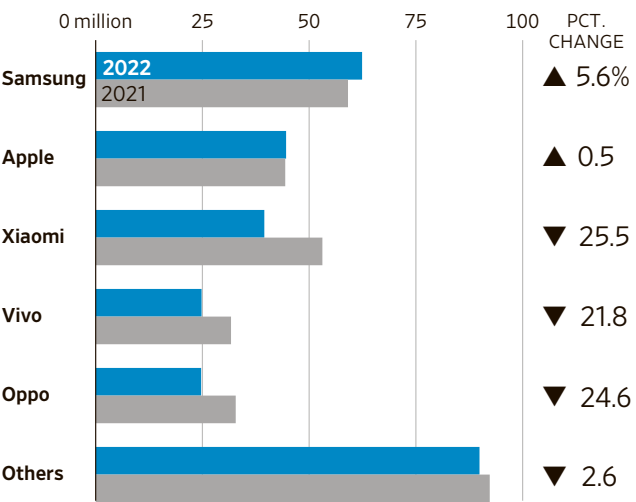
The global smartphone market is taking a breather.

With inflation lifting the cost of daily necessities like gasoline and food, many phone owners are sticking with their current models longer, according to industry executives. Companies are making fewer phones and fewer phone parts, and they are planning for a further rough patch ahead.

China's Xiaomi Corp., the world's third-largest smartphone maker after Apple Inc. and Samsung Electronics Co., said Friday that it shipped 26% fewer smartphones in the April-to-June quarter compared with a year earlier, and smartphone-related revenue fell 28% to the equivalent of \$6.2 billion.

Xiaomi cited shrinking consumer demand in China, which had pandemic-related lock-

Global smartphone shipments in the second quarter



Source: IDC

downs in the quarter, as well as rising food and fuel prices around the globe.

In the same quarter, worldwide smartphone shipments

declined nearly 9% compared with a year earlier to 286 million units, according to research firm International Data *Please turn to page A8*

## Cat People Are Loving a New Videogame. So Are Their Cats.

‘Stray,’ starring a lost orange tabby, has built a devoted fan base—of felines

By LUKE WINKIE

Katie Hampton's two cats, Oliver and Yahzee, have a new favorite spot in her Los Angeles home. It's the shelf right below her TV, and above her PlayStation 4, where they have the best view of her playing the indie videogame “Stray.”

Released in July, “Stray” drops players into a desolate dystopian city, which they must navigate as a lost orange tabby who has been separated from its pack. The game's hero isn't your average animated cat; it scratches and yawns with striking feline fidelity. Oliver and Yahzee, Ms.

Hampton says, are convinced it's one of their own.

“It's like they want to interact with the cat. They kept touching the screen,” says Ms. Hampton, a 35-year-old creative producer for a digital media company. “The little one meowed back, which was really cute.”

Social media has ballooned with videos of players' pets who seem enthralled by “Stray.” Cats swipe at the television as if they're trying to grab a pawful of digital fur. Others cement themselves on a couch, coiled and springy, ready to pounce and play if *Please turn to page A10*

## Killing of Daughter Of Putin Ally Probed

By MATTHEW LUXMOORE

Russian officials opened an investigation into a weekend car bombing outside Moscow that killed the daughter of a prominent, far-right Russian ideologue who has long called for Russia to seize Ukraine.

There was no claim of responsibility, and a Ukrainian official denied that Kyiv played any role in the bombing, which killed Daria Dugina in what Russia's Investigative Committee described as a pre-planned hit. The agency said the Toyota Land Cruiser she was driving exploded Saturday at around 9 p.m. local time as the likely result of a bomb placed inside.

Ms. Dugina was the daughter of Aleksandr Dugin, who for years has called on Russia to expand its territory by seizing Ukraine. In 2014, as Russian-backed separatists were capturing government buildings in eastern Ukraine and Moscow fomented an armed

conflict there, Mr. Dugin gave interviews suggesting Russia should take over the country and execute key officials.

Ms. Dugina had long been a vocal supporter of Eurasianism, her father's unique brand of Russian nationalism. She backed the war in Ukraine and published regular op-eds on pro-Kremlin websites under the pseudonym Daria Platonova.

She was also a frequent guest on state TV. In a recent appearance on the “Time Will Tell” talk show, Ms. Dugina said Russia was trying to rescue Ukrainians from Nazis running the government.

“Ukraine lost the unity of its nation,” she said, echoing an oft-repeated Kremlin line that Kyiv was in thrall to Western-backed nationalists whom Russia had to prevent from tearing the country apart. “A bunch of gangs appeared with aggressive tendencies, with aggressive ideol- *Please turn to page A7*

### INSIDE



AMIR HANJIA FOR WSJ

**PHARMACEUTICALS** Moderna, Pfizer race to make different boosters for U.S. than they are in other countries. **A3**

**BUSINESS NEWS** Berkshire Hathaway isn't likely to seek a full takeover of Occidental Petroleum. **B1**

## Kremlin Leverages Mercenaries

Wagner Group, a private army formed by 'Putin's Chef,' takes aim at Mali's mineral riches

By BENOIT FAUCON  
AND JOE PARKINSON

**MALI-MAURITANIA BORDER**—The leaders of Mali's junta gathered at Bamako airport earlier this month to hail the latest delivery from their new benefactor: the Kremlin.

On the northern end of the airstrip stood a line of attack aircraft, including Russian jet fighters and helicopter gunships to send to the front line of a decade-long war against jihadists, according to footage of the

ceremony on Malian state television. On the southern end, out of sight, was the swelling base of Wagner Group, the Kremlin-linked military company that has deployed some 1,000 mercenaries into Mali in exchange for cash and the potential for lucrative mining concessions.

“This batch of military equipment reflects our commitment to do everything possible to enhance the operations of our defense and security forces,” said Colonel *Please turn to page A10*



U.S. NEWS

THE OUTLOOK | By Jason Douglas and Stella Yifan Xie

China’s Dominance in Exports Grows

For all the talk in Western capitals of reducing reliance on Chinese factories, China has in the past two years consolidated its position as the world’s dominant supplier of manufactured goods.

Though some of China’s gains in global markets may unwind as the effects of the pandemic fade, the trend nonetheless highlights just how hard it is to unplug from the world’s largest factory floor. Such “decoupling” is especially challenging as Chinese factories extend their reach into higher-end products like chips and smartphones and new technologies such as electric cars and green energy.

The U.S. and some of its allies have grown wary of their dependence on China over concerns ranging from national security to the fragility of global supply chains. China has dismissed those concerns but has its own reason to loosen ties to the West, namely a longstanding challenge of weaning itself off its own perceived overreliance on Western markets and leaning instead on spending at home to propel its economy to new heights.

For now, China’s export boom might provide a short-term prop for growth as its economy labors under the government’s zero-tolerance approach to Covid-19 and a deflating property bubble.

China’s share of global goods exports by value increased over the course of the pandemic to 15% by the end of

2021 from 13% in 2019, according to data from the United Nations Conference on Trade and Development, which tracks global trade.

Major competitors’ share of global exports shrank over the same period: Germany’s to 7.3% in 2021 from 7.8% in 2019; Japan’s to 3.4% from 3.7%; and the U.S.’s to 7.9% from 8.6%.

China’s quick emergence from the initial shock of Covid-19 in 2020 gave its factories an edge in supplying the West with goods that were suddenly in high demand: low-cost medical equipment such as face masks and testing kits, and consumer goods like computer peripherals and work-out gear that Western workers wanted as they settled in for a long spell away from the office.

Generous handouts by governments in the U.S. and other advanced economies to tide workers through the pandemic further turbocharged Western spending. Chinese factories were swamped with orders and China’s share of key exports rose.

China’s slice of global electronics exports, for instance, increased to 42% in 2021 from 38% in 2019, while its share of textile exports rose to 34% from 32%, UNCTAD data shows.

China’s export boom has continued in 2022, defying economists’ expectations for a slowdown as the global economy confronts



rocketing inflation, rising interest rates and war in Ukraine.

Part of the explanation is prices. The cost of consumer goods has risen as inflation has taken hold worldwide, so the U.S. dollar value of Chinese exports has gotten a leg up. The value of Chinese exports in June was 22% higher than a year earlier, according to an index of goods and services published by China’s General Administration of Customs. A similar index of trade volumes shows only a 5.5% gain.

Still, overseas demand for Chinese goods has held up better than many economists expected, particularly from the U.S., Europe and China’s neighbors in Asia. The U.S. trade deficit with China in the first six months of 2022 widened 21% compared with the same period a year earlier, to

\$222 billion, U.S. Census Bureau data show.

A longer-term trend is also at play. In recent years, China has been steadily accruing market share in more sophisticated and higher-value manufactured products, such as capital goods, vehicles, engines and heavy machinery.

That helps explain why China is eating into the export market share of countries such as Germany that traditionally excel at making and exporting such products, said Rory Green, head of China and Asia research at TS Lombard in London.

Aided by Beijing, Chinese firms are also carving out niches in newer sectors that are expected to become a bigger slice of global trade in the years ahead.

China’s solar-cell exports, for instance, soared to \$25.9 billion in the first half of this

year, up 113% from a year earlier. China’s exports of cars reached a new monthly record in July of around 290,000 units, according to China’s customs, buoyed by sales of electric vehicles.

In the U.S., a degree of decoupling from China has taken place. China’s share of overall U.S. imports has fallen in recent years as tariffs hit some goods and companies sought to reduce their reliance on China by opening factories in other countries, such as Vietnam. U.S. authorities have actively sought decoupling in some areas over security concerns, such as technology.

For some economists, China’s export boom underscores how dangerously lopsided its economy is. China’s trade surplus—which ballooned to more than \$100 billion in July—reflects not just strong exports but feeble imports, a hallmark of weak domestic demand.

Beijing’s pandemic response focused on subsidies and cheap loans to manufacturers, leaving China’s consumers struggling and its economy vulnerable to sudden shifts in overseas appetite for its goods, said Michael Pettis, a professor of finance at Peking University. “It is completely wrong to see Chinese trade data as the one bright spot in China’s economic performance,” Mr. Pettis said. “China’s problem of imbalance is getting worse.”

ECONOMIC CALENDAR

**Tuesday:** Economists surveyed by The Wall Street Journal expect **surveys of purchasing managers** released by S&P Global to point to a steadying of the U.S. services sector in August after it contracted in July, while pointing to a deeper decline in private-sector activity across the eurozone as rising prices eat into household spending power.

Sales of new **single-family homes** are estimated to have declined in July, amid other signs that the broader housing market is losing steam.

**Wednesday:** U.S. orders for **goods designed to last at least three years** are expected to have increased more slowly in July, reflecting cooling demand as economic growth slows.

Contract **signings for homes** are estimated to have declined more slowly in July than in June.

**Thursday:** New applications for U.S. **unemployment benefits** are estimated to have edged higher in the week ended Aug. 20.

The Commerce Department releases its second estimate of second-quarter **gross domestic product**. Economists expect to see that the U.S. economy shrank more slowly than first estimated.

**Friday:** Federal Reserve Chairman **Jerome Powell** speaks on the economic outlook at the Kansas City Fed’s annual symposium in Jackson Hole, Wyo.

U.S. **household spending** is estimated to have grown more slowly in July than in June.

The University of Michigan’s final reading of **consumer sentiment** for August is expected to have slightly improved from its reading earlier in the month.

Rail Regulator Pushes Industry to Fix Shipping Delays

By TED MANN

WASHINGTON—From a drab gray office building in the capital, an obscure federal board has spent much of the year telling railroad chief executives how not to run their railroads.

The Surface Transportation Board, the economic regulator overseeing the country’s freight railroads, is considering aggressive new rule-making to force railroads to share tracks and improve competition for their customers. It is adjudicating a dispute over track access on the Gulf Coast, with implications for the growth of passenger rail nationwide.

The five-member board is also demanding that the railroads do something to address a meltdown in service that has stranded customers without needed shipments, delayed movement of raw materials

across the economy, and infuriated politicians nervous about goods shortages and inflation.

The railroads are pushing back, saying they have been hit by the same staff shortages plaguing other industries and are taking steps to hire more workers and upgrade equipment.

“While there is more than one way to run a railroad, we learned long ago that a heavy bureaucratic hand on the railroads simply doesn’t work,” said Ian Jefferies, chief executive of the Association of American Railroads, an industry trade group.

STB Chairman Martin Oberman says the railroads’ troubles stem from layoffs aimed at boosting profitability in the years leading up to the pandemic. “They consciously over the course of those years decided to strip away their resources to be able to be nim-

ble and to recover quickly from anything that came along,” said Mr. Oberman, a Democrat and former chairman of Metra, the Chicago-area commuter railroad.

Railroads are required by federal law to haul freight in re-

The STB weighs forcing railroads to share tricks, improve competition.

sponse to reasonable requests from customers, Mr. Oberman noted, in what is known as a common carrier obligation.

President Biden spotlighted the STB in his 2021 executive order taking aim at consolidation in business, directing the board to ensure the rail

freight industry is competitive. Even before the order, however, the STB has moved with bipartisan unanimity on some of its biggest decisions over the last two years, a departure from other similarly structured regulators that have been gridlocked.

“They have come into this with the idea that railroads have too much power,” said Anthony Hatch, a rail transportation analyst and principal at ABH Consulting. “So this service issue plays directly into their hands, and allows an interventionist, biased board to be much more interventionist. And I think that has surprised and disheartened the railroads.”

Mr. Oberman noted that his Republican predecessor as chair, Ann Begeman, had also questioned railroads about their staffing levels before the pandemic struck but that the industry response was “noth-

ing but platitudes.”

This year, the board held two days of hearings at which a host of shipping customers described breakdowns in rail service that have snarled deliveries and interrupted production at farms and chemical factories. The board then ordered the country’s four largest railroads to submit weekly performance data as well as recovery plans for restoring service to expected levels.

In June, the board ruled unanimously that the plans submitted by the four railroads were “inexcusable,” and lacking in detail, and ordered them to try again.

Foster Poultry Farms, which calls itself the largest chicken grower and processor in the Western U.S., is among the companies that has complained to federal officials about freight rail service—saying in June that it was on the

verge of euthanizing millions of birds because of delays in feed shipments.

For months, internal emails filed in an STB docket show, the poultry producer had been making increasingly desperate pleas to Union Pacific Corp., warning that the 100-car deliveries of corn weren’t showing up at its plants in California’s Central Valley, which process corn for chicken feed, and corn feed for hundreds of dairy farms that Foster Farms supplies in the region.

“We are about to kill millions of chickens,” a farm executive pleaded to a counterpart at UP that week. “This train was needed Monday. Dairy animals will be without corn all week.”

In response to the filing, the railroad admitted it had failed to provide adequate shipments of corn. “But we are determined to improve,” UP said.

Droughts’ Global Toll Widens

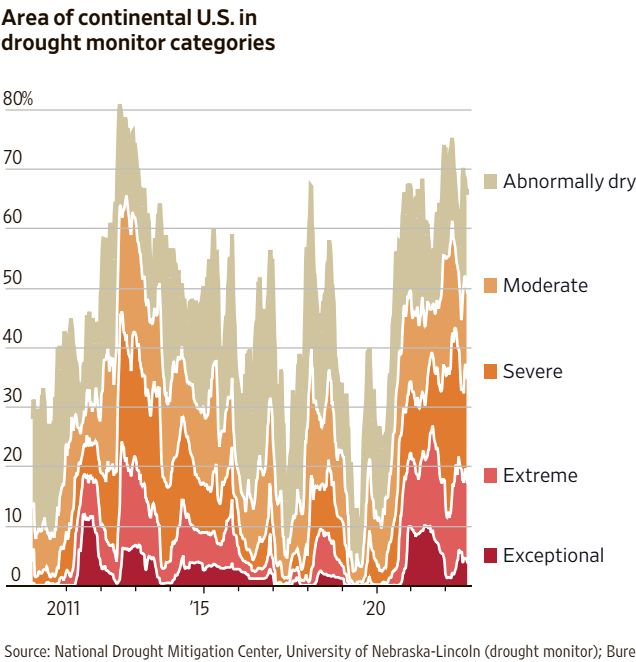
Continued from Page One  
compounding existing strains such as supply-chain disruptions stemming from the Covid-19 pandemic and pressure on energy and food prices from the war in Ukraine.

In the U.S., agricultural forecasters expect farmers to lose more than 40% of the cotton crop, while in Europe the Spanish olive-oil harvest is expected to fall as much as a third amid hot and dry conditions.

In Europe, rivers such as the Rhine and Italy’s Po that serve as arteries for trade are running at historic lows, forcing manufacturers to cut shipments. Falling river levels have reduced hydropower generation across the continent, affecting a key alternative to natural gas, which is in shorter supply as Russia squeezes flows.

Heat has forced France to lower production at several nuclear reactors because the river water that cools them is too warm. And Germany, Europe’s biggest consumer of Russian gas, plans to burn more coal instead of gas to generate electricity, but low levels on the Rhine are holding back shipments.

Meager snowfall at the river’s source in the Swiss Alps and reduced rainfall downstream have lowered water flow in the Rhine Delta in the



Netherlands. That has allowed seawater into the nation’s system of locks and dams, slowing river traffic and seeping into reservoirs used for drinking and agriculture.

Eleven inches of rain had fallen in much of the country this year by early August compared with the usual 16, leaving the Rhine so low in places that it is snarling exports from German manufacturers upriver.

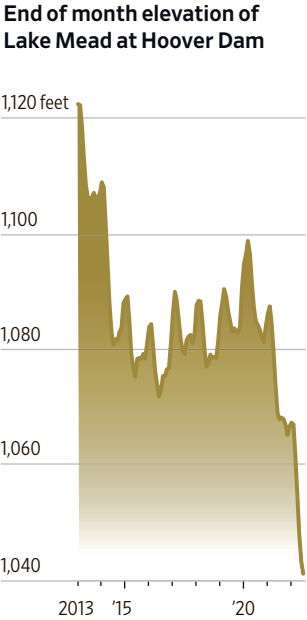
“Everything is hurting Germany more than anywhere else, that’s a common theme,” said Andrew Kenningham, chief Europe economist at Capital Economics in London.

In the U.S., smaller snowpacks in the Sierra Nevada mountains of California have sharply reduced water supplies in the region, home to the na-

tion’s largest agriculture industry. Officials of the Westlands Water District in the Central Valley, the state’s most important agricultural region, said about a third of the 600,000 farmland acres there are being left unplanted this year because of water shortages.

The Colorado River has fallen so much that the U.S. Bureau of Reclamation on Aug. 16 declared a second consecutive annual shortage, triggering a second straight year of mandatory water cuts to Arizona, Nevada and Mexico.

In Yuma County, Ariz.—a major producer of lettuce, baby greens and other vegetables—farmers expect a hit of as much as 10% to their \$3.4 billion-a-year industry, said Wade Noble, general counsel for four irriga-



tion districts there.

“It’s less income into the area,” Mr. Noble said. “It’s less buying and selling.”

In central and southwestern China, authorities declared a drought in six provincial-level jurisdictions, which together accounted for a fourth of China’s grain output last year.

The southwestern province of Sichuan has been hit hardest by lower rainfall, as it relies heavily on hydropower for electricity. Soaring temperatures have driven up demand for air conditioning, threatening to overload the power grid.

Local authorities on Sunday activated the highest emergency response amid the crunch, extending an order from last week to many factories to shut or scale back pro-

duction to “leave electricity for the residents” until Thursday.

The restrictions, while limited, have affected a number of global manufacturers such as Apple Inc. device maker Foxconn Technology Co. Ltd., Volkswagen AG and Toyota Motor Corp., as well as manufacturers of lithium salts, fertilizers and photovoltaic equipment. Tesla Inc. has asked Shanghai’s government to help ensure its suppliers have sufficient electricity supply amid a crunch, according to a government letter and people familiar with the matter.

Water levels along some sections of the Yangtze—a crucial source of hydropower, transport and water for crops—have fallen to their lowest since record-keeping began, according to China’s Ministry of Water Resources.

La Niña episodes typically last nine to 12 months, but this one is in its second year and is expected to last until at least February 2023, according to a recent advisory issued by the National Oceanic and Atmospheric Administration.

The impact of extended drought and heat waves on tourism, manufacturing and agriculture could become a long-term drag on the credit ratings of governments across Southern Europe, according to Moody’s Investors Service.

“If it becomes the norm that July, August are unbearable in parts of Europe, then companies and people are likely to react to that,” said Marie Diron, managing director of sovereign credit at Moody’s in London.

—Eric Nüller contributed to this article.

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U.S. NEWS

# Variant-Targeted Boosters Get Late Start

U.S.'s push to aim for different strains than other countries spurs logistical challenges

By Peter Loftus

The U.K. last week became the first country to clear a modified Covid-19 vaccine targeting the Omicron variant, and other countries including Canada and Australia might soon follow.

But in the U.S., modified Covid-19 booster shots are unlikely to be cleared for several more weeks because health authorities decided in late June they wanted modified vaccines to target different Omicron

subvariants than those rolling out in other countries.

As a result, the makers of the leading Covid-19 vaccines—**Moderna** Inc. and **Pfizer** Inc. with its partner **Bi-oNTech** SE—got a later start producing the new shots that are planned for the U.S.

This posed logistical challenges because companies needed to secure different starter material and switch over production lines. Now they are racing to manufacture tens of millions of retooled vaccines that could be used in a fall booster campaign.

The effort is a new test of the plug-and-play potential of the gene-based, messenger RNA technology used in shots from Pfizer and Moderna.

Despite the later start making a U.S. supply, the companies and researchers say mRNA vaccine technology is well-suited for quick design changes and manufacturing of doses in response to the emergence of new virus strains, such as the Omicron subvariants that the new shots will target. Companies must swap in new genetic sequences for the modified shots but otherwise use the same basic ingredients and manufacturing equipment as the original vaccines. They don't need to wait months to grow viruses or proteins as some older vaccine technologies do.

The expected turnaround time is rapid by vaccine standards: The companies' plan to

deliver modified doses by early fall would be roughly three months after U.S. health authorities advised them which Omicron subvariants to target.

"This is what mRNA is designed to do, to rapidly adapt to new viruses, new strains, new variants," said Drew Weissman, a professor of vaccine research at the University of Pennsylvania's Perelman School of Medicine.

The original vaccines from Pfizer and Moderna and their booster shots were designed to target the coronavirus strain that was predominant in 2020. Since then, new virus variants have displaced the original strain and evade some of the protection from the

original shots. U.S. health authorities have asked vaccine makers to make dual-target, or "bivalent," shots that target the Omicron subvariants BA.4 and BA.5, in addition to the virus that was predominant in 2020.

Moderna is making two different modified booster shots. One targets both the original coronavirus plus the original Omicron strain, or BA.1. Moderna started development of the BA.1 vaccine earlier in the year and found that it safely induced immune responses to Omicron in a clinical study. The company began production in the spring.

U.K. regulators on Aug. 15 authorized the use of Moderna's BA.1-targeted bivalent

booster shot. The company has asked for regulatory authorization of the BA.1-targeted vaccine in additional places including in the European Union, Canada and Australia.

Moderna has doses of the BA.1-targeted shots ready to ship upon regulatory authorization, Chief Executive Stephane Bancel said.

Moderna's second booster shot—customized for the U.S.—targets the original coronavirus plus the BA.4 and BA.5 subvariants of Omicron, which have become predominant in the U.S. Moderna had been planning for the potential to make this vaccine but didn't start manufacturing it until after the FDA selected these targets June 30.

## Many Abortion-Pill Sales Bypass FDA

By Dominique Mosbergen and Vibhuti Agarwal

A murky online market for abortion pills is thriving as some U.S. states tighten abortion restrictions.

Dozens of websites state they ship abortion drugs anywhere in the U.S. without a prescription, which violates Food and Drug Administration rules. Most of the sites don't clearly state who operates them or where they get the pills. The operator of one website said demand for abortion pills has surged since the Supreme Court removed constitutional protection for abortion in June.

The sites, some registered overseas, are distinct from U.S.-based telehealth operators that prescribe and sometimes ship abortion pills to patients in states that allow the procedure.

Sites selling abortion drugs without a prescription charge as much as \$500 for a pack of abortion pills. Medical support isn't included.

The websites provide access to pills for patients who can't reach a clinic, or who live in states where telehealth consultations for abortion aren't allowed, abortion-rights advocates said. But the unregulated market creates risks, they said, including that the pills arrive too late to be used effectively. People who buy abortion pills online without a prescription could face criminal charges, particularly in states that restrict the procedure, legal experts said.

Some health experts expressed concerns about websites potentially selling bogus drugs or not providing adequate information and medical support. "You don't know what you're getting," said Al Carter, executive director of the National Association of Boards of Pharmacy.

Two medications, mifepristone and misoprostol, are typically used in a medication-abortion regimen, which the

FDA has approved for up to 10 weeks of pregnancy. Websites selling abortion pills without a prescription are mainly selling pills that haven't been reviewed by the FDA, according to descriptions on the sites and information from buyers. The FDA has sent complaints to some companies associated with websites selling abortion pills online.

"Drugs that have circumvented regulatory safeguards may be contaminated, counterfeit, contain varying amounts of active ingredients, or contain different ingredients altogether," an FDA spokesperson said.

Studies have shown medication abortion to be safe and effective, including when taken without a doctor's supervision. Patients typically take the drugs at home even when they have been prescribed by a doctor.

Medside24.com, a website based in Kazakhstan, said its abortion-pill sales across the U.S. have doubled since Roe v. Wade was overturned. The site buys abortion drugs manufactured by companies in China, Russia and Vietnam, a representative for the site said, including Vietnam-based Stellapharm J.V. Co.

Stellapharm said it makes mifepristone and misoprostol but wasn't aware its products were sold on medside24.com. Stellapharm's pills are only sold with a prescription in Vietnam, a spokeswoman said.

Some of the abortion-pill websites say that they sell pills from manufacturers in India. Three manufacturers mentioned on some sites, Zydus Lifesciences Ltd., Cipla Ltd. and Naman Pharma Drugs, said they weren't aware of the sites. Cipla said it stopped making abortion medication about seven years ago. Naman manufactures abortion pills on a contract basis for companies in Africa and doesn't export to the U.S., a spokesman said.



Large-scale energy projects such as pipelines have to win approval from authorities in several jurisdictions, which can take years.

## Energy-Permitting Bill Faces Hurdles

By Benoit Morenne

The U.S. needs more power to meet rising energy needs. Building the infrastructure necessary to make that happen has proved difficult.

Utility-scale energy projects such as power transmission lines and offshore wind farms have to win approval from authorities in several jurisdictions, which can take years. Communities near the projects, environmental groups and others frequently oppose the projects and challenge them in court. The result is that projects are often delayed and costs elevated, according to industry experts and executives.

A deal negotiated by Sen. Joe Manchin (D., W.Va.) as a companion to the Democrats' energy and climate-spending package could help accelerate wind- and solar-power development as well as pipelines for oil and gas. The deal aims to expedite new energy projects, in part by streamlining federal permits and limiting court challenges.

President Biden signed the \$433 billion package into law Tuesday, but a permitting bill faces resistance from Senate Republicans, who are skeptical that it will help the fossil-fuel industry and don't like how it was tied to the tax-and-climate bill passed by Senate Democrats. Some House Democrats oppose such a bill, in part, because of its potential support for pipelines. Democrats aim to attach the proposal to must-

pass budget legislation they are queuing up for late September.

Some environmental groups have expressed support for the spending package but oppose significant changes to the permitting process, saying robust regulatory reviews are necessary to ensure communities aren't adversely affected by energy projects.

A March Pew study found that 72% of Americans believe the federal government should encourage the development of wind and solar projects, but the infrastructure needed to support that goal often faces strong opposition at the local level out of concerns they might disfigure landscapes, endanger wildlife or threaten natural resources.

"It is very hard to build infrastructure of any kind in the United States," said John Holden, a former director of the White House Office of Science and Technology Policy under President Barack Obama who is now a Harvard University professor. "There are genuine tensions between the desire of one set of people to build stuff and the desire of the public to have a voice."

Transmission lines are crucial to President Biden's goal of eliminating carbon emissions from the power grid by 2035 because they are needed to carry electricity from renewable-energy sources to cities. Building a power line spanning several states can now take about a decade, de-

velopers said, up from five to seven years previously.

In the Midwest, a roughly 102-mile transmission line from Iowa to Wisconsin has been in the works since 2011; it has yet to start delivering power. A multiyear process to secure permits and now litigation over the project's environmental impact could push completion to the end of 2023, said Krista Tanner, chief business officer at ITC Holdings, an electrical-transmission company and one of the sponsors of the line's construction.

Environmental groups say

Democrats aim to attach the proposal to must-pass budget legislation.

the line would damage sensitive floodplain habitat in the upper Mississippi River.

Having to procure large numbers of permits is one of the most time-consuming aspects of projects, said Ms. Tanner. "It ranges from a county drainage permit all the way to a federal permit to cross the Mississippi," she said.

ITC Holdings has provided feedback to Mr. Manchin's team about setting maximum timelines for permitting reviews, the company said. Mr. Manchin has said a permitting bill should limit permit re-

views to two years to fast-track projects.

Federal permits require developers to request individual authorizations from several federal agencies, a burdensome process, said Greg R. White, executive director of the National Association of Regulatory Utility Commissioners.

Mario Loyola, a former associate director for regulatory reform at President Donald Trump's Council on Environmental Quality, said that agencies anticipate court challenges from environmental groups and devote more time and resources to making environmental reviews of new projects lawsuit-proof, lengthening the permitting process.

It took federal agencies an average of 4½ years to prepare environmental reviews of new infrastructure between 2010 and 2018, the White House council found.

Opponents often challenge projects under laws that have seen few adjustments since their passage in the 1970s, said Colette Breshears, an energy analyst at Wood Mackenzie. Some developers say the National Environmental Policy Act, which imposes federal reviews of the environmental impact of projects, should be overhauled to limit litigation.

Leslie Fields, national director of policy, advocacy and legal at the Sierra Club, said requiring environmental reviews of potentially impactful projects is "hardly onerous if a project is in the public interest."



Misoprostol is one drug typically used in medication abortions.

## Death Valley National Park Reopens Popular Sites After Flooding

By Ginger Adams Otis

California's Death Valley National Park reopened some of its most-popular sites to the public Saturday, two weeks after severe flooding caused millions of dollars in damage to roads and facilities.

Locations that are once again accessible to visitors include the Furnace Creek Visitor Center, Badwater Basin, Zabriskie Point and the Mesquite Sand Dunes, the National Park Service said.

The park closed on Aug. 5 when a downpour dumped 1.46 inches of rain on the Furnace Creek area of the park, sparking flash floods that buried cars in debris, closed roads

and left hundreds of visitors and workers stranded. Death Valley hadn't seen that much daily rainfall since April 15, 1988, when the park got 1.47 inches, according to the National Weather Service.

Death Valley National Park, sitting along the California-Nevada border with a below sea-level basin that is the lowest point in North America, usually gets less than 2 inches of rain a year, according to the Park Service. At about 3.4 million acres, Death Valley National Park is about the size of Connecticut, according to the National Park Service.

About 500 visitors and 500 staff were stranded for several hours until an exit could be

opened. Roughly 60 vehicles parked at the Inn at Death Valley, a resort, were buried in several feet of debris, officials said, and water flooded several hotel rooms.

The flooding also damaged the Cow Creek water system, which provides water to the area for park residents and offices. The system had to be shut down for repairs, officials said.

The National Park Service urged visitors to plan ahead and not rely on GPS, since some main roads are partially closed and traffic has been rerouted around some areas.

Backcountry roads are still being assessed, the Park Service warned.



A bulldozer cleared a parking lot at Mesquite Flat Sand Dunes in Death Valley National Park last week. The park closed on Aug. 5 after a downpour sparked flash floods that buried cars in debris.



U.S. NEWS

# Trump Ally Presses View That Documents Were Declassified

Position is at odds with many legal experts and court ruling on following established procedures

WASHINGTON—In May, former Trump administration official Kash Patel, as part of a lengthy scuffle with the National Archives, asserted that documents stored at Mar-a-Lago marked as classified had in fact been declassified by President Donald Trump as he left office in January 2021.

By Alex Leary, Vivian Salama and Aruna Viswanatha

Since the FBI searched the former president's Florida resort on Aug. 8, Mr. Patel has become a leading proponent of that view and one of the most vocal defenders of Mr. Trump in accusing the Justice Department of politically motivated overreach.

"The bottom line was he said this information has to get out

to the American public," Mr. Patel said in an interview Wednesday. Mr. Patel said he didn't know what was in the boxes the Federal Bureau of Investigation seized earlier this month but believed prosecutors would have a hard time proving that the documents weren't covered by Mr. Trump's declassification orders.

Justice Department officials obtained a search warrant based on evidence that a crime might have been committed in the handling and possession of the documents. An inventory showed agents removed 11 sets of classified documents, including some marked as top secret and meant to be only available in special government facilities. The contents of the classified material or what it pertains to haven't been made public.

Officials have described the need for the document retrieval as a matter of protecting national-security secrets that shouldn't be in the possession of a private citizen and held at a resort with foreign guests.

Mr. Patel, 42 years old, is a

former White House and Pentagon aide whom Mr. Trump late in his term considered naming to top positions at the Central Intelligence Agency and the FBI. Mr. Patel is informally advising the Trump team's legal response to the events at Mar-a-Lago and the retrieved documents.

In the last months of his administration, Mr. Trump issued several orders to declassify documents related to the 2016 FBI investigation into links between his campaign and Russia in the contest against Democrat Hillary Clinton. Mr. Patel said he witnessed additional verbal orders for a broad declassification directive in the administration's waning days.

"It had to do with Russia. It had to do with the Hillary email scandal. It had to do with a whole lot of other stuff. And he said, 'This is all declassified,'" Mr. Patel said.

Mr. Patel's assertions seek to challenge a central tenet of the Justice Department's position that urgent action was needed because highly sensitive national-security secrets were at

risk. There is no documented evidence of the president's verbal declassification action. Mr. Patel said that doesn't matter. "The president is the ultimate classification authority, so if he says it or writes it, it's declassified," he said.

Many legal experts dispute that, saying the president's broad declassification powers need to follow a process that records the declassification of documents. The U.S. Court of Appeals for the Second Circuit said in a 2020 decision that "declassification, even by a President, must follow established procedures." That court ruling related to whether Mr. Trump had declassified a covert CIA program by tweeting about it and making other public statements.

The Justice Department's priority in the search was securing the classified documents, people familiar with the investigation said. The action followed a series of exchanges in recent months over the government's interest in retrieving the documents, including a subpoena that prompted the June 3 hand-



Kash Patel, an aide in the Trump administration, is now informally advising former President Donald Trump's team on the legal response to the seizure of documents at Mar-a-Lago in Florida.

over of some materials at the property.

Mr. Patel said he wasn't aware of the subpoena when he first told a conservative news site that Mr. Trump declassified broad sets of documents. He said the packing and delivery of materials from the Trump White House was the responsibility of the General Services Administration.

A GSA spokeswoman told The Wall Street Journal that it "entered into a support contract, in this particular instance, for shipping of the pallets from Virginia to Florida—not for the packing of the boxes."

"The outgoing presidential

transition team and their volunteers were responsible for packing items," GSA added.

Whether the Justice Department pursues any criminal charges remains to be seen as investigators pore over the seized papers and assess the actions of those who had custody of them. The classification status isn't the only issue; laws cited in the search warrant prohibit the mishandling of material related to national defense, interference with federal investigations and concealing or destroying government records.

—Sadie Gurman and Jan Wolfe contributed to this article.

## Cheney Will Target 2020 Election Deniers

By SIOBHAN HUGHES AND JAN WOLFE

WASHINGTON—Rep. Liz Cheney (R., Wyo.) said on Sunday that her political focus after leaving Congress would go beyond challenging former President Donald Trump's hold on the Republican Party to include opposing candidates who promote Mr. Trump's false claim that the 2020 election was stolen.

"I'm going to be very focused on working to ensure that we do everything we can not to elect election deniers," Ms. Cheney said on ABC. "We've got election deniers that have been nominated for really important positions all across the country. And I'm going to work against those people. I'm going to work to support their opponents."

Ms. Cheney, the most prominent of the House Republicans who voted to impeach President Trump on a charge of inciting the Jan. 6, 2021, attack on the Capitol, lost her GOP primary election last week. Hours after her loss, she filed with the Federal Election Commission to transfer the remaining cash from her federal campaign account to a new political-action committee. She had more than \$7 million in cash on hand at the end of July, according to FEC filings.

Ms. Cheney's stature as a leading critic of Mr. Trump and her presumed ability to raise money have generated broad interest in her next



Rep. Liz Cheney spoke to supporters last week in Jackson, Wyo., following her primary defeat.

steps in politics. If she took action this year, her comments could translate into support for Democratic candidates in some races. In states including Nevada, Pennsylvania and Arizona, Republican nominees running for Congress, as well as for statewide offices such as secretary of state and governor, have promoted the idea that the 2020 election was stolen and that President Biden is an illegitimate president.

Ms. Cheney, in the interview Sunday, cited as potential targets Sens. Ted Cruz of Texas and Josh Hawley of Missouri, as well as Florida Gov. Ron DeSantis, all of whom are Repub-

licans with presidential ambitions. Of the two senators, she said that both "took steps that fundamentally threatened the constitutional order and structure in the aftermath of the last election. So, in my view, they both have made themselves unfit for future office."

The two senators objected in writing to certifying the results of the 2020 presidential contest. A photograph of Mr. Hawley with a raised fist earlier that day in solidarity with the Trump supporters surrounding the Capitol has become an iconographic image of Jan. 6.

A spokesman for Mr. Cruz said that "Sen. Cruz doesn't

need or want soon-to-be-former Rep. Liz Cheney's endorsement, and he wishes her the best of luck in the 2024 Democrat presidential primary." A spokesman for Mr. Hawley said "we wish her the best." Representatives for Mr. DeSantis didn't respond to a request for comment.

Ms. Cheney didn't offer details about the chance that she would run for the presidency in 2024 or, if she did run, whether it would be as a Republican or an independent. "Any decision that I make about doing something that significant and that serious would be with the intention of winning and because

I think I would be the best candidate," she said.

Ms. Cheney's landslide primary loss was another indicator of Mr. Trump's ability to shape the Republican Party. She was defeated by Harriet Hageman, an attorney who had Mr. Trump's endorsement.

Another test of Mr. Trump's influence will come with this fall's Senate elections. In some states, including Georgia and Pennsylvania, Republican candidates who won their primaries with Mr. Trump's support are now lagging behind in public opinion polls. In other states, top-tier Republicans, including Gov. Chris Sununu of New Hampshire, chose not to run for the Senate, despite appeals to do so from some party leaders.

Mr. Sununu on Sunday acknowledged difficulties facing some Republican candidates. "We've got to start focusing on closing this deal, making sure we cross the finish line with good candidates winning back the Senate," he said on Fox.

Ms. Cheney, the vice chair of the Jan. 6 select committee investigating the attack on the Capitol, said that she still hoped that the panel would hear testimony from former Vice President Mike Pence, who resisted pressure from Mr. Trump to stop or delay the certification of the presidential contest. She suggested it was still possible that the committee would ask Mr. Trump to testify.

"I don't want to get in front of committee deliberations about that," she said.

## Graham's Testimony In Georgia Is on Hold

By JAN WOLFE

WASHINGTON—Sen. Lindsey Graham (R., S.C.) has obtained a court order that temporarily delays his appearance before a special grand jury investigating whether then-President Donald Trump and others illegally tried to overturn the 2020 presidential election results in Georgia. He had been scheduled to testify on Tuesday.

In a brief order published on Sunday, the U.S. 11th Circuit Court of Appeals said there needs to be more argument on the scope of Mr. Graham's potential testimony.

The court didn't rule on whether Mr. Graham must testify, saying that for now it will put on hold his emergency motion to block a subpoena for his testimony.

The appeals court sent the dispute back to U.S. District Judge Leigh Martin May in Atlanta for further briefing on the protections afforded to Mr. Graham by the Constitution's Speech or Debate Clause, which protects members of Congress from questions about legislative actions.

A spokesman for the office of Democratic Fulton County District Attorney Fani Willis, who is leading the investigation through a special grand jury, declined to comment.

Mr. Graham is among a number of Trump allies who have been subpoenaed in the Fulton County probe, which has ramped up in recent weeks. The special grand jury doesn't have the authority to return an indictment, but it could make recommendations regarding criminal prosecution, according to Ms. Willis.

In the weeks after the November 2020 election, Mr. Graham made at least two phone calls to Georgia Secretary of State Brad Raffensperger and his staff, according to court documents. Mr. Graham has said he made those phone calls to gather information related to his roles as then-chairman of the Senate Judiciary Committee and as a senator tasked with certifying the 2020 election.

Judge May, the trial-court-level judge hearing the dispute, last week said Mr. Graham must testify.

Michael Stern, a former congressional lawyer not involved in the case, said he agreed with Judge May's ruling but added that some questions to Mr. Graham might be prohibited by the Speech or Debate Clause.

"Because this will entail a fact-specific analysis of each question and a procedurally complex process of appellate review, it is understandable that the 11th Circuit might want to provide more guidance to the state court in advance," Mr. Stern said.

## In New York, Elections and Districts Overlap

By JIMMY VIELKIND

Pat Ryan is running for Congress in New York's Hudson Valley this Tuesday. Twice. In two different districts.

The Democrat is simultaneously campaigning for a special election for the U.S. House in a district that will cease to exist come January and a primary in another that will partially take its place.

His opponent in the special election, Marc Molinaro, is also preparing to run for the House in November in a different newly created district, where he faces no opposition to become the Republican nominee.

"When special elections and redistricting collide, confusion ensues," said David Wasserman, editor of the Cook Political Report.

The Tuesday races, which center on New York and Florida, are the last major primaries of the year, with at least 15 new members from those states joining the next Congress as a function of retirements and newly drawn maps, according to the Cook Political Report, an elections analyst. Only five states will hold primary elections after Tuesday.

In Florida, Democrats will nominate candidates for governor and U.S. Senate to challenge Republican incumbents Ron DeSantis and Marco Ru-

bio. The Florida primaries are expected to advance a crop of Republicans with loyalties to former President Donald Trump. One example: Cory Mills, who endorsed the "Stop the Steal" movement that was linked with the Jan. 6, 2021, attack on the Capitol, is competing against Florida state Rep. Anthony Sabatini, who argued after the FBI search of Mr. Trump's Mar-a-Lago home that Florida should pass new laws to arrest FBI agents conducting federal business without the approval of the state.

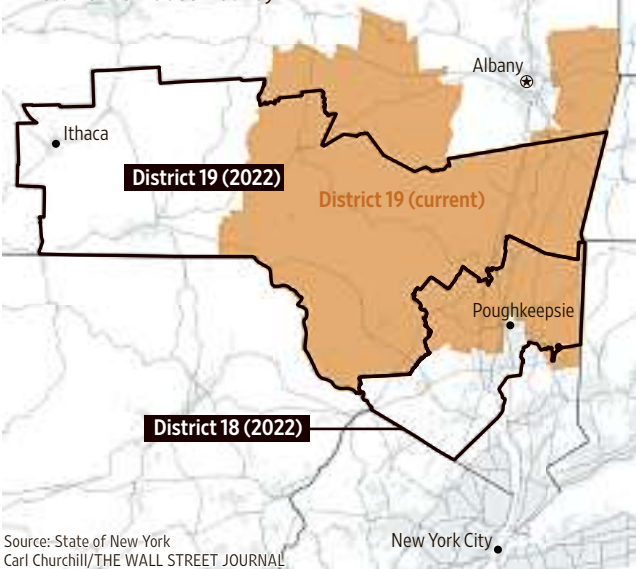
Both are vying to fill the seat held by Rep. Stephanie Murphy (D, Fla.), who decided to retire. Her district has been redrawn to include more Republican voters.

The Hudson Valley could play a key role in determining whether Republicans take back control of the House. Whoever candidate wins Tuesday's special election may have a leg up in November when he can run as a sitting member with seniority. Both Messrs. Ryan and Molinaro are expected to face competitive elections, regardless of whether they are already in Congress.

The overlapping elections in multiple districts are the result of three unusual political events in New York this year—the state's last-minute redistricting, a primary election delayed to August from June,

### Redistricting Confusion

Shifting congressional lines have made for a confusing campaign in New York's Hudson Valley.



Source: State of New York Carl Churchill/THE WALL STREET JOURNAL

and a scandal that resulted in the lieutenant governor's resigning.

Democratic Gov. Kathy Hochul called the special election for New York's 19th House District after she tapped former U.S. Rep. Antonio Delgado to be her running mate in November, replacing Brian Benjamin who resigned after he was charged in a bribery scheme. He has pleaded not guilty.

Mr. Molinaro, who is the executive, or top elected official, in Dutchess County, and Mr.

Ryan, who holds the same position in neighboring Ulster County, are running to replace Mr. Delgado.

There is no public polling in the election, but analysts said they expect the results will be close.

The special election is being held on the same day as congressional primaries that were supposed to occur in June, along with other primaries in the state. But a judge delayed the election after he redrew district lines created by Demo-

crats in the state legislature that he ruled violated anti-gerrymandering provisions.

Mr. Ryan, who is favored to win his primary, and Mr. Molinaro are running in two of those newly created districts, both of which encompass parts of the current 19th.

"Obviously the redistricting threw people into disarray—especially in the Hudson Valley, which is one of the few places in the country that's still relatively purple," said Martin Shaffer, a political scientist and dean of the school of liberal arts at Marist College in Poughkeepsie.

In addition to the Hudson Valley, the court-ordered redistricting created unexpectedly competitive primaries in several parts of the state.

Democratic U.S. Reps. Jerrold Nadler and Carolyn Maloney are now campaigning against each other in Tuesday's primary to represent a new district that includes Midtown Manhattan and residential areas around Central Park. U.S. Rep. Mondaire Jones was squeezed out of his plans to run for re-election from his Lower Hudson Valley home and is now one of a dozen Democrats vying to represent a new district covering lower Manhattan and parts of Brooklyn.

—Siobhan Hughes contributed to this article.



U.S. NEWS

Bit Player in College Scandal Had Inside View

By MELISSA KORN

In early 2013, Mikaela Sanford responded to a Craigslist job posting for a small Sacramento company with mundane-sounding responsibilities: communicating with contractors, overseeing data entry and handling client correspondence.

The job led to a felony conviction and a front-row seat to what became known as the Varsity Blues college-admissions cheating scandal.

Ms. Sanford worked for six years at the Key, the company run by William “Rick” Singer, that provided standard college counseling and test prep—as well as a side menu of illicit services involving fraud and bribery. She pleaded guilty in 2020 to racketeering conspiracy and was sentenced in May to one year of supervised release and a \$67,062 forfeiture order.

Ms. Sanford, 36, testified last fall at the Boston trial of two parents who worked with Mr. Singer, but she hadn’t spoken publicly about the case until a recent interview with The Wall Street Journal.

Within a few months of starting her \$60,000-a-year job at the Key, Ms. Sanford said, Mr. Singer asked if she would be willing to take an online algebra class for a student. Ms. Sanford said she warned that she probably wouldn’t get an A, but agreed and didn’t ask further questions.

She wound up taking online classes for about a dozen students, she said, earning \$700 or \$1,250, depending on whether it was a high school or college course. Ms. Sanford wasn’t the only employee taking classes for students and said she feared being fired if she declined continued requests.

Mr. Singer has pleaded guilty to four felonies and is scheduled to be sentenced in November. His lawyer declined to comment.

Ms. Sanford said her boss was brusque and moody, prone to yelling, and spread thin, with a number of side projects



Mikaela Sanford last week. She worked for Rick Singer and pleaded guilty to racketeering conspiracy.

beyond college counseling for a growing roster of teens. In Ms. Sanford’s early years at the company, Mr. Singer was juggling a summer enrichment camp, a partnership with financial advisers at Oppenheimer and a self-published book.

Ms. Sanford said she helped serve as point person for some of those projects, and each fall used spreadsheets to track teens’ college choices and on-line-application login details.

‘I didn’t think they were there for me,’ Ms. Sanford said of the agents at her door.

She input their biographical information while Mr. Singer and others polished essays and pieced together extracurricular résumés.

She said she grew frustrated with Mr. Singer’s sometimes sloppy edits and typos and noticed clients expected more hand-holding than he personally offered; he called teens “my guy” and “my gal” because he couldn’t remember their names. She would go months

without seeing him in person.

Ms. Sanford soon started cleaning up personal statements; she would sometimes flag what she thought was an error, like a reference to a particular club or sport, but said Mr. Singer advised her not to make changes.

She also fielded late-night calls from parents who demanded concierge-level service on tasks unrelated to admissions, straddling the line between overinvolved helicopter parents and executives accustomed to outsourcing many tasks. “There were some parents who literally gave me nightmares,” Ms. Sanford said.

One father asked her to locate his son’s next class at a private college in Southern California. “I was like, ‘You’re in San Diego. I’m in Sacramento,’” she said. “I can’t help you with that. How am I supposed to help you? Your son can look at a map.”

She also submitted applications to schools—a perk for busy parents and unmotivated or overwhelmed teens, and a crucial part of Mr. Singer’s successful fraud scheme.

Without teens seeing, Mr. Singer could swap in new essays or add athletic profiles to show they excelled in soccer or

rowing. Mr. Singer admitted to bribing college coaches to flag clients as athletes, whether or not they were, essentially guaranteeing their admission to top schools.

In a letter to U.S. District Judge Indira Talwani before her sentencing, Ms. Sanford said she knew of some of Mr. Singer’s “unprincipled practices,” but “had no idea of the lengths that my former boss went to secure college acceptances for his clients.”

Ms. Sanford tied her fortunes more closely to Mr. Singer in late 2016, when she defaulted on her student loans and needed to make an \$11,000 payment or face possible legal action. Mr. Singer lent her the money, to be deducted from her paycheck over about three years. If Ms. Sanford left, she said, she would have needed to pay back the remainder immediately. She said she didn’t like the job anymore, but she thought she couldn’t quit.

In November 2018, Ms. Sanford found—and largely dismissed—a red flag about Mr. Singer’s legal trouble. While looking for a client’s address, she saw emails about the logistics of wearing a wire to record conversations and how clients didn’t know exactly how the

money they sent to coaches would be used.

“It made no sense to me,” she said. “I read through it, and then I just closed it.”

A friend rightly guessed Mr. Singer was working as an informant. Federal agents confronted Mr. Singer in September 2018, and he was cooperating with their continuing investigation.

Ms. Sanford said she instead thought he was maybe serving as an expert witness.

Mr. Singer dropped another hint about the legal matter in January 2019, when, during a meeting Ms. Sanford requested to discuss a raise, he said the company’s operations were going to change dramatically. Mr. Singer said the government saw donations to schools as bribes, and more details would come out in March. “I thought he was being cagey in that conversation, but I just assumed it was one of those things that the less I know, the better,” Ms. Sanford said.

When federal agents knocked on her door the morning of March 12, 2019, Ms. Sanford thought they would search for records and seize her laptops. “I didn’t think they were there for me,” she said. “And then they announced that they were arresting me.”

Reflecting on what happened in the case, Ms. Sanford said she was skeptical that the families charged stole spots from more deserving and less privileged students. “I don’t want to come across as though I’m saying anything in defense of some very indefensible actions,” she said. However, the spot “probably would have gone to another person that looked like and came from a similar socioeconomic background” as her clients.

Ms. Sanford is now working for the same nonprofit association she quit to take the job at the Key in 2013. A self-described tabloid junkie, Ms. Sanford said she doesn’t begrudge the public for finding the Varsity Blues case enthralling.

“I loved a good scandal,” she said. “I just never thought I’d be a part of one.”

California Wildfire Is 95% Contained

By GINGER ADAMS OTIS

The McKinney Fire, California’s largest wildfire of the year, was 95% contained, officials said Sunday, nearly a month after it first erupted near Klamath National Forest.

The fire, which began July 29 in Northern California, has scorched 60,138 acres, claimed four lives, and spurred hundreds of evacuations. It also destroyed or damaged more than 100 homes, officials said.

The Siskiyou County Sheriff’s Office on Friday identified the victims killed in the blaze as local residents Kathleen Shoopman, 73 years old; Charles Kays, 79; Judith Kays, 82; and John Cogan, 76.

The sheriff’s office didn’t offer details on how they died but it previously said that two people were found in a burned-out car, likely killed as they tried to evacuate, and the other two died in their homes. DNA and dental records were used to identify the victims killed as the McKinney Fire ripped through Klamath River, a community of a few hundred residents, officials said.

Investigators have yet to determine a cause for the fire. A lawsuit filed Thursday in Sacramento Superior Court on behalf of roughly 25 affected homeowners alleged that electric utility PacifiCorp is responsible for the blaze. It alleged that the wildfire started after “electrical equipment within PacifiCorp’s utility infrastructure contacted, or caused sparks to contact, surrounding vegetation.”

A spokesman for PacifiCorp, an Oregon-based unit of Berkshire Hathaway Energy, said the company doesn’t comment on pending litigation.

While the blaze was 95% under control, firefighters were still working to stamp out its final hot spots, according to the U.S. Forest Service.

U.S. WATCH



AIR TRAVEL: Flight plans were looking up Sunday at the Great Falls Balloon Festival in Lewiston, Maine.

NEW JERSEY

Actor Busey Charged With Sex Offenses

Actor Gary Busey was charged with sex offenses arising from his appearance at a horror film convention this month at a hotel, police said Saturday.

Mr. Busey, 78, of Malibu, Calif., was charged with two counts of criminal sexual contact as well as one count of harassment and one count of attempted criminal sexual contact, according to the police in Cherry Hill, N.J. The charges arose from complaints at the Monster-Mania convention at a hotel in the Philadelphia suburb that took place from Aug. 12-14, police said.

Mr. Busey didn’t answer a phone number listed for him in public records on Sunday. Two agents listed on the actor’s website didn’t immediately return emails seeking comment.

A lawyer for Monster-Mania said Sunday that organizers were assisting authorities in their investigation. “Immediately upon receiving a complaint from the attendees, the celebrity guest was removed from the convention and instructed not to return. Monster-Mania also encouraged the attendees to contact the police to file a report,” the lawyer, Nikitas Moustakas, wrote in an email.

—Jimmy Vielkind

INDIANA

Three Students Killed As Vehicle Hit Tree

Indiana State University said Sunday that three students died in a single-vehicle accident.

A release from the university’s athletics department said five people were in the vehicle when it crashed, including several football players. Police were working to identify the three who died.

Vigo County Sheriff John Plasse said the crash occurred around 1:30 a.m. Sunday in Riley, Ind. The vehicle left the roadway and hit a tree. It was on fire when deputies arrived.

Two passengers were freed from the vehicle and were being treated for serious injuries, Sheriff Plasse said. The driver and two other passengers were pronounced dead at the scene.

—Associated Press

DELAWARE

First Lady Ends Covid-19 Isolation

First lady Jill Biden left Covid-19 isolation on Sunday after twice testing negative for the coronavirus, and reunited with President Biden at their Delaware beach home.

She had been isolating in

South Carolina, where she tested positive for the virus as the couple wrapped up a vacation there last week. The president made a brief stop at the White House before going to Wilmington, Del. He arrived in Rehoboth Beach on Saturday night.

The White House said on Tuesday that the 71-year-old first lady had tested positive for the virus. Like the president, she has been twice vaccinated and twice boosted with the Pfizer Covid-19 vaccine. President Biden, 79, recovered from a rebound case of the virus earlier this month.

—Associated Press

WEST VIRGINIA

More Rains Trigger Flash Flood Warning

A flash flood warning was issued Sunday in West Virginia as heavy rain fell on parts of the state, weather officials said.

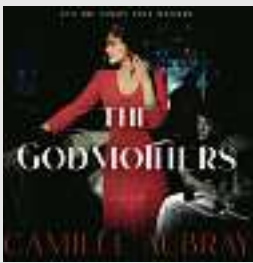
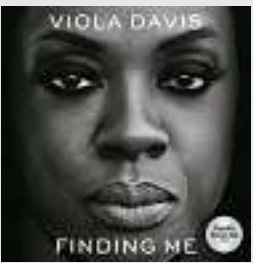
The warning was issued by the Charleston office of the National Weather Service for the towns of Madisonville, Chapmanville and Danville.

Sections of West Virginia flooded last Monday after up to 5 inches of rain fell in some areas. West Virginia Gov. Jim Justice had declared a state of emergency in two southern counties.

—Associated Press

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# WORLD NEWS

## Nationalists Slam Kremlin War Effort

Far-right figures and hawkish bloggers give rare criticism of Russia's battlefield performance

By YULIYA CHERNOVA

In Russia, nationalist figures and pro-war bloggers volley criticism at the Kremlin for failures and missteps by Russian forces in the war in Ukraine. Their narrative contradicts the version promulgated by the Kremlin, which otherwise has suppressed negative coverage of Russia's performance.

In Telegram channels, critics who generally support Russia's campaign in Ukraine are faulting the government of Russian President Vladimir Putin for Russia's inadequate preparation for the war, an unnecessarily high rate of casualties and the slow pace of Russia's offensive.

"While the Kremlin continues to slowly chew the usual snot, our respected Ukrainian partners are matter-of-factly destroying everything they can reach," wrote Igor Girkin,

a far-right nationalist, after Ukrainian forces struck Russian targets with U.S.-supplied weapons in July. "The failure of the Russian military strategy in Ukraine is obvious," he said earlier this month.

Mr. Girkin, who commanded pro-Russian separatist forces in 2014 seeking to break the Donbas region from Ukraine's control, is among the most vocal critics of the Russian performance in the war.

Such voices—many urging the Kremlin to become more aggressive in Ukraine—could lay the groundwork for a military draft, which Mr. Putin so far has avoided, according to analysts.

"A lot of these commentators complain that the Russian government doesn't go far enough," said Rob Lee, a senior fellow at the Foreign Policy Research Institute. "If Putin decides to escalate the war, they will support it, they would be happy with that. In that regard, they would be useful to the government."

"Putin probably realizes that there are big military failures you can't deny," Mr. Lee



Igor Girkin, a Russian far-right nationalist, is among the most vocal critics of his country's performance in the war in Ukraine.

said. "There has to be an outlet for it. Maybe, as long as it's directed at the military leadership, rather than political leadership, it's fine."

Mr. Putin held a closed-door meeting with military correspondents in June, according to Russian state media.

The Kremlin didn't respond to a request to comment.

The pro-war critics don't toe the official Kremlin line

that the war is going according to plan. They call the conflict a "war," rather than as a "special military operation," as required by the Kremlin, and they mock some of the Russian Defense Ministry's obfuscations.

Earlier this month, after explosions rocked an air base in Crimea—an area of Ukraine illegally annexed by Russia in 2014—the Russian Defense Ministry claimed that ammu-

nition at the base detonated. The ministry also said that no aircraft were damaged and that there were no injuries on the Russian air base there.

"If this was a fire, then it was a very shameful fire. Jokes aside, I bet on a strike by cruise missiles," wrote Roman Saponkov, a war correspondent embedded with Russian troops in Ukraine. Mr. Saponkov didn't respond to a request to comment.

A popular pro-Russia Telegram channel called "Voennyyi Osvedomitel," or "War Informer," posted a photo of a destroyed plane at the air base and reported on injuries and a death caused by the explosions, citing local officials.

Later, satellite images showed extensive damage to aircraft on the base.

Telegram is one of the few information spaces easily accessible to Russians that offer a variety of views on the war. In Russia, critical commentary by think tanks and universities is censored, according to Mr. Lee. State-backed media dominate Russian news outlets and only very rarely allow any acknowl-

edgment of Russian weakness.

"In two days of fighting in the conditions of 'open fields' I lost five [fighters] irretrievably, while seven were wounded. In terms of those killed, that's a higher count than in the three months in the battles for Mariupol," wrote veteran Donbas commander Alexander Khodakovsky on his Telegram channel earlier this month. The post received more than two million views.

Russia's Ministry of Defense said in March that 1,351 Russian soldiers have been killed in the conflict, a figure it hasn't since updated. The Pentagon thinks as many as 80,000 Russian service personnel have been wounded or killed.

Criticism by pro-war and pro-Russian commentators intensified last month, after a Russian offensive in the eastern Ukrainian region of Donbas slowed to a crawl.

The pro-war voices also expressed outrage that Ukraine began using U.S.-supplied multiple-launch Himars rocket systems and other precision weapons to hit Russian ammunition depots and command centers.



Daria Dugina, daughter of far-right ideologue Aleksandr Dugin, died when the car she was driving exploded outside Moscow. She was a supporter of Mr. Dugin's brand of Russian nationalism.

## Russians Investigate Car Bomb

Continued from Page One  
ogies and absolute Russophobia."

"We began this operation very delicately and carefully," she went on, referring to the brutal, full-scale invasion launched by Russia in February. "But maybe sometimes we should be more harsh, and forgive less."

The U.K. government imposed sanctions in July on Ms. Dugina, describing her as "a frequent and high-profile contributor of disinformation in relation to Ukraine and the Russian invasion of Ukraine on various online platforms."

Footage posted to social media after the bombing showed Mr. Dugin at the scene, holding his head in his hands as he stood amid what appeared to be debris from the explosion.

Kyiv denied responsibility. "Ukraine has no connection to yesterday's explosion because we are not a criminal state like Russia," Mykhailo Podolyak, an adviser to President Volodymyr Zelensky of Ukraine, said in a TV interview.

It was unclear whether Ms. Dugina or her father was the intended target.

Also this weekend, Mr. Zelensky warned of a possible escalation by Russia ahead of Ukraine's Independence Day. "We should be conscious of the fact that this week Russia may try to do something particularly nasty," the Ukrainian leader said in his daily video address on Saturday. "But Russia has done the same constantly each week throughout the past six months."

Mr. Zelensky didn't give details in his speech as to what he believed Moscow was planning, but tensions have been rising amid suspected Ukrainian attacks on military infrastructure on the Russian-controlled Crimean Peninsula and on Russian territory close to the border with Ukraine.

Officials in Kyiv have warned that Russia could stage renewed attacks to coin-

cide with Independence Day on Wednesday. Any large gathering creates a possible target, meaning the military parades of the past are out of the question, and no official celebrations are expected during this year's anniversary.

In the northeastern Kharkiv region, part of which remains under Russian occupation, governor Oleh Synehubov announced restrictions on movement this week including a 36-hour curfew beginning on the eve of Independence Day Tuesday until early Thursday.

"Please treat such steps with understanding and prepare to stay at home or in bomb shelters—this is our security," he wrote on the Telegram social-media platform. "We won't give the enemy the chance for any provocations."

As the war nears the six-month mark, Russia is increasingly feeling the fallout. Strikes on military facilities in Crimea, the Ukrainian peninsula that Russia annexed in

### Mr. Zelensky warned of possible escalation by Russia ahead of Independence Day.

2014, have brought the war close to home for many Russian citizens. They have also forced Russian-installed officials in Crimea to increase security, potentially drawing some forces away from the front lines in Ukraine.

While Ukraine hasn't officially taken responsibility for the attacks, Ukrainian officials have privately confirmed Kyiv was behind the incidents. Footage posted to social media overnight into Sunday showed what appeared to be Russian air defenses firing from the peninsula, accompanied by comments from locals expressing surprise at the spectacle.

In a possible sign of the conflict broadening in the region, Albania, a member of the North Atlantic Treaty Organization, said Sunday that it was investigating the circumstances surrounding the arrest of two Russian nationals and a Ukrainian who were trying to enter a military weapons factory in central Albania.

Two Albanian soldiers were

injured at the Gramsh plant Saturday when one of the Russians aimed what the Albanian Defense Ministry said was a chemical spray at their faces after trying to take photographs at the facility.

The Russian, 24 years old, was taken into police custody, while the two other suspects, 33 and 25, were detained outside the perimeter of the factory, the Defense Ministry said.

The incidents come as Russia continues to stall in its military campaign to seize swaths of Ukraine's east, with no significant territory gained since it captured the cities of Lysychansk and Severodonetsk more than six weeks ago. A Russian offensive to take the city of Bakhmut grinds on as Ukraine focuses some of its resources on preparations for a counteroffensive to liberate territory taken by Russia in the south, laying the groundwork with strikes on ammunition depots that are severing Russian supply lines.

"Let's already today contemplate, see, and assess what road we have traveled," Mr. Zelensky said in his address. "How much we managed to achieve in this fight, to tear from the grasp of the Russian army, which for decades was thought to be unbeatable."

Meanwhile, Russia has continued rocket strikes on major Ukrainian cities including Mykolaiv and Odessa in the south, where a deal brokered by Turkey and the United Nations to resume the export of grain from Black Sea ports is being monitored by the Ukrainian military amid constant threats of Russian attack.

Officials in Odessa said that its air defenses had intercepted two Russian Kalibr missiles fired from Russian ships on the Black Sea early on Sunday, with three other missiles hitting an agricultural enterprise near the city and damaging grain silos there.

In Ukraine's south, a Russian-held area that includes the Zaporizhzhia nuclear power plant has seen fierce fighting as Ukrainian troops target Russian positions and Moscow pushes to shore up its defenses. Both sides have accused each other of endangering the plant and risking a nuclear incident.

—Arlis Alikaj contributed to this article.



A Ukrainian forensic police officer examined shrapnel Sunday following a missile strike in a village near the city of Kharkiv.

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WORLD NEWS

# U.S. and Seoul Revive Live Drills

Show of military might is seen as likely to irritate neighboring North Korea and China

By DASL YOON

SEOUL—For the first time in four years, the U.S. and South Korea will revive their live-action military drills, sharpening their preparedness as the North Korean nuclear threat worsens and China steps up its presence around Taiwan.

The 11-day joint drills, which start Monday in South Korea, are expected to feature once again jet fighters soaring in the skies, tanks rumbling down roads and thousands of soldiers simulating a conflict with the Kim Jong Un regime.

While a return to the large-scale exercises indicates that the U.S. and South Korea are normalizing their military alliance, the move will likely only encourage North Korea's current move toward nuclear modernization, said Van Jackson, a former Obama administration Pentagon official now at New Zealand's Victoria University of Wellington. For the governments in Beijing and Pyongyang, the military exercises will justify their defiance of Washington and its allies, he added.

"They will nudge China and North Korea closer together," said Mr. Jackson, referring to the large-scale exercises.



South Korean soldiers last week after carrying out a live-fire exercise north of Seoul, days before joint drills with the U.S.

China has expressed concern over U.S. expansion of military exercises with its allies, saying it could raise tensions with North Korea. China is likely most concerned about the U.S.'s surveillance operations conducted during the joint exercises, which can gather intelligence on North Korea's and China's military facilities with surveillance aircraft involved in the drills, according to security experts.

The annual summertime training, known as Ulchi Freedom Shield, had been largely reduced to computer simulations since 2018. At the time, President Donald Trump, fresh off his first meeting with Mr. Kim in Singapore, ordered the training to be scaled down, criticizing it as costly and provocative.

South Korea's then-leader, who favored engagement with Pyongyang, didn't oppose the move.

The U.S. and South Korea have in recent years said readiness levels could be maintained despite the reduced exercises. Retired South Korean military officials have said preparedness has suffered, adding that the digital training doesn't replicate the shoulder-to-shoulder action required should war erupt.

Some active-duty soldiers have even expressed concern about the lack of field drills, said Cho Dong-youn, a former South Korean army major and a military-studies professor at Seo Kyeong University in Seoul. "The outdoor exercises are essential in building cooperation

between the U.S. and South Korean forces and practicing crisis management," Ms. Cho said.

The political and security picture has changed in northeastern Asia since the U.S.-South Korean drills were toned down in 2018. President Biden has made strengthening alliances a priority, while South Korean President Yoon Suk-yeol, who took office in May, backs a toughened posture with the Kim regime. The two leaders, in a meeting in Seoul, agreed to expand the field exercises and boost deterrence if necessary.

North Korea has restarted testing of intercontinental ballistic missiles and appears to be preparing for its first nuclear test since 2017. Russia has invaded Ukraine, while tensions between the U.S. and China have risen after a visit by House Speaker Nancy Pelosi to Taiwan.

The return to military training by the U.S. and its allies extends beyond joint drills in South Korea. The U.S., South Korea and Japan recently concluded missile-tracking and defense exercises in the waters off Hawaii, the first such combined training since 2017.

Starting on Monday, South Korea and the U.S. will conduct 11 joint field exercises including drills designed to simulate repelling a North Korean attack and exercises simulating joint attacks and removal of weapons of mass destruction, according to South Korea's Defense Ministry.

U.S. Forces Korea, which oversees roughly 28,500 American personnel stationed in South Korea, declined to comment on the drills.

While the U.S. and South Korea argue that the exercises are defensive in nature, the drills have long irritated North Korea, which considers them a rehearsal for an invasion.

In a speech last month, Mr. Kim referred to the military exercises as he accused the U.S. and South Korea of engaging in "dangerous, illegal, hostile acts." He threatened to annihilate South Korea's military and said the country's nuclear missiles are ready for a conflict with the U.S.

Mr. Kim's sister, who serves as the regime's mouthpiece, accused South Korea in a statement published Friday by Pyongyang's state media of conducting war exercises. In the short term, North Korea will likely use the joint exercises for propaganda purposes to justify future provocations and its seventh nuclear test, according to security experts. The Kim regime has conducted a record number of weapons tests this year.

"The joint drills will trigger an angrier response, especially as North Korea has rejected Washington and Seoul's calls for talks," said Park Won-gon, a professor of North Korean studies at Ewha Womans University in Seoul.

# In U.K., Tories Test Internet Voting

By DUSTIN VOLZ

LONDON—Members of the U.K.'s ruling Conservative Party who are voting to decide the country's next prime minister are for the first time casting ballots online in a leadership election, a rarity among democracies wary of internet voting because of cybersecurity concerns.

Over a several-week period, the party is offering internet voting alongside voting by mail, in part to provide greater convenience during August weeks when Britons take vacation and to avoid disruptions by striking postal workers. The results are to be announced Sept. 5.

The Conservatives are sending qualifying members a ballot pack in the mail that will include a paper ballot to be returned by mail and information and security codes for voting online. "We recommend online voting where possible," the party states on its website.

The party sought guidance from Britain's National Cyber Security Centre, or NCSC, and a Tory spokesman said the party was confident the leadership election would be secure. "We have consulted with the NCSC throughout this process," the spokesman said.

Election-security analysts fear the system is vulnerable to interference by hackers.

"We do not have the technology to conduct voting securely online and so it should not be deployed for high-stakes elections," said Peter Ryan, a professor of applied security at the University of Luxembourg. "And I count this as rather high stakes."

Internet voting has long been considered off-limits in the U.S. by most cybersecurity experts and election officials. Ahead of the 2020 presidential election, federal agencies warned states that voting over the internet would pose a high cybersecurity risk, The Wall Street Journal has reported.

The warning came as some U.S. states considered expanding online voting amid the coronavirus pandemic. The federal agencies drew a distinction between the electronic delivery of blank ballots to voters, which it rated a low risk, and enabling voters to return completed ballots electronically, a high risk.

No U.S. state permits all of its voters to cast a ballot online, but some allow overseas, military voters or disabled voters to do so. Some states send blank ballots electronically for voters to print and return by mail.

The British leadership contest is now a two-person race between Foreign Minister Liz Truss and Rishi Sunak, the former treasury chief, who are vying to replace Prime Minister Boris Johnson, who was ousted in July after a series of scandals. Opinion polls show Ms. Truss with a large lead.

Conservative lawmakers narrowed the field of candidates in previous rounds of voting this year, and some 160,000 rank-and-file party members will be eligible to choose between the two.

# Somali Forces End Terrorist Siege of Hotel

Somali security forces ended a 30-hour siege of a popular hotel by Islamist militants in which 21 civilians were killed by gunfire and explosives, police said, the deadliest attack in the East African nation's capital in months.

By Abdulkadir Fooday in Mogadishu, Somalia, and Gabriele Steinhäuser in Johannesburg

At least 117 people were injured after gunmen detonated explosives and stormed the Hayat Hotel, located just over a mile from Mogadishu's international airport, on Friday evening, Health Minister Ali Haji Adan said. Fifteen were still in critical condition, he said Sunday as he visited victims in a Mogadishu hospital.

Photos posted on social media by Somalia's state news agency showed part of the hotel's roof and yellow-red facade collapsed after security forces used heavy weapons to root out the gunmen and regain control of the hotel.

Somali authorities didn't say who was behind the assault on the Hayat, a popular hangout for local politicians and businessmen, but called it a terrorist attack. Somalia's local al Qaeda offshoot, al-Shabaab, claimed responsibility for the siege in a statement issued by its Shahada News Agency and translated by SITE Intelligence Group, which monitors extremist media.

In the statement, the group claimed that the attack had resulted in the deaths of 63 government officials and members of Somali security forces.



The damaged Hayat Hotel seen Sunday after security forces ended an attack by militants. Bodies of alleged attackers lie on the ground.

It also said that some of its fighters had managed to leave the building and were making plans for follow-up attacks. A representative for the Somali police wasn't immediately able to comment on the group's claims.

Al-Shabaab has been mounting an insurgency across Somalia for nearly two decades and regularly targets hotels, where many local politicians and traditional leaders have taken up quarters in the hope of better security.

The group is widely considered one of al Qaeda's most effective foreign offshoots and President Biden earlier this year ordered hundreds of American special operators to set up camp in Somalia to train and advise local commandos to fight al-Shabaab. Former President Donald Trump pulled some 700 U.S. troops from the country in the final days of his term.

Mohamed Hassan Xad, who is the leader of Mogadishu's powerful Hawiye clan and lives at the Hayat, said he was sitting in one of the hotel's patio areas with three friends when they heard a powerful

blast outside and then saw several gunmen storm the compound.

The attack started just after evening prayers on Friday, when the Hayat was packed with families, including children, enjoying their weekend dinner. The gunmen immediately started firing at the guests, some of whom tried to take refuge on the hotel's upper levels, Mr. Hassan said.

"Everybody was shocked and ran for safety," he said. Mr. Hassan said he and his friends hid in a small alleyway inside the hotel complex for

nearly five hours until they were rescued by security forces. "The government forces arrived late," he said.

Many Somalis criticized the authorities' response to the attack, Mogadishu's deadliest since President Hassan Sheikh Mohamud took office in May, as slow. Somalia's police commander, Abdi Hassan Mohamed, said his officers' priority was to rescue the people stuck inside the hotel.

Al-Shabaab's insurgency is exacerbating the effects of a record-breaking drought in the Horn of Africa region.

## FROM PAGE ONE

# Phone Sales Slow Down

Continued from Page One  
Corp. The biggest drag on the market was China, but the U.S. and most other regions were also weaker, IDC said.

Sean Mullee, a 23-year-old economist in Washington, D.C., recently moved to the capital from Ohio and said he found the cost of living high, especially now with inflation running at more than 8%. Mr. Mullee, who has an iPhone X he got a couple of years ago, said he wasn't planning to upgrade for now.

"When your car breaks down, it's like, 'OK, well I need a car, so I have to go get one.' But until then, I'm going to keep putting it off," he said. The situation has changed

from the first two years of the pandemic, when people staying at home were using their phones more. In that period, demand was strong and the biggest problem for the industry was the supply chain, which was hit by shipping delays, Covid-19 lockdowns and a shortage of semiconductors. Those issues haven't gone away but are gradually easing.

"What started out as a supply-constrained industry earlier this year has turned into a demand-constrained market," said Nabila Popal, an analyst with IDC.

The slowdown isn't uniform. Sales of smartphones priced above \$900 grew more than 20% in the first half of this year compared with the same period a year earlier, according to Counterpoint Research. The segment includes Samsung's foldable smartphones and many of Apple's latest iPhones.

Only about one in 10 smartphones globally fell into that premium category in the first

half of the year, but it accounted for 70% of industry profits, Counterpoint said. Canals Research analyst Rutar Bjørhovde said wealthy consumers aren't as bothered by the higher cost of daily expenses and still want to have the latest phones in their pockets.

On the flip side, some big carriers are seeing more subscribers default on their payments as inflation takes a bite out of household finances. "Naturally they're not going to see people buying new phones if they can't even pay for their phone subscriptions," Mr. Bjørhovde said.

Samsung introduced budget 5G models in March, a move it said was aimed at stimulating demand, while it is also pitching foldable phones that cost as much as \$1,800 in the premium market.

Apple, which is expected to roll out the latest versions of its iPhone in September, benefits from being primarily a high-end brand, but there are

signs that it can't rest easy.

The biggest iPhone assembler, Foxconn Technology Group, said this month that it saw slowing demand for smartphones, as did Qualcomm Inc., a chip supplier to Apple and others, in July.

Apple supplier Taiwan Semiconductor Manufacturing Co., a leader in advanced smartphone chips, said re-

cently that its smartphone business is no longer its biggest revenue generator. The No. 1 spot is now held by high-performance computing chips that are used in applications such as graphics processing and autonomous driving.

China, which accounts for nearly a quarter of global smartphone shipments, is at the center of concerns about global demand. From July 29 to Aug. 1, Apple took the unusual step of discounting its iPhones in China and running ads online advertising the sale. It knocked the equivalent of nearly \$100 off the price of its iPhone 13 Pro Max and 13 Pro models.

Wang Xiang, the president of Xiaomi, alluded to a similar situation on Friday when reporting the company's weak results, including a 67% drop in net profit.

"Due to the weak market demand, we are trying various ways to clear our inventory, which has caused a decline in profit," he said.

Zhao Haijun, co-chief executive officer of Shanghai-based Semiconductor Manufacturing International Corp., said he saw some companies involved in making smartphones or smartphone parts suddenly cutting orders.

"That triggered a panic in the supply chain," Mr. Zhao said on an investor call this month.

Feng Xiao, a 37-year-old sports-event organizer based in Shanghai, echoed Mr. Mullee in the U.S. when asked whether she was planning to upgrade her phone. "My iPhone 12, which I've used for about two years, is still just fine," she said.

Analysts said they thought demand would likely start to improve later this year or next year and the people who say they are happy with their phones would eventually get restless. That assumes there won't be major global disruptions such as a deepening of the U.S.-China conflict over Taiwan or a new surge in inflation.

"We continue to believe that any reduction today is not demand that is lost, but simply pushed forward," IDC's Ms. Popal said.

—Jiyoung Sohn contributed to this article.



WORLD NEWS

# Hamas Considers Cost of Conflict

GAZA CITY—Tensions between Israel and Palestinian militants have twice erupted into violence in recent months, but Hamas, usually a central player in the long-running conflict, has sat out on both occasions.

By *Dov Lieber, Aaron Boxerman and Anas Baba*

Israeli officials and analysts in Gaza say the militant group, which seized control of Gaza in 2007 and now runs its government, is hamstrung by an Israeli policy that bypasses Hamas and provides direct economic benefits to residents of the Palestinian enclave.

Israel has loosened its own restrictions on imports to Gaza and helped facilitate exports, as well as bolstering supplies of water, medicine and fuel. Most significantly, new work permits have allowed thousands of Gazans to find jobs in Israel for the first time since Hamas took charge in Gaza, paying off debts and supporting their families, which can often number more than a dozen people.

The new approach, led by

Israel's Defense Minister Benny Gantz and initiated following a deadly battle with Hamas last year, has raised the cost of direct conflict for the militant group.

Hamas is facing calls for protests demanding it improve the quality of life in the Gaza Strip, where rolling blackouts, high unemployment and escalating global food prices have further crippled an economy already hobbled by a 15-year blockade imposed by Israel and Egypt.

By unbolting some of the strictures it imposes on the Strip and threatening to reimpose them should Hamas attack, Israel has forced the militant group to choose between violent confrontation with its neighbor and preserving those economic incentives for its populace.

The dilemma is starting to alter Hamas's operation in the Gaza Strip and its approach to Israel, but also potentially allowing time for the group to rearm, analysts say.

Hamas's arsenal and weapons-production facilities came under intense Israeli fire last year after the group launched thousands of rockets at Israel.

And, away from Gaza, Hamas has sought to stoke tensions in Jerusalem and the West Bank by using its robust media arm to call on Palestinians to carry out attacks against Israelis.

Still, earlier this month, Hamas sat on its hands during a three-day battle between Israel and Islamic Jihad. Before that, the group refrained from attacking Israel during clashes between Israelis and Palestinians in Jerusalem—circumstances that mirrored events in May 2021 before it moved to fire rockets at Jerusalem.

The stretch between that 11-day battle and the recent clash with Islamic Jihad amounted to the longest period of relative calm on the Israel-Gaza border since Hamas took over the enclave.

"That is a testament to the success of this policy shift of this government over the last year," said a senior Israeli official. This time Hamas "stayed out of it and took a step back. It seems they weren't interested in the escalation in the first place," the official added.

To be sure, Israel still regards Hamas as a threat.

The Israeli official added



Fighters with the military wing of Hamas marched in the Gaza Strip in July to mark an anniversary.

that Hamas remained committed to armed conflict with Israel and said the policy hadn't transformed the group into a partner for political dialogue.

"Hamas is still a terrorist organization dedicated to Israel's destruction. Hamas is not a partner. It's an enemy," the official said.

A senior Hamas official said the group's decision not to engage militarily in the recent conflict was taken on tactical and humanitarian grounds.

"We have specific considerations: balancing resistance to the occupation with our obligation to provide a dignified

life for citizens in Gaza," Ghazi Hamad said.

But, he added, the Israeli approach of providing some economic benefits without ending the blockade of Gaza was unacceptable.

Israel and Egypt imposed a tight blockade of the Gaza Strip after Hamas took control 15 years ago.

The Israelis say the restrictions on people and goods prevent an even greater threat from the militants, while human-rights groups say they have impoverished ordinary Gazans.

More than half of Gaza's 2.1

million residents live in poverty, many in crowded refugee camps, and the shaky electrical grid provides an average of 12 hours of power a day. Restrictions on material Israel fears Hamas will use against it mean construction proceeds slowly and hospitals struggle for equipment.

In the short term, Israel's economic approach to Gaza has worked, said Fayeze Abu Shemala, a columnist seen as close to Hamas. "As the number of workers increases, and quality of life increases, the impulse to fight decreases," Mr. Abu Shemala said.

## WORLD WATCH

### JAPAN

#### Prime Minister Tests Positive for Covid-19

Japanese Prime Minister Fumio Kishida tested positive Sunday for Covid-19, his office said.

Mr. Kishida, 65 years old, was resting after coming down Saturday night with a slight fever and cough, his office said. He recently received his second booster.

The prime minister, who took office in October 2021, had just finished a nearly weeklong vacation in which he played golf and went sightseeing in a resort area.

Japanese media said Mr. Kishida would likely isolate for about 10 days, which would force him to cancel a planned trip to Tunisia for an African development conference Aug. 27-28.

This summer, Japan has been suffering its most serious wave of Covid-19 since the pandemic started.

—*Peter Landers*

### SINGAPORE

#### Sex Between Men To Be Decriminalized

Singapore said on Sunday that it will decriminalize sex between men by repealing a colonial-era law while protecting the city-state's traditional norms and its definition of marriage.

During his speech at the annual National Day Rally, Prime Minister Lee Hsien Loong said he believed it is the "right thing to do now" as most Singaporeans will now accept it.

"Private sexual behavior between consenting adults does not raise any law and order issue. There is no justification to prosecute people for it nor to make it a crime," Mr. Lee said. "This will bring the law into line with current social mores and I hope provide some relief to gay Singaporeans."

Mr. Lee vowed the repeal will be limited and not shake Singa-

pore's traditional family and societal norms including how marriage is defined, what children are taught in schools, what is shown on television and general public conduct. He said the government will amend the constitution to ensure that there can be no constitutional challenge to allow same-sex marriage.

—*Associated Press*

### NICARAGUA

#### Pope Voices Concern Over Bishop's Arrest

Pope Francis voiced worry Sunday about the situation in Nicaragua, where police detained several Roman Catholic clergy, including a bishop, critical of President Daniel Ortega's administration.

Calling for "open and sincere dialogue," the pontiff made his first public comment on the Friday raid of Matagalpa Bishop Rolando Alvarez's residence. The detention of the bishop and an

unknown number of priests came amid worsening tensions between the church and a government increasingly intolerant of dissent.

The pope told thousands of people gathered in St. Peter's Square that he was closely following with "worry and sorrow" events in Nicaragua that involve "persons and institutions." He didn't mention the detentions.

Before Friday's predawn raid, Nicaraguan authorities had accused the bishop of "organizing violent groups" and inciting them "to carry out acts of hate against the population."

—*Associated Press*

### INDIA

#### Flooding, Landslides Kill at Least 40

At least 40 people have died and others are missing in flash floods triggered by intense monsoon rains in northern India over the past three days, officials said Sunday.

The rains inundated hundreds of villages, swept away mud houses, flooded roads and destroyed bridges in some parts of Himachal Pradesh and Uttarakhand states. The Indian Meteorological Department predicted

that heavy to very heavy rain would continue to fall in the region for the next two days.

An official government release Sunday said landslides and flooding in the Himalayan state of Himachal Pradesh over the last three days killed at least 36 people. Hundreds were taking shelter in relief camps after being displaced from their homes.

In the neighboring state of Uttarakhand, a series of cloudbursts Saturday left four dead and 13 missing as rivers breached banks and washed away some houses.

—*Associated Press*

## FROM PAGE ONE

# More Stocks Propel Rebound

*Continued from Page One* has legs. When stocks across the market are rising, indexes are less vulnerable to a downturn if a few heavily weighted stocks fall.

"It's without a doubt a healthier rally from a breadth perspective than the ones that preceded this, at least since the bear market began," said Liz Ann Sonders, chief investment strategist of Charles Schwab Corp. "But I don't think we can say with any confidence that the bottom in June was truly the start of a new bull market."

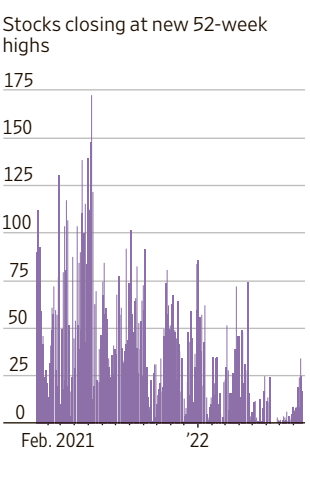
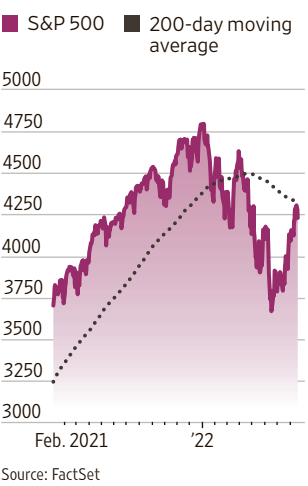
Investors are still contending with the Federal Reserve's campaign to raise interest rates to bring down inflation. And corporate earnings are expected to slow in the second half as recession fears loom.

Despite the recent rally, the S&P 500 is off 11% in 2022. Some of the market's biggest stocks are down even more. Google parent Alphabet Inc. has dropped 19%, Amazon.com Inc. has tumbled 17% and Tesla Inc. has fallen 16%.

In the week ahead, investors will look to earnings reports from Salesforce Inc., Nvidia Corp. and Dollar General Corp for clues about the health of the economy. They will also watch the release of the personal-consumption expenditures price index—the Fed's preferred inflation gauge—and Fed Chairman Jerome Powell's speech at the central bank's Jackson Hole, Wyo., summit, both on Friday.

The market's ascent comes as corporate earnings have

### More stocks are taking part in bounceback rally



held up better than many feared, giving investors greater confidence to buy stocks. With 95% of S&P 500 companies having reported second-quarter results, three-quarters beat Wall Street profit expectations, according to FactSet. For the year, earnings are expected to rise about 8%, versus last year's 47% increase.

On the inflation front, the July consumer-price reading showed prices moderating

### The S&P 500 is off 11% in 2022 and some big names are down even more.

from elevated levels, leading some investors to believe the Fed will ease up on its rate-raising plan. Stocks have jumped since the softer inflation number, even as Fed officials have reiterated their intent to keep financial conditions tight.

A majority of traders expect the Fed to raise its benchmark rate by half a percentage point

at its September policy meeting, according to CME Group's FedWatch Tool. They are betting rates could reach 3.5% to 3.75% by the December meeting, leaving richly valued parts of the market vulnerable.

"In an environment where the Fed is still going to have to be somewhat aggressive to control inflation, it's going to be difficult to put in and then sustain new all-time highs," said Cliff Hodge, chief investment officer at Cornerstone Wealth Group.

Some investors with a more cautious view take the strengthening breadth indicators to signify that stocks have climbed to levels above their fundamental value. The S&P 500 is trading at 18.6 times its earnings over the next 12 months, up from 15.3 in mid-June, but down from about 21 at the end of last year, according to FactSet.

"From a short-term perspective, you could consider the reading as being quite overbought," said Katie Stockton, founder of Fairlead Strategies and portfolio manager of the Fairlead Tactical Sector exchange-traded fund, referring to the portion of stocks above their 50-day moving averages.

## Gemstones Galore

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FROM PAGE ONE

Videogame Finds Feline Fans

Continued from Page One that tabby ever emerges from the screen.

In one clip, a Labrador bounds from one side of the room to the other, hounding down a feline avatar that possesses no fear of dogs. The dynamic has become so common that a Twitter account called @CatsWatchStray has started to collect the footage. It has over 37,000 followers.

Clare Fenelon, a 22-year-old physical therapist technician in Washington, D.C., says her cat Cricket parks herself right in front of the screen whenever “Stray” is on. “I can’t see the TV when I’m trying to

play,” Ms. Fenelon says. Cricket and Ms. Fenelon have a roommate-like relationship, she says. They may live in the same house, but most of the time they’re preoccupied with their individual priorities. “Stray” has brought them together—each of them, in their own way, wants to see what happens next. “Most of the time my cat pretends like she’s cooler than us and doesn’t want to hang out with me. But with ‘Stray,’ she was interested in what I was doing,” Ms. Fenelon says. “It definitely felt like a deeper bonding experience. She kept looking at me like, ‘What is this? You’ve got this cat trapped in your TV.’ ” The game’s publisher, Hollywood, Calif.-based Annapurna Interactive, declined to disclose sales figures. Cats aren’t the only ones enjoying screen time these days. People are leaving the house more and some pets

aren’t pleased. Dog owners are trying all kinds of things to keep their pups occupied—from robotic vacuums to “Judge Judy” on TV. In the “Stray” story, humans have disappeared from earth, and it is up to the tabby to figure out where they’ve gone. The game presents the titular tabby as tender, thoughtful and wholly capable of love. You won’t find many moments of felines’ darker proclivities—the stray is never plucking birds out of the sky or decapitating rodents. (Though it does occasionally claw up some furniture.) The company supplied the Nebraska Humane Society with copies of the game in a charity drive. For a \$5 donation, people were entered into a raffle to win a copy of the game, which costs \$29.99. Brendan Gepson, the humane society’s social-media director, says the effort has raised close to \$12,000. He be-

lieves “Stray” has served as something of a coming-out party for cat people. “A lot of media shows cats to be just an animal you live with, but the cat in the game is kind of its own person. It has a lot of personality,” he says. “It sounds weird to say, “She kept looking at me like, ‘What is this? You’ve got this cat trapped in your TV.’ ” but I think the game makes people feel differently about their cats.” “I think it’s a big moment for cat people,” says Jason Danzelman, a 34-year-old musician from London. “People think that cats are aloof and standoffish. But I’ve had affectionate cats.” He shared a

video of one of his family’s cats playing with the game on social media. When the virtual cat disappeared from the screen, the real-life feline darted its head below the television to see where it went. “She just jumped up in front of the TV,” says Mr. Danzelman. “She was like, ‘Who is this? Who is this handsome boy?’ ” Chris Nievas, 35, who works in the automobile industry in Toronto, has always been more of a dog person. He currently has two. He tried the game out of curiosity. “I never really thought about how, in an apocalypse, cats would still kind of thrive, where dogs are so dependent on people all the time. Cats are resilient,” he says. “I warmed up to the cat really quickly. By the time the intro scene was done I was like, ‘They did a really good job with the cat.’ ” Mr. Nievas is open to the idea of someday owning a cat,

but worries how his pups would react. Whenever he plays “Stray,” his Akita, named Pearl, starts barking at the screen. “I can barely play the game for 10 minutes without her getting excited,” he says. Richard Kirschner, a cat behaviorist known to viewers of the Animal Planet series “My Cat From Hell” as Jackson Galaxy, recently uploaded a YouTube video in which he played through the first hour of “Stray.” Mr. Kirschner notes many people playing “Stray” tend to land on the younger end of the cat-loving spectrum. “That breaks the stereotype of the crazy cat lady.” Ms. Hampton beat “Stray,” but already has plans to play it again. It’s a chance to spot the details she missed the first time—and to keep hanging out with Yahzee and Oliver. “It’s a game that I definitely enjoy playing,” she says. “But I love playing it with my cats.”

Kremlin Leverages Mercenaries

Continued from Page One Assimi Goita, who seized power in a 2020 coup and gave no details on how the aircraft were acquired. Standing next to him was Russia’s ambassador, Igor Gromyko, grandson of Andrei Gromyko, a prominent Soviet-era diplomat, who added: “Cooperation with Mali is going very well in the military field and in all other areas.” Shortly after, Mr. Goita received a call from President Vladimir Putin.

Russia’s conventional forces are getting bogged down in Ukraine. But in weak-but-resource-rich states, its military diplomacy is becoming more entrenched and unbridled.

This year, Wagner mercenaries have deployed alongside Malian forces across the West African nation’s central and northern states. Since March, Russian fighters have been involved in at least six alleged massacres, according to survivors, Western and United Nations officials and human-rights organizations, causing tens of thousands of people to flee across the border to Mauritania.

U.N. investigators, in an unpublished report viewed by The Wall Street Journal, said a joint force of Malian and “white-skinned” fighters raided a group of herders near the border with Mauritania, executing dozens of them. While the incident took place as part of an operation against jihadists, there was no fighting and the herders were unarmed, survivors told the Journal in interviews.

Resource rich

In several cases, Wagner sent geologists to scout resource-rich regions in southwest and central Mali ahead of its mercenaries, Western security officials said, adding that the timing suggests that Wagner is using military force to clear populations from areas where jihadists operate so that the company can access them for exploration and mining.

“Mali is the nexus of a country with important natural resources and a weak government, where Russia can provide services and get access through Wagner,” said Anna Borshchevskaya, a Russia-focused fellow at The Washington Institute for Near East Policy.

Neither Wagner nor the Kremlin responded to requests for comment. Mali’s junta, armed forces and mining ministry didn’t respond to requests for comment. Mali’s Foreign Minister, Abdoulaye Diop, told the U.N. Security Council in June, “We know nothing about Wagner.”

Mali is one of a growing list of African countries where an isolated Mr. Putin is seeking to leverage a network of allies outside government to project power and raise revenue. The Wagner Group is now operating in Mali, Syria, Sudan and the Central African Republic. With an estimated 5,000 men stationed on the continent, its footprint is almost as large as the U.S. deployment of around 6,000 troops and support personnel.

Run by Yevgeny Prigozhin, a businessman who is known as President Putin’s chef because of his catering contracts



Above, dry rivers in the Sahel desert of northern Africa, seen from the air; below, the Mauritanian herder told the Journal that the raiders took away around 35 people, and that he later found unidentifiable burned bodies.

with the Kremlin, Wagner has become a key tool of Russian influence and alternative revenue in faraway conflict zones, according to the U.S. government and EU Council, both of which have sanctioned the group.

On Ukraine’s battlefield, Wagner soldiers operate under the overall command of the Russian military unit responsible for the area, and are integrated into the Russian military’s logistics chain, according to Ukraine’s military-intelligence agency. Mr. Prigozhin, who has been repeatedly photographed in Russian-occupied areas of Ukraine and touring Russian prisons to recruit new fighters, was recently given the country’s highest award, the Hero of Russia.

The Kremlin says it has no connection to Wagner, but Russia’s official media has in recent months been awash with reportage about the company’s heroic exploits in Ukraine.

Mr. Prigozhin has repeatedly denied any affiliation with Wagner and said in a recent written answer to a question from the Journal that he “doesn’t know anything” about the group.

The company offers muscular military assistance to allies without officially implicating the Kremlin. Mr. Prigozhin and Wagner mercenaries regularly travel on Russian military aircraft in Africa, said Gleb Irisov, a former Russian air force signals officer who defected to the West, as well as Western security officials. In Mali, Wagner has been quietly evolving into a much larger network of businesses, including mining firms and political consultants which offer gold-extraction services, advice on political campaigning and social media disinformation, according to the U.S. Treasury.

Wagner’s African operations have produced mixed results. The company was hired by Mozambique in 2019 to crush an affiliate of Islamic State, but was forced to retreat after several of its fighters were captured and beheaded by the jihadists, say Western and African officials. Mozambique scrapped the outfit’s contract. In Mauritania, civic organizations have pro-



tested the killings of the country’s citizens on the other side of the border.

The stakes are especially high in Mali, a mineral-rich country as big as the combined territory of California, Texas and Montana that has been roiled by conflict with Tuareg ethnic rebels and, more recently, violent jihadist groups.

France, the former colonial power in Bamako, retained influence here and stepped in with a military intervention after jihadists affiliated with al Qaeda and Islamic State took over the country’s north in 2012. The U.S. and other Western nations came to assist the French-led operation as a part of a broad effort to root out extremists from the Sahel region in northern Africa.

A year after a pro-Russian military faction seized power in 2021, the French began pulling out their 1,000 troops. Relations quickly chilled between Mali and Washington. In April, the U.S. State Department blocked the junta’s request to import a military-grade transponder for their single C-295 turboprop troop transporter “due to foreign policy concerns,” according to documents reviewed by the Journal.

Frustrated at being frozen out by the West, members of the junta met with Russia’s foreign minister, Sergei Lav-

rov, at the U.N., say Western security officials. Mr. Lavrov invited them to Moscow, where they were offered a tour of Wagner services. One senior U.S. official said Washington was blindsided by Russia’s arrival. “We were watching jihadists and not the Malian government and definitely not the Russians,” the official said.

Wagner signed a contract in December of 2021 with the junta, agreeing to help with the fight against Islamist extremists in exchange for \$10

Mali is Africa’s fourth-biggest exporter of gold.

million a month, say Western security and U.N. officials.

Wagner quickly made it clear that it had other financial ambitions beyond collecting a monthly mercenary paycheck.

In March, Wagner deployed Andrei Mandel, the head of the St. Petersburg, Russia-based natural-resources venture M Invest, to Mali, the Western security officials said. Mr. Mandel already had a record with the U.S. In 2020, the U.S. Treasury sanctioned him for alleged involvement with

Russia’s invasion of Crimea in 2014. That same year, he and Mr. Prigozhin drew sanctions for allegedly attempting to interfere in U.S. elections and for operating gold ventures in Sudan, which Washington said was exploiting the country’s minerals and “serving as a cover” for Wagner forces operating there.

The U.S. extended an asset freeze to companies including M Invest, which it said “serves as a cover” for Wagner forces operating in Sudan and barred U.S. citizens and entities from entering into any transactions with them.

Neither Mr. Prigozhin nor M Invest responded to requests for comment on the mining company. Mr. Mandel couldn’t be reached for comment.

Mali is Africa’s fourth-biggest exporter of gold. Mali also holds large reserves of oil, manganese, uranium, and lithium, a metal used to make electric-car batteries, according to the U.S. Department of Commerce and the U.S. Geological Survey.

The government is negotiating with Wagner over two gold-mining concessions in the south of Mali, according to Hama Agh Mahmoud, a Tuareg leader and former Malian minister.

This summer, Wagner forces moved close to Intahaka in the northeast, the site of a giant informal gold mine worked by villagers with picks and shovels, said another Tuareg leader, and the Western security officials. These people said the Malian army and local rebel groups have an arrangement to let the villagers work the mine in exchange for a percentage of the production.

They said Wagner has been brought into that deal, which could give the Russian company access to a stake in the area’s gold revenue stream.

Sudanese gold traders who long dominated the trade across swaths of Mali have left, as a result of military operations, the Western officials said, replaced by Russians who are selling Malian gold in Dubai through middlemen.

With its new military deployment, “Wagner is moving to take over the North’s natural resources,” said Mr. Agh Mahmoud, the Tuareg leader.

Caught in the middle of Wagner’s ambitions are local populations across Mali’s western and central provinces. Thousands have fled across neighboring borders.

Wagner troops first deployed with Malian forces in February at the Diabaly military base, in Western Mali, using the facility to conduct torture and executions of suspected jihadists, say Western security officials and human-rights organizations. The group then moved along one of the country’s main trunk roads to an area near Mauritania, where nomadic herders roam both sides of the border.

It was there, near a well known as Robinet El Ataye, that the attack documented by the U.N. took place on March 5. A Mauritanian herder said he was there that morning when a convoy of motorcycles arrived with men in baklavas and gloves, as well as two pickup trucks mounted with machine guns. The herder said the soldiers included members of the Malian army and Wagner mercenaries.

Blindfolded

The herder said the troops loaded goats and sheep into their trucks and then seemed to be working through a list of names of people to detain. “They tied my hands in the back and blindfolded me with my turban,” he said. They took away 35 people, the herder said, including a cousin and an elder brother, but left him and two others behind.

Two days later, a villager who was looking for his cattle found burned bodies around 10 miles away, then brought the herder to the scene on a motorcycle. “We could not identify them,” said the herder. “When we left, I realized my cousin and my brother had been killed,” he said. “I will never see them again.”

Later that month, another joint Wagner-Malian group headed north, killing an estimated 500 people, in the market town of Moura in central Mali, according to survivors, Western security officials and human-rights activists.

The Wagner troops that accompanied the local army didn’t identify themselves but came with the same attire and equipment as publicly-available pictures of Russian mercenaries in Mali, the survivors said.

Survivors say the mercenaries took a prominent part in the rounding and killing of locals. Ibrahima Tamboura, 25, who ran a Moura market stall, said he witnessed the execution of a neighbor. “The white men killed someone in front of the house,” he said. “They shot him at close range with a big machine gun, bigger than normal ones they have in Mali.

Mali’s government says that in Moura it killed 203 terrorists linked to al Qaeda and has said that the men had likely died from bullet wounds while fighting.

Displaced survivors say they have been left destitute after the combined Wagner and Malian forces plundered their cattle and savings, which they carried in cash and gold. Disruptions to cross-border trading corridors and the harvest of millet are pushing regional food prices higher.

“The Wagner Group will not bring peace to Mali,” Richard Mills Jr., the U.S. deputy ambassador to the U.N. said in June. “Instead, it will only divert natural and economic resources away from Mali’s fight against terrorism.”

WILLIAM DANIELS FOR THE WALL STREET JOURNAL ©



# PERSONAL JOURNAL.

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## The Excitement and Anxiety of a New Start

Transitions, even welcome ones, can be tough. Here's how to embrace them in this moment of change.



**WORK & LIFE**  
**RACHEL FEINTZEIG**

**B**ill Holdar, a father of two in San Antonio, is starting a new chapter this month—this time for real.

He's going back to work, after three years as a stay-at-home dad and one ill-fated attempt to return to his job as a teacher right before the pandemic hit. His 2-year-old daughter, Nora, recently wrapped up a year of chemotherapy treatment. She and her brother got vaccinated against Covid-19 this summer. The whole family is heading back into the world: school, daycare, a prekindergarten program.

"It's all starting to get really different, really fast," Mr. Holdar told me after watching Nora settle in next to her new classmates during circle time. He felt relief that normal life seemed to have arrived, and trepidation about the possibility of the kids getting sick or having trouble adjusting to an unfamiliar rhythm.

"I'll definitely miss those other days," he said of time spent at home doing arts and crafts or catching bugs with the kids on the trails out back. "But it'll also be freeing."

After some false starts, this fall is a moment of transition for many Americans. The halting, tenuous shifts of the last couple of years—half-empty offices and halfhearted return plans, kids home again thanks to another mandatory quarantine—are dwindling. We're returning to our uninhibited lives, whether that means restarting old routines or taking the plunge on big life changes, with all the accompanying excitement and terror.

Lissa Jean Ferrell says she feels like she's starting a second life. After two years in which school was disrupted for millions of American students, the lawyer and divorced mom finally saw all three of her daughters graduate this spring—the youngest from high school, the middle from college, and the oldest, a law student, belatedly celebrating her 2020 commencement with a rescheduled Georgetown University ceremony. Now Ms. Ferrell is selling her longtime home in New Jersey and moving. Where is up in the air. (Top contenders include Atlanta, Washington, D.C., and California.)

"The world is open to me," she says. "I feel like I've done my job and now I've earned the right to sit back and live for myself."

Our modern lives have been filled with more and more transitions over the years, says Bruce



**Bill Holdar, below with his two children, is going back to work after being a stay-at-home dad.**



**Christine Schmid, right, with fiancé Jeff Dugdale, is excited about their wedding but also coping with loss.**

Feiler, the author of a book on the topic. We have more autonomy and options than the generations that came before us, he says. People are seizing on this moment to swap jobs, partners, regions and religions.

"Nobody can cope with this much change," he notes. Some of us launch into multi-item to-do lists, determined to ace the transformation in a weekend. Others "lie under the covers in a fetal position with their cat and they say, 'I'm never going to get through it.'"

Both paths are wrong, he says. Instead, take time to mark the transition. Commemorate it with a ceremony, a trip, a special meal. Talk about your feelings, instead of blocking them out.

Then try something new.



**Lissa Jean Ferrell, left, with daughters Cassidy and Camille Ferrell, is now an empty-nester.**



**Will Pryor, above right with his fiancé, Kendall Thoensen, hopes their new city will be welcoming.**

will soon be strewn from Los Angeles to London. Will Pryor, who moved to Raleigh, N.C., last month for his first job as an attending physician, worries about how welcoming his new community will be to his same-sex relationship.

"We go where we have to, where we're needed," says the 35-year-old, who finds it thrilling and strange to be done with a decade of medical training.

A few hours away in Charlotte, N.C., Christine Schmid is marking the days until her Sept. 17 wedding with an iPhone countdown and daily love notes from her soon-to-be husband. Forty-five years old, she never thought she'd marry, opting instead to focus on

her career in human resources.

She can't wait to wear the off-white gown that makes her feel like Cinderella and be reunited with extended family coming in for the occasion. But grief is ever-present too. The dear friend who helped set her up with her fiancé passed away from cancer last year, as did Ms. Schmid's beloved dog. The friend had been set to perform the wedding ceremony; the pup was going to walk down the aisle.

Now both are gone, and Ms. Schmid is reckoning with losing a part of herself too. She's changing her name, becoming a stepmother, losing the ability to do what she likes without asking or informing anyone else.

"I wanted to make sure I wasn't giving up 'me' to become 'us,'" she says. Taking some time for herself each workday—an hourlong break, no interruptions allowed—has helped, along with supporting causes she cares about, like animal rights.

Even the happiest of changes can come with some stress, says psychologist Joshua Coleman, as we grapple with the future and all its unknowns. Plus, many of us were promised prior fresh starts that didn't materialize. We had to reschedule the bat mitzvah again because of a new Covid-19 variant; we had job offers rescinded due to a swinging economy. Holding our breath through the uncertainty, exhausted after so much back and forth, can make transitions even harder, says Dr. Coleman, who is a senior fellow with the Council on Contemporary Families.

Examine your anxieties up close, he recommends. Are they rational? Parse what you're afraid of and figure out which problems are solvable. Then solve them. Talk back to the worries that are irrational, reminding yourself of past transitions that worked out well.

Emily Hulthen's transition to parenthood earlier in the pandemic was so trying she considered not having any more children. Working until 1 a.m. while watching her son during the day, she felt exhausted and irrationally angry, she says.

"I thought I would be a natural at this," the 32-year-old in Columbus, Ohio, remembers thinking.

Eventually, she was diagnosed with postpartum depression, and found relief with therapy.

She still feels guilt and sadness over her son's babyhood. But pregnant with a daughter, she told me she was grateful for the chance to try again. Watching her son get vaccinated recently, thinking about the pumpkin picking and tailgating to come this fall as a family of four, she cried.

"It felt like it was a light at the end of the tunnel," she says.

Her daughter, Nora Lynne Birn- brich, was born on Friday.

### PERSONAL TECHNOLOGY | NICOLE NGUYEN

## Spam Robotexts Are Surging

These scam messages are rife, but you can avoid being swindled

**Y**es, you're getting fewer scam robocalls—they're on the decline. But we're now being bombarded by spammy text messages.

If you recently got an unexpected text about a gift, an account freeze or even just someone unknown saying "hi," it's probably from a fraudster. The Federal Communications Commission issued an advisory last month about an uptick in consumer complaints about suspicious texts.

Federal law now requires carriers to combat robocalls with anti-spam technology. Such calls were down over the past year from 2.1 billion to 1.1 billion, according to U.S. Public Interest Research Group, a nonprofit consumer watchdog.

An FCC spokesman said the commission is discussing similar action on robotexts, but it hasn't gone into effect. Meanwhile, robotexts have swelled: The watchdog report shows text scams have increased 10-fold over the same period, to about 12 billion monthly.

The attacks are becoming sophisticated. Like robocalls, the number you see as the sender isn't necessarily where the text comes from.

There are ways to identify and avoid the schemes. Here are tips to avoid getting swindled:

#### Be on the lookout

Text scams are particularly dangerous because we've grown accustomed to receiving robotexts for legitimate purposes, such as a login verification code or package-delivery status.

Before you act on any text—whether it's to reply or tap a link—take a pause. Eliciting urgency ("Your account is on hold") or excitement ("You've won!") is a big part of the lure. More mundane subjects are also making inroads: According to the Federal Trade Commission, many recent messages impersonate the U.S. Postal Service requiring a delivery fee, Costco giving a reimbursement or Home Depot offering a gift.

And while banks and other services do use robotexts to automatically alert you to fraud and other real concerns, they often try to reach you via several means of communication—email, robocalls, in-app messages—so you can see the matter is legitimate.

**Don't click or download**

If there's a link, file or phone number in the text, ignore it. Many scammers are trying to get you to share personal or financial information, or type login credentials into a faked website that looks legitimate. (This is known as phishing.) Some links or attachments can download malicious software to access information on your device.

Even if a message seems legit, it's best to log in directly to a company's website or app, or call its listed customer-service number.

**Never text back**

Some robotexts don't include a link. Instead, they look something like, "Hey, how are you?" or "It's me,

John! Did you get my letter?" They could also say, "Reply STOP to unsubscribe." By replying, you could confirm that your number is active, subjecting you to even more spam.



#### Report the text and block the sender

Most carriers allow you to report spam to improve robotext detection. AT&T, Verizon and T-Mobile customers can forward suspected messages to 7726. Filing a consumer complaint with the FCC, which oversees the telecom industry, and the FTC, which is concerned with consumer protection generally, can help build pres-

sure to regulate the issue.

► **iPhone:** To forward to 7726, long press the original message and tap More, then tap the arrow in the bottom right corner.

If the unknown text was sent through iMessage ("iMessage" will appear at the top of the thread instead of "Text Message"), tap the Report Junk link under the message. Block the texter by tapping the number at the top of the

#### Divert the spam

Android and iOS devices have built-in protection that separates texts from unknown senders from the messages of contacts you actually know. With this enabled, you can miss relevant messages, so add any known robotext numbers (FedEx, Verizon, etc.) to your contacts.

► **iPhone:** Open the Settings app. Go to Messages and enable Filter Unknown Senders. If it's already turned on, you'll see Unknown & Spam.

► **Android:** Spam protection is typically turned on automatically. Check by going to the Messages app, then tap the three dots. Go to Settings > Spam protection.

#### Try a filtering app

Instead of filtering out all messages from unknown services, paid filtering apps specifically sort out suspicious ones. These apps go beyond your phone's ability by using advanced algorithms and databases of known offenders.

RoboKiller (\$30 a year), which has a text-specific app called TextKiller, is a popular choice. The app says it eliminates 99% of spam text messages and offers an Allow list, so important texts aren't missed. You can also block certain keywords.

Another option is Nomorobo (\$20 a year for basic blocking; \$50 for extra protection), which won the FTC's Robocall Challenge spam-blocker contest in 2013. The app offers the option to fully block or merely identify robocalls and texts.

Just know, you'll need to give these apps access to your SMS texts (though not Apple iMessage). That can include two-factor authentication login codes you might use to safely log into various online accounts.



PERSONAL JOURNAL.

Beth Parett*a of Birmingham, Mich., the CEO and team principal of Parett Autosport, an IndyCar racing team made up predominantly of women, on her 1952 Ford F-1 pickup, as told to A.J. Baime.*

**WHEN I WAS LITTLE**, my older brother, Michael, asked our father if they could buy an old pickup so they could restore it, so by the time he got his driver's license he could drive it. Michael was 11 years older than me. They bought a 1952 Ford F-1, and another truck for parts. In our single detached garage at our Connecticut home, this became the family project. I was a toddler and I would walk in. Rather than shoo me away, they would give me a part to clean. I was 2 months old when my older brother was diagnosed with leukemia. My parents were acutely aware of life being precious. Through the years, we worked on this truck while my brother was going through treatments. When he turned 16 and got his license, I remember him coming home and the first thing he did was take me for a drive in our father's modern Ford pickup. It was just the two of us. In September of his senior year of high school, Michael passed away. There had not been enough time to finish restoring the 1952 Ford, and my father couldn't bring himself to work on it. He would start and then find notes in my brother's handwriting. The truck remained in pieces for years. Now, for me, the logic of a 6-year-old whose older brother passes away is to want to make everything OK. Because of my brother's passion, I went headlong into being a car fanatic. I became the one that read the car magazines. I became the one that could talk to my dad about cars. I ended up, after graduate school, getting a job selling cars because I wanted to understand the business. From there, I got a job in finance with the Volkswagen Group, and then I was hired by Aston Martin. I ultimately moved into performance and racing, overseeing the SRT brand and numerous motor sports programs at Fiat Chrysler Automobiles. During that time, my father did in fact finish a restoration of the 1952 Ford. There was a pivotal moment in 2010. I was living in Boston, and I

MY RIDE | A.J. BAIME

This '52 Ford Was Her Pick-Me-Up



Beth Parett, CEO of an IndyCar racing team, started working on her brother's Ford F-1 as a toddler.

SAMUEL TROTTER FOR THE WALL STREET JOURNAL (2)

came home to Connecticut. I had a Lotus Elise that I kept there, and I was in the driveway with my father. He was washing the truck and I was washing my Lotus, and we were standing there handing the hose back and forth. My father said, "You know, I think I'm going to sell the truck. I mean, what are you and mom going to do with it?" It occurred to me that my entire trajectory started when I was a little girl working on this pickup with my family. I said to my father, "You can't sell that truck. It's not leaving the family. I can trace my



entire life's story to a VIN number, and it is on that 1952 Ford." He pulled out the keys and handed them to me. He said, "It's yours. It's always been yours." My mother passed away two years later, and my father four

years after that. I took this truck to Michigan, and it lives with me here in Birmingham now. I keep it safe indoors in a storage space, and every time I put the key in the ignition, this 70-year-old truck with no bells or whistles starts right up. On the side of it is some lettering that my older brother painted a shade of blue slightly different from the color that it's supposed to be. I will never fix that, and the truck will always be in my family.

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'I Love Your Shoes'—Just Not at Work



OFF BRAND  
RORY SATRAN

Compliments given at work, especially those concerning appearances, can be loaded. In the second season of the HBO Max London finance drama "Industry," when fledgling banker Yasmin tells her new, sophisticated mentor Celeste, "I have to say, I love your shoes," it's about much more than just admiring her superior's crystal-studded Prada pumps. It's an expression of deep yearning. But is that desire to win Celeste's professional approval, to seduce her or to be her? The answer, without getting into spoilers, is all of the above. And Yasmin's simple comment opens a Pandora's box of workplace etiquette and appropriateness on the show: The series's co-creator Mickey Down told me the moment was meant to convey "a massive risk." His co-creator, Konrad Kay, added, "I think it's transgressive....A compliment, especially in that scenario, is a very unprofessional thing." While casual compliments about shoes, bags or hairstyles can be foundational to female social behavior, they can be dangerous at work—especially in situations where there's a power imbalance or in formal settings such as job interviews. New York executive coach Nancy Halpern said she has found that "women struggle more with keeping things on a pure business level because of this desire and habit and natural socialization aspect to connecting and to sisterhood." She continued that while "a male-to-female compliment is wrapped up in that beehive or bog of potential sexual harassment, the female-to-female compliment injects the assumption of a friends relationship where it

might not exist." Of course, sexual harassment can happen among any gender, and is prohibited in all workplaces. But appraising people's appearance often falls into a gray area of acceptability, all the more so when it happens between women. The interaction between Yasmin and Celeste, though simple, speaks volumes. Mr. Kay, who worked at Morgan Stanley a decade ago, said, "In my time in banking it would have been a massive taboo to talk about how the

tin, author of "Primates of Park Avenue," said that compliments are an effective antidote to male hegemony for women, who are often socialized away from competition and toward cooperation. Dr. Martin explained, "Think of a woman telling another woman at work that she likes her shoes as a counterstrategy to men only giving work to guys at their Saturday pickup basketball game, or to their golf buddy. She is building a coalition through social bonding." But during critical situations at work, compliments on appearances aren't acceptable. Ms. Halpern said, "If you're in the middle of navigating a crisis—like the stock price just crashed—it would



Yasmin (Marisa Abela) really liked her mentor's shoes.

SIMON RIDGWAY/HBO

other person is dressed." Mr. Down, who was a Rothschild & Co. banker, said gender complicates the scenario further: "It's leaning into femininity in a way that on the trading floor would be seen as unacceptable." He said during his time, a compliment among women about clothing would have indicated that you weren't focused on your work. However, said Mr. Kay, "when we wrote it, the intent was to show them bonding." Connecting through compliments is primal. The social researcher Wednesday Mar-

land like a lead balloon to say, 'I love your hair.' " She concluded, "If you can find other ways to bond, that's preferable." Harper, the protagonist of "Industry," and Yasmin's foil, says in the show's pilot, "I only ever want to be judged on the strength of my abilities." It's a sign of her naivete; no workplace is a pure meritocracy. We all assess one another not just on our abilities but also on how we look, what we say, what we wear. Maybe the moral of the story is, don't shoe where you eat.



# ARTS IN REVIEW



COLUMBUS MUSEUM OF ART (2)

‘The Miraculous Draft of Fishes,’ left, and ‘St. Paul Preaching at Athens,’ below left

ART REVIEW

## The Threads of History

By CAMMY BROTHERS

**R**enaissance tapestries make a challenging subject for a contemporary exhibition. Their size makes them difficult to move, their colors are fleeting and must be kept in low light and their historical and biblical subjects may be less than compelling to modern-day viewers. No wonder, then, that they are rarely the subject of major shows. But in their own time they signified wealth, prestige and power, and important patrons, from dukes to popes to princes, were perhaps more willing to spend money on them than on any other type of production. In a beautiful and ambitious exhibition currently on view at the Columbus Museum of Art, “Raphael—The Power of Renaissance Images: The Dresden Tapestries and Their Impact,” a thoughtful selection of nearly 50 objects, primarily by other artists, and intelligent installation give visitors the best possible chance to see a set of six of the magnificent and influential tapestries designed by Raphael in their full glory.

The tapestries, commissioned by Pope Leo X around 1514, comprise



two cycles, focusing on the Apostles Peter and Paul. Raphael made full-scale, color drawings, known as cartoons, which were then sent to the workshop of Pieter van Aelst in Flanders. Seven out of the 10 were completed during Raphael’s lifetime, and sent back to Rome for display in 1519 in the Sistine Chapel, while the remaining three arrived by 1521. Raphael’s cartoons for the tapestries

surfaced in Genoa in 1623, when they were purchased by the future Charles I for use in the production of a new tapestry cycle in Mortlake. (Part of the Roman version of the cycle is on view at the Pinacoteca in the Vatican Museums, and all 10 tapestries were mounted in the Sistine Chapel in 2020, on the occasion of the 500th anniversary of Raphael’s death, while the cartoons have been newly restored and installed at the Victoria and Albert Museum in London.)

The commission by Leo X was born of an urge to outdo his predecessor Pope Julius II and the Sistine Ceiling he had commissioned from Michelangelo. A tall order, one would think, but tapestries were perceived as a highly luxurious art form, often interwoven with gold and silver threads that would gleam in candlelight. Intended to be hung on the lowest register of the chapel, they would have been in direct competition with Michelangelo’s work. Raphael was a better storyteller, and the tapestries highlight his ability to direct the viewer’s attention while emphasizing the heroic acts of the Apostles. There’s also a hint of Raphael’s own rivalry with Michelangelo, as if he were saying, “everything you can do, I can do better”—demonstrating his prowess in depicting antique-inspired

ter, Dresden, that are on view here are those that were created in Mortlake. (Part of the Roman version of the cycle is on view at the Pinacoteca in the Vatican Museums, and all 10 tapestries were mounted in the Sistine Chapel in 2020, on the occasion of the 500th anniversary of Raphael’s death, while the cartoons have been newly restored and installed at the Victoria and Albert Museum in London.)

nudes, seen for example in the muscular arms and backs of the fishermen in the “Miraculous Draft of Fishes,” but also including lavish landscape and architectural elements that Michelangelo’s compositions lacked.

Raphael was adept at many things, not only a painter of varied subjects but also a skilled architect, courtier and writer. He was also situated at the epicenter of an array of important artistic transformations and innovations. The rediscovery of ancient works of sculpture and the creation of such works as the Sistine Ceiling fed into Raphael’s artistic lexicon, allowing him to incorporate these new ideas, primarily about the human body, into his designs.

Raphael was not, however, an experienced designer of tapestries. But designing for a new medium didn’t stop him from making aesthetic choices that ran completely against the tapestry tradition. In the boldly asymmetrical composition of “St. Paul Preaching in Athens,” Raphael shows the apostle with his back to us, a position echoed in a statue of a soldier, whose body is likewise turned away. The listeners are positioned in an arc that curves to include us, though affording only an oblique view of the main event. The architecture is as much a protagonist as the figures, occupying at least half the composition, and mirroring revivals of ancient architecture in such recently completed buildings as Bramante’s Tempietto. “The Miraculous Draft of Fishes” is practically barren compared to the busy surfaces typical of the genre and medium; and the “The Healing of the Lame Man” is dense by comparison, but what might at first glance seem a grid is complicated by the spiraling forms of the columns.

As the curators note in the excellent catalog, the weavers had minds of their own. Faced with designs that broke with tradition and focused on a few monumental figures, large-scale architecture, off-center compositions and few ornaments, they attempted to insert “beautifying” details, improving where they could. Their skill is apparent everywhere in the surface of the tapestries, but especially striking are the ways they rendered other materials, from silk fabric to porphyry columns.

The impact of Raphael’s bold compositions on European art was immediate. Copied in prints, ceramics and paintings, they had a long afterlife in work of artists of his generation and beyond, from Rubens and Poussin to John Singleton Copley, all of whom are represented in the exhibition. Although Raphael’s ideas traveled, his tapestries rarely do, and the exhibition represents a rare chance to see these extraordinary works.

**Raphael—The Power of Renaissance Images: The Dresden Tapestries and Their Impact**  
Columbus Museum of Art, through Oct. 30

*Ms. Brothers is an associate professor at Northeastern University and the author of “Giuliano da Sangallo and the Ruins of Rome” (Princeton, 2022).*

### CULTURAL COMMENTARY

## ‘John David Souther’ Turns 50

By MARC MYERS

**F**or her “Silk Purse” tour in 1971, Linda Ronstadt hired guitarist Glenn Frey and drummer Don Henley to accompany her. Bassist Randy Meisner and guitarist Bernie Leadon joined the other two that July for Ms. Ronstadt’s week-long concert run at Disneyland. In September, the four musicians were signed by David Geffen’s Asylum Records and retreated to Aspen, Colo., to jell as a band. They emerged soon after as the Eagles.

Curiously, J.D. Souther never joined the group—despite having been Mr. Frey’s roommate, songwriting partner, former bandmate in Longbranch Pennywhistle and one of the first artists signed by Asylum. Explanations for his absence from the Eagles have varied, ranging from personality clashes and bad blood to Mr. Souther’s own motive told to American Songwriter magazine last year: “I am a terrible team player . . . and I don’t really like being told what to do in any sense anyway.”

Rather than saddle up, Mr. Souther recorded “John David Souther,” his debut solo album of 10 originals released 50 years ago this

month. The country-rock record remains a towering work that exhibits Mr. Souther’s honey-toned vocals, genius for harmony and crafty songwriting. The songs’ soft ache and tight vocals rubbed off on many emerging artists in Los Angeles’s country-rock scene at the time, including Ms. Ronstadt, James Taylor and the Eagles, for whom Mr. Souther would co-write three huge hits—“Best of My Love” (1974), “New Kid in Town” (1976) and “Heartache Tonight” (1979). The last two won Grammys.

Today, “John David Souther” sounds remarkably like a lost Eagles album—or the recipe book Frey took with him when he co-founded the Eagles. Exactly when Mr. Souther recorded his album is unclear. Warner Music reportedly doesn’t know, and dates don’t appear on the session’s tape boxes. Given that Frey is on guitar on three of the songs—“The Fast One,” “Jesus in ¾ Time” and “Kite Woman”—a chunk of the album was likely captured before the Eagles recorded their self-titled first LP in February 1972.

For all of its potential, “John David Souther” was released two months after “Eagles” and without the sup-



J.D. Souther performing in 2014

port of album singles. These decisions by Asylum all but ensured that the LP would have a low profile and wouldn’t chew into sales of “Eagles.” Mr. Souther’s LP only peaked at No. 206 on the Billboard album chart. The Eagles, of course, would become one of North America’s most successful music acts.

Listening now to the two albums back-to-back, “Eagles” has plenty of rock punch and gloss but lacks earthiness and yearning. By contrast, “John David Souther” is laced with train-whistle melancholy and Buck

Owens innocence. In the liner notes for the 2016 expanded reissue of “John David Souther” by Omnivore Recordings, Mr. Souther named Miles Davis and George Jones as primary influences: “The commonality was the clarity of tone.”

The opener, “The Fast One,” has a country kick and should have been released as a single. Thanks to the inclusion of demos on the expanded edition, we now know that the original lyrics told the tale of a love interest who pulls “a fast one.” When the song appeared on the album, the lyrics had become shrewder as a request for an up-tempo jukebox song to heal a broken heart: “Put your money in a fast one / I don’t want to hear the blues / Put on another fast one / Trying to forget about you.”

The midtempo “Kite Woman” unrolls neatly with a two-step pulse and tight overdubbed vocal harmonies by Mr. Souther, a sound that would become an Eagles hallmark. On guitars are Mr. Souther and Frey, who midway in serves up a descending lick from Brook Benton’s “Rainy

Night in Georgia.” The lyrics are about an unattainable woman: “She looks farther away as she’s reeling you in / But it’s nearly worth it, nearly worth the magic / Of that minute or two when you think you might win.”

The heart-breaking piano intro on “It’s the Same” is credited to multi-instrumentalist Gary Mallaber. The ballad, with Ned Doherty replacing Frey on guitar, pines for a woman named Angeline: “You can’t go home again, you’re treated like a memory / It’s just someplace you used to be.”

“How Long” also should have been a single. The quick-paced country rocker examines loneliness and the prison bars of fame: “Everyone is out there on the loose / Well I wish I lived in the land of fools, no one knew my name.” The Eagles’ cover of Mr. Souther’s song appeared on their “Long Road Out of Eden” album in 2007 and won a Grammy.

“Lullaby” closes out the album and features Mr. Souther alone with his guitar, showcasing all of his many musical gifts without adornment.

One can argue that comparing first albums by Mr. Souther and the Eagles isn’t fair—that the slick, high-octane country-rock of “Eagles” was revolutionary in 1972. And yes, it was. But all these years later, “John David Souther” seems a more rewarding and meaningful ride.

*Mr. Myers, a frequent Wall Street Journal contributor, is the author of “Rock Concert” and the forthcoming “Anatomy of 55 More Songs” (Grove Press), due Dec. 6.*



SPORTS



Oleksandr Usyk retained his heavyweight titles after beating Anthony Joshua. The only major belt that Usyk doesn't have is the WBC title, which is held by Tyson Fury, who has said he is retired.

Usyk Sets Up Possible Fury Clash

The Ukrainian boxing champion called for a heavyweight unification bout with the retired 'Gypsy King'

By JIM CHAIRUSMI

Oleksandr Usyk was recently asked who he thought was the most feared heavyweight in boxing.

"It's me," he said. The Ukrainian boxer rose to prominence last year when he stunned British champion Anthony Joshua by unanimous decision at London's Tottenham Hotspur Stadium to take three of the four major title belts in the heavyweight division.

This weekend in Jeddah, Saudi Arabia, Usyk proved he wasn't a one-hit wonder. And it could set up a high-profile fight with Tyson Fury, who holds the one heavyweight title belt that Usyk doesn't—but who claims to be retired.

Usyk (20-0, 13 KOs) used his superior speed, footwork and defense to outpoint his rival again, this time in a split decision on Saturday at the Jeddah Superdome.

"[Usyk] is just too good, and there's no shame in it," Joshua's promoter Eddie Hearn said after the bout. "That's why this guy is pound-for-pound No. 1. This man is an incredible fighter."

A heavyweight gold medalist at the 2012 London Olympics, Usyk,

35, is the latest in a long line of boxing champions from Ukraine, which includes the Klitschko brothers, Vitali and Wladimir, and Vasiliy Lomachenko.

"We were born to compete for life, for belts, for everything," Usyk said prior to the bout.

In late February, Usyk was back in London and watched Chelsea beat Lille 2-0 in a Champions League round-of-16 match. A couple of days later, Russia invaded Ukraine and Usyk returned to Kyiv, where he joined a defense battalion during the early weeks of the conflict.

But while visiting wounded soldiers in a hospital, Usyk said he heard that he needed to start training for a rematch against Joshua. A victory in the ring, soldiers told Usyk, would bring joy and national pride. Ukraine's sports minister gave Usyk permission to return to boxing training.

"Compared to war, boxing is child's play," Usyk has repeatedly posted on social media in recent weeks.

"[Usyk] made his decision to take the rematch in these circumstances after he had received massive support from his Ukrainian compatriots," Usyk's promoter Alexander Krassiyuk said during a

news conference last week. "People want the Ukrainian flag to rise, people want the Ukrainian anthem to be heard throughout the whole planet. Not many men in the world can deliver this to millions of people. Usyk is able to do that. He does that through the sport of boxing."

After Saturday's win, Usyk retained the IBF, WBA and WBO heavyweight belts. The only major belt that Usyk doesn't have is the WBC championship, which is currently held by Fury, who has said he is retired. But Fury has yet to relinquish the WBC belt.

Moments after beating Joshua, Usyk was asked by a reporter in the ring about the possibility of facing Fury, who is nicknamed the "Gypsy King."

"I'm sure Tyson Fury is not retired yet. I am sure [he] wants to fight me. If I'm not fighting Tyson Fury, I'm not fighting at all," Usyk said.

In a statement on Aug. 15, the World Boxing Council said, "The [WBC] has been in communication with Tyson Fury and his promoters regarding his status as WBC heavyweight champion. The WBC has set [Aug. 26] as the final day to receive official written confirmation from them."

Coincidentally, it was Joshua who had planned to take on Fury in a mega-bout for heavyweight supremacy. But due to contract obligations for Fury, the fight couldn't be made in 2021 and Joshua then lost his belts to Usyk in September.

For Joshua, 32, (24-3, 22 KOs) this loss is his third defeat in his last five fights, raising questions about his boxing future.

In addition to the two losses to Usyk, Joshua was also stopped by Andy Ruiz Jr. in a shocking upset in New York in June 2019. Joshua avenged that loss by beating Ruiz in a rematch in Diriyah, Saudi Arabia, in December 2019.

Joshua had hoped a return to Saudi Arabia would spark another career revival. Ahead of the rematch, Joshua parted ways with Rob McCracken, the trainer who helped guide him to a 2012 Olympic super-heavyweight gold medal and later to the top of the heavyweight division as a professional.

Trainer Robert Garcia took over and at times in the rematch, Joshua was able to use his size (6-foot-6, 244.5 pounds) to outmuscle the smaller Usyk (6-foot-3, 221.5 pounds). But it wasn't enough. Although one judge scored the fight for Joshua, 115-113, the other two

judges gave it to Usyk, one 115-113 and the other 116-112.

The improved performance by Joshua leaves open the possibility there are other lucrative fights that are possible if he wants to continue.

"AJ was desperate, desperate to win this fight. He lost a split decision to the pound-for-pound No. 1. There's no disgrace in that," Hearn said. "He's got to go away if he wants to. Come back, rebuild."

Deontay Wilder, who lost two of three bouts to Fury, is seeking to revive his career in a return to the ring on Oct. 15 against Robert Helenius. A fight between former champions Wilder and Joshua could be an attractive matchup. Joshua could also fight Ruiz again to complete a trilogy. Ruiz, who battles Luis Ortiz on Sept. 4, has been quick to note that his record against Joshua remains tied at one win apiece.

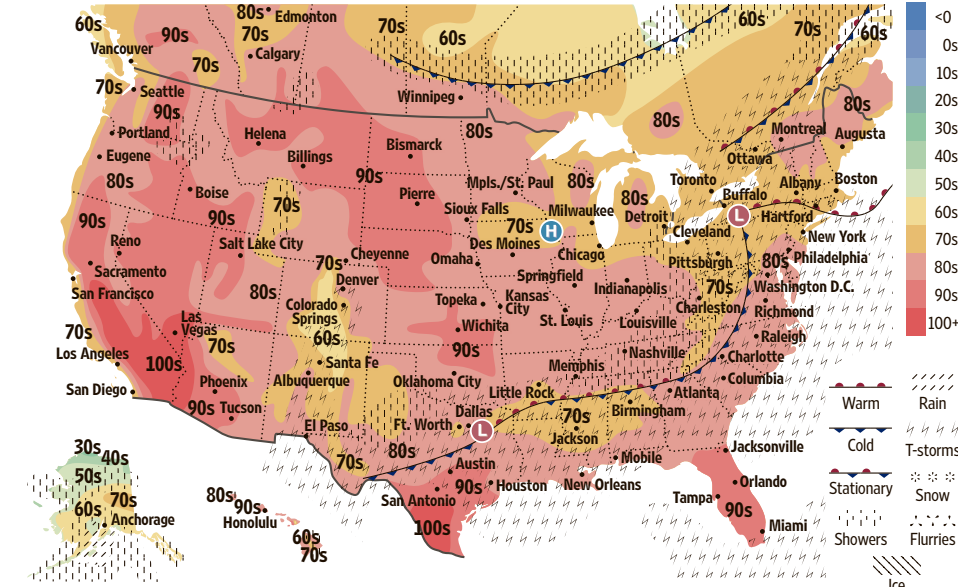
Late on Saturday evening, Fury called Saturday's bout "one of the worst heavyweight title fights" he had ever seen.

"I [would] annihilate both of them on the same night," Fury said in a video posted on Instagram after Usyk's victory. "Get your f---ing checkbook out because the 'Gypsy King' is here to stay forever!"

Weather

AccuWeather | Go to AccuWeather.com

Shown are today's noon positions of weather systems and precipitation. Temperature bands are highs for the day.



Forecasts and graphics provided by AccuWeather, Inc. ©2022

U.S. Forecasts

s., sunny; pc., partly cloudy; c., cloudy; sh., showers; t., storms; r., rain; sf., snow flurries; sn., snow; l., ice

City	Today	Tomorrow
Anchorage	61 54 sh	62 53 sh
Atlanta	80 69 t	84 71 t
Austin	90 72 t	86 71 t
Baltimore	85 67 t	86 69 t
Boise	98 65 s	95 66 s
Boston	74 68 sh	81 68 t
Burlington	81 67 sh	78 66 t
Charlotte	84 69 t	86 70 t
Chicago	79 62 s	80 63 s
Cleveland	76 65 t	79 61 pc
Dallas	80 71 t	86 72 t
Denver	84 59 pc	86 62 pc
Detroit	79 62 pc	82 64 pc
Honolulu	88 74 s	88 76 sh
Houston	89 75 t	86 75 t
Indianapolis	82 59 pc	82 63 pc
Kansas City	87 63 s	88 68 pc
Las Vegas	102 84 s	103 84 s
Little Rock	79 70 t	84 69 t
Los Angeles	80 65 pc	87 65 s
Miami	92 80 t	91 79 t
Milwaukee	82 64 pc	83 66 s
Minneapolis	86 68 c	87 67 s
Nashville	86 76 t	83 75 t
New Orleans	77 70 t	82 70 t
New York City	87 64 pc	87 64 pc
Oklahoma City	87 64 pc	87 64 pc

City	Today	Tomorrow
Omaha	85 64 s	89 68 pc
Orlando	93 76 t	92 76 t
Philadelphia	83 72 t	86 71 t
Phoenix	99 84 t	101 81 s
Pittsburgh	74 63 sh	77 62 pc
Portland, Ore.	74 63 sh	74 64 t
Portland, Maine	84 63 pc	85 64 s
Sacramento	98 62 s	96 60 s
St. Louis	85 68 s	86 69 pc
Salt Lake City	94 72 s	97 73 s
San Francisco	76 60 pc	71 58 pc
Santa Fe	75 55 t	78 53 t
Seattle	80 60 s	79 62 s
Sioux Falls	84 64 s	88 63 s
Wash., D.C.	85 71 t	86 72 t

International

City	Today	Tomorrow
Amsterdam	75 62 c	77 62 pc
Athens	88 75 pc	85 73 pc
Baghdad	110 80 s	110 82 pc
Bangkok	90 78 t	92 78 t
Beijing	89 65 pc	82 66 pc
Berlin	75 60 pc	75 58 c
Brussels	76 59 c	80 61 pc
Buenos Aires	59 52 c	64 56 s
Dubai	108 92 s	108 92 s
Dublin	71 57 sh	70 53 c
Edinburgh	64 56 c	71 55 c

City	Today	Tomorrow
Frankfurt	85 63 pc	86 63 pc
Geneva	79 57 s	81 57 pc
Havana	91 73 t	91 73 t
Hong Kong	91 83 pc	93 84 pc
Istanbul	88 75 pc	87 75 pc
Jakarta	89 76 t	92 77 t
Jerusalem	85 64 s	85 62 s
Johannesburg	65 44 s	65 45 s
London	74 63 c	78 65 pc
Madrid	96 69 s	98 71 s
Manila	87 79 r	85 78 t
Melbourne	61 43 r	53 44 r
Mexico City	74 56 pc	73 56 sh
Milan	86 64 s	87 68 s
Moscow	81 63 pc	87 63 pc
Mumbai	85 79 r	86 79 sh
Paris	79 65 pc	84 65 pc
Rio de Janeiro	70 64 pc	72 65 pc
Riyadh	112 89 pc	110 89 pc
Rome	86 67 pc	87 67 s
San Juan	89 78 t	89 79 t
Seoul	85 72 pc	86 68 s
Shanghai	102 87 pc	101 83 c
Singapore	87 79 t	87 79 sh
Sydney	72 55 pc	66 48 r
Taipei City	100 82 pc	100 82 c
Tokyo	85 78 c	88 80 pc
Toronto	76 65 t	79 62 pc
Vancouver	75 60 pc	76 63 pc
Warsaw	80 66 c	84 66 t
Zurich	78 53 s	78 53 pc

The WSJ Daily Crossword | Edited by Mike Shenk

13 Across: 1 Bodybuilder's six-pack, 4 Numerical comparison, 9 Kelly of morning TV, 13 Puppy or parrot, for example, 14 "Wouldn't that be great!", 15 Monopoly purchase, 16 \*Prominent gut, 18 Big name in arcade games, 19 Mardi \_\_\_\_, 20 Whiskers, 22 Tell whoppers, 23 Israel's Golda, 24 \*Where to go for a fill-up, 26 One-named Tejano singer, 28 Famous fiddles, 29 Take advantage of, 30 Entreaties, 34 Low USN rank, 35 \*Taunts between teams, 38 Sleazy paper, 40 Golf great \_\_\_\_, 41 Tad Lincoln's dad, 44 Counterpart of stripes, in eight ball, 47 Electric autos since 2006, 49 \*Sweet treat at Starbucks, 53 Does some sums, 54 Doctors' org., 55 Dickens title start, 56 Smooth and flat, 57 Floor worker, of a sort, 59 Soup preparer's need, and a hint to the starts of the starred answers, 62 Glad rival, 63 "You wouldn't dare!" reply, 64 First prime number, 65 Pitching stats

TAKE A LITTLE OFF THE TOP | By Kurt Krauss

Across: 1 Bodybuilder's six-pack, 4 Numerical comparison, 9 Kelly of morning TV, 13 Puppy or parrot, for example, 14 "Wouldn't that be great!", 15 Monopoly purchase, 16 \*Prominent gut, 18 Big name in arcade games, 19 Mardi \_\_\_\_, 20 Whiskers, 22 Tell whoppers, 23 Israel's Golda, 24 \*Where to go for a fill-up, 26 One-named Tejano singer, 28 Famous fiddles, 29 Take advantage of, 30 Entreaties, 34 Low USN rank, 35 \*Taunts between teams, 38 Sleazy paper, 40 Golf great \_\_\_\_, 41 Tad Lincoln's dad, 44 Counterpart of stripes, in eight ball, 47 Electric autos since 2006, 49 \*Sweet treat at Starbucks, 53 Does some sums, 54 Doctors' org., 55 Dickens title start, 56 Smooth and flat, 57 Floor worker, of a sort, 59 Soup preparer's need, and a hint to the starts of the starred answers, 62 Glad rival, 63 "You wouldn't dare!" reply, 64 First prime number, 65 Pitching stats

- 66 Public relations concern
- 67 End for Japan or Vietnam
- Down: 1 Police alert, for short
- 2 "Night Fever" trio
- 3 Germless
- 4 Barbecue fare
- 5 Amazed reaction
- 6 Swinton of "Michael Clayton"
- 7 Caribbean destinations
- 8 "Indeed!"
- 9 Decay
- 10 Rome resident
- 11 Sentence enders
- 12 UFO crew
- 15 Rips into
- 17 Exceedingly uncommon
- 21 Etna and Everest Abbr.
- 23 East Lansing sch.
- 24 Black-tie event
- 25 Arduous journey
- 27 "Fresh Air" ailer
- 31 Psychic ability, for short
- 32 "So that's it!"
- 33 Hog's home
- 35 End-of-week cry
- 36 Poker payment
- 37 Spike in filmmaking
- 38 More spacious
- 39 Hay crop
- 41 Pasta-cooking specification
- 42 You might need to brace for it
- 43 Curvy letter
- 44 Criticize harshly
- 45 Sweetie pie
- 46 Band performance
- 48 Rescue
- 50 Desert flora
- 51 Burglar's bane
- 52 Nairobi's nation
- 56 Fencer's blade
- 58 UFO crew
- 60 Texter's "Holy cow!"
- 61 Fish eggs

Previous Puzzle's Solution



The contest answer is REMARK. Five Across clues end with prepositional phrases that include homophones of letters of the alphabet directing you to six letters in the grid. 16: "on the eyes/Is," 28: "over eau/O," 35: "over you/U," 44: "on a pea/P," 56: "under the sea/C." The six letters in those positions spell the contest answer.



OPINION

Guess My Job! Here’s How



**INSIDE VIEW**  
*By Andy Kessler*

Barbecues, cocktail parties, weddings — they’re back. Let the games begin! After chatting with someone at a party, I used to whisper to my wife, “That guy’s going to be out of a job in six months.” It annoyed her so much that I switched to, “I can name that profession in just one or two words.” You can play along.

You’re in a social scrum and someone is babbling on about who-knows-what but keeps using the word “balance,” as in “we need to find a balance.” I’ll bet you dollars to doughnuts that person is a lawyer. In fact, if I had a nickel for every time a lawyer says “find a balance,” I could actually afford a lawyer.

People use certain words so often that they serve as a tell about what they do for a living. And, yes, anyone who uses the word “tell” clearly plays too much poker. My ears are sensitive to word clues. I hear “leverage” in casual conversation, even if the context doesn’t involve money, and I can tell the person is in private equity or maybe real estate. Private-equity folks are usually better dressed.

It’s fun to play! Some words are giveaways. “Covers” is a restaurateur. When

you hear “hands on” it’s probably a doctor or a Hollywood producer. Marketing folks leave an impression by always talking about “impressions.” Someone droning on about “bugs”? That’s either a software coder or a farmer, so check his fingernails, Sherlock. Last year, the cockiest person in the room was the startup founder, who this year is nervously whispering “help” as funding has dried up.

Financial types are easy to spot. Hear “quota” and it’s usually someone in sales. In rare instances, it might be someone in college admissions. If you also hear “holistic”—voilà, admissions. Hear “round” and unless the speaker is buying one or bragging about golf exploits, it’s probably a venture capitalist. “Deal” means investment banker or again, if shabbily dressed, a realtor. “Externalities”? Duh, an economist.

You already have enough to win this cocktail-party game, but here’s some inside scoop. Someone who asks lots of questions is either a journalist or in human resources, like a recruiter. Guess HR, unless there’s a pencil behind his ear. Someone who mentions “dangling participles” could be a teacher but is more likely an editor, probably my editor.

OK, that was all low-hanging fruit. (Orchard owner?) Others are tricky. It’s rare, but you might hear the word “power.” Hmmm. Probably a

politician, but the real giveaway is if the person begins invoking “freedom,” usually in discussing policies that actually take away your freedom. If he blurts out “that’s a false dichotomy”—bingo, you’ve got him nailed.

Talk of “community” is a tip-off that someone works at a nonprofit. All right, not so hard. But subtle references to “advocates” or “true believers” signals you’re with an activist. The true tip-off is that

**Someone who talks about ‘balance’ is probably a lawyer; ‘leverage’ a financier.**

activists are angry all the time about something, almost anything, and oh, still live with mom and dad. Activists also throw around the word “justice,” so you might have guessed judge. But no self-respecting judge says “justice” anymore—they’re lawyers, so instead they say “balance.” Too easy if you hear “intersectionality”—you’re with a collectivist geometry teacher. If you hear weasel words such as “sustainable,” “justness” or “cisexism,” a good guess would be an unemployed busybody.

It took me a long time to differentiate between consultants and corporate humps. It’s not obvious that either really

does anything except attend meetings or sit on calls all day every day. But there is a difference. Consultants are always angling to get hired, so they talk in big-picture gobbledygook: transformation, paradigms, system-ness, empowerment, agility, wheelhouses or organic, actionable synergies enabling collaborative thought leadership.

On the flip side, corporate robotrons, those with no profit-and-loss responsibilities, are scared they’ll be fired tomorrow. So they talk as if they’re always in motion. They circle back, move the needle, drill down, add value, open the kimono, boil the ocean, unpack ideas, put a pin in it, get their ducks in a row, fail fast, buy in, shout out, call out and level up. Whew. They’re exhausting and really must be too important to fire.

Every once in a while, I do get stumped. Someone puts up a confusing smoke screen, like this verbatim nugget, “I work for a forward-thinking firm cultivating relationships and solutions to meet changing behaviors.” Who talks like that? No clue.

Or this guy, also verbatim: “I’ve just got lawyers working for me right now but when we come out of the ass end of this thing, we’re really going to break through the glass ceiling.” Then he winked. Anyone? The mention of lawyers probably threw off my balance. Time to level up.

*Write to kessler@wsj.com.*

**BOOKSHELF** | By Michael Luca

The Good Life, By the Numbers

**Don’t Trust Your Gut**

By Seth Stephens-Davidowitz  
(Dey Street, 293 pages, \$28.99)

**Wild Problems**

By Russ Roberts  
(Portfolio, 207 pages, \$27)

Fueled by the rise of online platforms and newly digitized records, an empirical revolution is shedding new light on everything from school choice and careers to dating and marriage. Rankings and ratings abound, and alongside them, data-driven self-help books seeking to translate social-science research into actionable insights. We have entered the era of the data-driven life.

In “Don’t Trust Your Gut,” Seth Stephens-Davidowitz argues that you can use underappreciated empirical patterns to—as the ambitious subtitle says—“get what you really want in life.” The book serves up facts and at times controversial advice on areas such as your appearance, relationships, parenting decisions, occupational choice and net worth.

Regarding appearance, Mr. Stephens-Davidowitz, a former quantitative analyst at Google, suggests a “three-step plan to learn what makes you most attractive.” First, download an app that uses artificial intelligence to adjust your “hairstyle, hair color, facial hair, glasses, and smile.” Second, post pictures of yourself with these

different looks on market-research websites and ask people to rate them. Third, see which look makes you most appealing to the survey respondents. This process led the author to grow a beard; he concludes that “just about anyone could benefit from a less extreme version of this analysis.”

On dating, he tells us that if you try to “be an extreme version of yourself,” then “some people will find you extremely attractive.” His rationale? Research shows that people are more likely to click on extreme profiles. He also suggests looking for partners who are “conventionally less attractive,” since they will be “dramatically less competed over in dating, even though the evidence suggests they are just as capable of making a partner happy.” Also: “Ask out a lot of people.”

“Don’t Trust Your Gut” offers advice for parents who want to raise their children to become elite athletes. Unsurprisingly, the author suggests that you should skip basketball—unless you think your kids will be extremely tall. Instead, try equestrianism, where “even someone who isn’t given unusual genetic gifts might have a shot at rising in the sport.”

While data can be an asset in our decision-making, there are important limitations to the life proposed in “Don’t Trust Your Gut.” Aspiring to a data-driven life risks leading us to focus too narrowly on what can be measured, rather than what matters. Is market-testing your appearance really the path to fulfillment? Should you really take a Moneyball approach to dating, or view potential life partners as market opportunities? In a world in which we are drowning in data, what’s really needed is more wisdom. We need the judgment to interpret data, and sound principles for navigating life.

Enter “Wild Problems: A Guide to the Decisions That Define Us,” Russ Roberts’s book on life’s big decisions, such as “whether to marry, who to marry, whether to have children, what career path to follow.” Mr. Roberts, the president of Shalem College in Jerusalem, cautions against the seductive allure of overly narrow cost-benefit analyses, and makes a full-throated defense of taking a more careful look at your life’s goals. If Mr. Stephens-Davidowitz is aiming to provide cheat codes to win the game of life, Mr. Roberts is urging us to think more about what winning means. He tells us that we should aspire to live life with “integrity, virtue, purpose, meaning, dignity, and autonomy—aspects of life that are not just difficult to quantify but that you might put front and center, regardless of the cost.”

**Aspiring to a data-driven life risks leading us to focus too narrowly on what can be measured, rather than what matters.**

This isn’t an argument against data; it’s an argument in favor of thinking carefully about our goals, and a warning that data need to be interpreted carefully. While Mr. Stephens-Davidowitz leans heavily on happiness surveys, Mr. Roberts notes that “surveys asking people about their level of happiness may not apply to you, your tastes, your passions, and most important, who you become over time.” He stops short of offering a recipe for life satisfaction; instead he suggests “putting your principles above the day-to-day costs and benefits” of decisions. Having heuristics that guide your decisions is a way to commit to doing the things you believe in, and allows you to skip the cost-benefit analysis.

Mr. Roberts correctly points to the value of experimentation. “Try stuff. Stop doing the stuff that isn’t for you. Embrace the opportunities that make your heart sing.” In this regard, Mr. Stephens-Davidowitz strikes a similar chord, telling us, “if you take many shots, you have many chances.” The NFL coach Bill Belichick, Mr. Roberts reminds us, is “famous for his eagerness to trade a draft pick from an earlier round for multiple draft picks in later rounds,” allowing the team more room for exploration. Artists who show at different galleries are more likely to catch a break relative to those who repeatedly show at the same gallery.

Mr. Roberts’s argument more broadly echoes a growing sentiment in psychology and economics: We are more than pleasure-seeking algorithms. We care about others and about our own identity. And we care about meaning. Mr. Roberts views these not as mistakes, but as ideals. He wants us to “focus on being part of something larger” than ourselves, and being “part of an ensemble rather than the main character” of our life story.

In the end, the core messages offered by the two authors are complements, not substitutes, and there is merit to both. We don’t think nearly as much about data as we should. Whether starting an exercise routine, choosing a school or buying a house, we should be more reflective about what the data tells us. Psychology research has documented the systematic mistakes we make when overrelying on our intuition. Data can help. But to take advantage of data, we need to know what we value and what we are pursuing. We need to understand the limits of a data-driven life.

*Mr. Luca is an associate professor of business administration at Harvard Business School and the co-author of “The Power of Experiments: Decision-Making in a Data-Driven World.”*

**By Dave Seminara**

*Buenos Aires*  
On my first morning in Argentina, two crisp \$100 bills bought 64,600 pesos at a currency-exchange office in a fashionable neighborhood. The sign outside advertised the official exchange rate: 130 pesos to the dollar. I got the unofficial, black-market rate: 323 pesos. My wad of 129 500-peso notes was too fat to fit in my wallet, so I stuffed some into my pockets and returned to our apartment, feeling as if I’d just completed a drug deal.

“You’ve arrived in Argentina at a historic time of hyperinflation,” our tour guide, Celeste, said. On July 2, Argentina’s centrist economy minister, Martín Guzmán, resigned. The peso’s value plummeted 26% in the next 26 days. Three weeks later, President Alberto Fernández, a left-leaning law professor who took office in December 2019, sacked Mr. Guzmán’s successor.

The official inflation rate is now 64% and economists forecast it could reach 90% by December. Wages haven’t kept up, and the gap between the official and black-market exchange rates hasn’t been this wide since Argentina’s hyperinflation crisis of 1989-90, when inflation soared to 2,600%. Celeste told us that Argentina was one of the world’s seven richest countries at the turn of the last century thanks to its agricultural abundance. “People used to say someone is as rich as an Argentine.”

Buenos Aires’s elegant boulevards and Parisian-inspired architecture, built during those heady times, are still beautiful. But bad governance has taken a heavy toll. More than a third of Argentines live in poverty and tens of thousands of small businesses closed during the pandemic. Celeste, like nearly every young person we met, is plotting an escape to Europe or North America.

Mr. Fernández and his powerful vice president, Cristina Fernández de Kirchner, who was the country’s first lady (2003-07) and served as presi-

**A century’s worth of corruption and leftist politics devastated this once-rich nation.**

dent (2007-15), imposed lockdowns for more than eight months, lasting into 2021. Like many U.S. politicians, Mr. Fernández flouted his own decrees, hosting an unmasked birthday party for his wife and welcoming numerous guests, including a dog trainer, to the presidential palace.

Celeste showed us a memorial in the city’s Plaza de Mayo—thousands of stones bearing the names of Covid victims. The embarrassingly large tribute was initially removed by the government, but after a demonstration, it was left in place. Some 91% of Argentina’s citizens have received

at least one dose of the vaccine, yet nearly 130,000 have perished from the virus. The country’s per capita Covid mortality rate is the eighth-highest in the world, according to Statista.

Argentina ranks 126th in the World Bank’s ease of doing business index and 96th on Transparency International’s corruption perception index, behind developing countries like Ethiopia, Tanzania and Kosovo. A bloated public sector weighs down Latin America’s third-largest economy. Roughly half the country either works for the government or depends on it for social welfare benefits.

A large table full of recent college graduates we met in San Antonio de Areco, in the country’s gaucho heartland, spoke of plans to use long-dead ancestors to gain European Union passports. Argentina’s universities are free, even for foreigners, but getting a job that pays enough to move out of mom and dad’s house is daunting for those without connections, they said. No one I met had confidence in the Fernández administration, but few held out hope that opposition parties would do better.

Mr. Fernández closed the country to foreigners from March 2020 to November 2021, crippling the important tourism sector. Even now little is being done to attract tourists. And while his predecessor sought to isolate Nicolás Maduro, Mr. Fernandez re-established diplomatic relations with

Venezuela in April, arguing that human-rights violations have been “dissipating.” At the recent Summit of the Americas in Los Angeles, the Argentine leader chastised the Biden administration for excluding Venezuela, Cuba and Nicaragua.

The left’s mistakes in Argentina—hypocritical and ineffective lockdowns, profligate social spending, high taxes, and too many restrictions on commerce—are eerily similar to the priorities of the American left. Argentina is a beautiful country with proud and resilient people who deserve better leadership.

Jorge Luis Borges (1899-1986), the country’s best-known writer, was a believer in individual liberty. Perpetually mistrustful of government, Borges ran afoul of Juan Domingo Perón, whose eponymous Peronist movement still dominates Argentine politics. Perón sent him a letter in 1946, informing him that he was being “promoted” from his job as a librarian to poultry and rabbit inspector at a public market. Borges later wrote, “I believe that in time we will have reached the point where we will deserve to be free of government.” Words that ring true today.

*Mr. Seminara is a former diplomat and author of “Mad Travelers: A Tale of Wanderlust, Greed & the Quest to Reach the Ends of the Earth.”*

Mary Anastasia O’Grady is away.

Miami Takes On the Socialist Model

**By Francis X. Suarez**

*Miami*  
While President Biden struggles to understand the meaning of the term “recession,” Americans across the country—especially those fleeing places like New York and California—are feeling the effect of the recession in a real way. The cost of groceries and of government is crushing them. This is painfully felt in cities, where increasing costs as well as increasing crime erode the quality of life.

But the debate over the definition of a recession misses a larger point. We are witnessing a competition between two core philosophies.

On one side, we have the socialist model: high taxes, high regulation, less competition and declining public services with government imposing itself as the solver and arbiter of all social problems. On the other side, we have the Miami model: low taxes, low regulation and a commitment to public safety and private

enterprise. The models present a stark choice on issues ranging from personal freedom, economic opportunity, public safety and the role of government.

People are voting with their feet by moving their lives, their jobs, their businesses and their families to low-tax states. Many Americans living in New York state and California are paying more than 50% of their annual

**Californians and New Yorkers flock here for relief from high taxes, crime and regulation.**

income to local, state and federal governments. They are effectively employees of the state, beholden to a government with public services that neither deliver value nor ensure their personal safety.

In Miami, many residents have personally experienced the socialist model along with its symptoms of hyperinfla-

tion, class resentment and stagnant growth. Four years ago Miami residents elected me to pursue a different path. We reduced taxes dramatically, and our revenue base doubled. We invested in our police, and our crime rate dropped. And last week we reduced taxes to their lowest level in history—cutting costs for residents and promoting economic growth.

Miami is a place where you can keep what you earn, invest what you save, and own what you build. We are meeting the high demand of rent costs by encouraging public-private partnerships, activating underutilized land through zoning reforms, and harnessing free-market forces to build more. It works, and our new residents from New York and California can confirm it.

But in this era of stagflation and recession, we know we must be bold and we must be brave. Even in Florida, we must embrace innovation and enterprise by eliminating the recent online sales tax. We must also eliminate the Florida

commercial rent tax to increase our supply of commercial space for our growing economy of small businesses. At the federal level, we must keep the Trump-Ryan tax cuts, protect seniors and the working poor from inflation’s devastating effects, and work to prevent inflation from pushing more middle-class and working-class Americans into higher tax brackets. We must balance our federal budget and reduce the new surge of regulations that impose an extreme political ideology over free enterprise and fair play.

The socialist model has failed Democrats locally, and it will continue to fail them nationally despite attempts to censor statistics or parse words. For pundits still unsure what “recession” means, think of it this way: A recession is when your neighbor loses his job; a depression is when you lose yours; and recovery begins when Joe Biden loses his.

*Mr. Suarez, a Republican, is mayor of Miami.*



OPINION

REVIEW & OUTLOOK

Better Call Mitch

The biggest campaign story last week wasn't Mitch McConnell's warning that Republicans might not retake the Senate in November. That's been clear since the party nominated so many candidates whose main advantage was support from Donald Trump. The big story was that those candidates are now calling on Mr. McConnell to come to their rescue.

Exhibit A is Ohio, where the Super Pac allied with Mr. McConnell, the Senate Leadership Fund, is committing \$28 million to save GOP nominee J.D. Vance. The "Hillbilly Elegy" author won the primary in a divided field after Mr. Trump endorsed him. But Mr. Vance has struggled to raise money from the GOP donor network he disdained as he courted the populist right. That worked in the primary, but it may not be enough to win in November.

Ohio should be a layup for the GOP this year. The Senate seat is currently held by Rob Portman, who is retiring after two terms. The state has been trending right and Mr. Trump carried it by eight points. But Democrat Tim Ryan, a Member of the House, is portraying himself as a moderate despite a liberal voting record and has out-raised the Republican. Thus Mr. Vance's S.O.S. to Mr. McConnell.

There's no little irony in this appeal since Mr. Vance criticized Senate GOP leaders as he ran in the primary. In a podcast last September, Mr. Vance said he had "no idea who should be the majority leader of the Senate."

But he added that "I think that McConnell has clearly shown that he's sometimes a little out of touch with where the base is. . . . I think that it's time that we moved beyond the very old leadership class that's dominated the Republican Party for a long time. And I think, it's just, we've got to do it. We've got to bring some new blood in. We've got to get people that the base is actually excited about." Apparently the "very old leadership class" has its uses when the "new blood" needs money.

Blake Masters, another Trump-backed nominee, is also counting on Mr. McConnell to save his campaign. "I think [Mr. McConnell will]

come in and spend. Arizona's gonna be competitive. It's gonna be a close race, and I hope he does come in," Mr. Masters told the Associated Press last week. Trailing Sen. Mark Kelly in the polls, Mr. Masters needs the Minority Leader's help. During the GOP primary, Mr. Masters called for Mr. McConnell to be replaced as leader. "I'll tell Mitch this to his face," Mr. Masters said during a GOP primary debate in June. "He's not bad at everything. He's good at judges. He's good at blocking Democrats. You know what he's not good at? Legislating."

These better-call-Mitch appeals are happening at the same time Mr. Trump's allies are attacking Mr. McConnell for telling the truth last week about GOP Senate prospects this year. The Minority Leader mentioned "candidate quality" as a factor in Senate campaigns, which is also true. Only the willfully blind can look at several of the Trump-endorsed nominees this year and claim they were the strongest candidates in the general election.

Arizona is a good example. Mr. Trump vowed to defeat the popular two-term GOP Gov. Doug Ducey if he ran for Senate because Mr. Ducey wouldn't work to overturn Mr. Trump's 2020 defeat in the state. Mr. Trump also trashed the capable Attorney General, Mark Brnovich, who ran and lost. The former President backed Mr. Masters, a political novice supported by financier Peter Thiel. But Mr. Trump's support may hurt more than help in the general election, and he has been reluctant to share his financial campaign wealth with others.

Mr. Trump has shown he can help candidates win primaries with a plurality of the vote in a crowded field. What he hasn't shown is that he can lift them to victory against Democrats in states that aren't solidly Republican. He proved the opposite with his sabotage of the two GOP candidates in the January 2021 special elections in Georgia that cost Republicans control of the Senate.

That's why the candidates he favors are now desperately seeking the help of Mr. McConnell, the leader Mr. Trump wants to replace.

American Democrats and Taiwan

Sen. Ed Markey and other Democrats visited Taiwan last week, following the wave-making stop by House Speaker Nancy Pelosi. If the Americans want to show the trips were more than photo-ops, they'll return from the Congressional recess with a resolve to do much more to help Taipei and the region resist Chinese hegemony.

Democrats are happy to denounce China from afar for mistreating the Uighurs and the eclipse of Hong Kong's autonomy. The trips to Taiwan are useful demonstrations of American support. But are the Members willing to spend real political capital at home to support Taiwan and send a message to China in ways that would really matter?

That means agreeing to spend more on U.S. defenses to credibly deter China. The need is urgent, as China invests in naval power and long-range missiles that could neutralize America's carrier battle groups. Yet the Biden Administration wants to shrink the Navy in the near term when China might see a window of opportunity to invade Taiwan. Democrats who defy China by visiting Taipei have an obligation to help defend the island.

The other priority is re-engaging with the Asia Pacific on trade. The Biden Administration is beginning trade talks with Taiwan at long

last, which is welcome. But an obstacle to success is the perception that Democrats in Congress and their labor allies will oppose any deal the Administration strikes with countries in the Pacific region. Mrs. Pelosi has done nothing to disabuse that perception as she refuses to advance new trade promotion authority in Congress.

In May the Biden Administration rolled out its new Indo-Pacific Economic Framework (IPEF) with a dozen other nations. But the framework contains no new market access, and it doesn't even make a priority of digital trade. The Administration is afraid of opposition from unions and Democrats in Congress.

We're told Indonesia, India and Vietnam might not cooperate further on IPEF without more market access. Setting the terms of digital trade should be an easy call as it becomes a dominant pillar of economic relations in the coming decades.

Both moves would get China's attention, since Beijing isn't part of IPEF. Not long after the U.S. announced plans for IPEF last year, China asked to join the Asia-Pacific successor to the Trans-Pacific Partnership that Donald Trump unwisely abandoned.

Your move, Madam Speaker. Put some military and economic muscle behind your show of moral support.

Will Pelosi and Markey do more to help Taipei than offer moral support?

The Spinning of Virginia's Wind Farm

Now that their climate spending bill has been signed by President Biden, Democrats might go to bed dreaming of wind farms. What they're sleeping through is the green logrolling and corporatism already evident in the clean-power transition. A good example is an offshore wind farm that Virginia regulators approved recently under obvious duress.

Dominion Energy plans to build 176 wind turbines 27 miles off the coast of Virginia Beach. That's enough to power about 660,000 homes. The capital cost is \$9.8 billion. The state Corporation Commission assented to a related rate increase, but it noted that the downside risk is on consumers. Typically, the commission says, a utility might buy such power from an outside developer, "which limits the risks to customers." Yet Dominion "has chosen to construct, own and operate the Project."

What could go wrong? The commission says that "designs for various components of these turbines" have "yet to be finalized." Because offshore wind at this scale is new to the U.S., "there is no developed supply chain," which "could lead to construction delays and cost overruns." What if it falls through for some reason? "Even if the Project is abandoned at the end of 2023," the order says, "Dominion still estimates it would have prudently incurred approximately \$3.7 billion of costs to be recovered from customers."

So why approve the wind farm at all? Because the state Legislature mandated that such an offshore project "is in the public interest, and

the Commission shall so find." The commission's order sounds nearly apologetic in saying that regulators are "keenly aware of the ongoing

rise in gas prices, inflation, and other economic pressures," but "this is a prescriptive statute."

On one point, however, the commission does assert power to hold Dominion accountable.

The company forecast that the wind farm will generate electricity in practice at 42% of its maximum capacity. Again it wants consumers on the hook if that target proves optimistic. Instead the commission ordered that "customers shall be held harmless for any shortfall in energy production below an annual net capacity factor of 42%."

Dominion could appeal. "We are extremely disappointed in the commission's requirement of a performance guarantee," CEO Robert Blue said on an earnings call. He griped that it would effectively require the company "to financially guarantee the weather, among other factors beyond its control, for the life of the project." Exactly. Since no one can control mother nature, who should bear the risks? Dominion's answer is not Dominion.

Is this how the energy transition is going to run everywhere, with the cost overruns and financial exposure borne by an inattentive public? In any other industry, if a billion-dollar company were pushing risks on consumers like this, the screams from Democrats in Washington would move enough air to power a wind turbine or two off Virginia Beach. Maybe they're hypnotized by the spinning blades, but bill payers won't be.

LETTERS TO THE EDITOR

Academy of Pediatrics Responds on Trans Care

Regarding Julia Mason and Leor Sapir's op-ed "The American Academy of Pediatrics' Dubious Transgender Science" (Aug. 18): In its recommendations for caring for transgender and gender-diverse young people, the AAP advises pediatricians to offer developmentally appropriate care that is oriented toward understanding and appreciating the youth's gender experience. This care is nonjudgmental, includes families and allows questions and concerns to be raised in a supportive environment. This is what it means to "affirm" a child or teen; it means destigmatizing gender variance and promoting a child's self-worth. Gender-affirming care can be lifesaving. It doesn't push medical treatments or surgery; for the vast majority of children, it recommends the opposite.

This isn't the story that is being told by anti-transgender activists. No European country has categorically banned gender-affirming care when medically appropriate. Contrary to what Dr. Mason and Mr. Sapir claim,

the U.K. isn't moving away from gender-affirming care. It is moving toward a more regional, multidisciplinary approach, similar to what is practiced in the U.S.

The AAP is committed to following the evidence and basing our recommendations on the best science. When concerns are raised about a study in Pediatrics, the journal follows a standard process to investigate. Evidence review also is a normal part of the AAP's policy-writing process and doesn't require a resolution at its annual leadership conference.

Meanwhile, the anti-trans bills in state legislatures, the social-media attacks and the rise in misinformation has an impact. The ones who suffer are the young people who are trying only to live their lives as their true selves. The AAP will continue to stand up for all children and adolescents, including those who are transgender.

MOIRA SZLAGYI, M.D.  
President, American Academy of Pediatrics  
Los Angeles

Fighting the SALT Cap on Behalf of New York

A reader of "The SALT Democrats Surrender" (Review & Outlook, Aug. 16) might conclude that the editorial board supports lifting the \$10,000 deduction limit for state and local taxes (SALT). But it doesn't. While I advocate lifting the cap, this editorial board previously decried that policy as "devious" and an "income redistribution play" to benefit the uberwealthy.

For 100 years, Americans relied on this deduction—the first ever recognized in the federal tax code. Then, President Trump and the GOP capped it at \$10,000 to pay for other wrongheaded tax cuts. Placing an unfair tax on state and local taxes that have already been paid while undermining state and local governments has achieved a Republican goal: encouraging the growth of low-tax (and

low-services) red states at the expense of high-tax, progressive blue states. This has encouraged a domestic race to the bottom.

Your editorial now decries that Democrats such as myself didn't demand the restoration of the full SALT deduction in the Inflation Reduction Act. This legislation, however, doesn't make any changes to the personal income-tax code, and there was no nexus to hold the legislation hostage to SALT. It would be an illogical and losing battle.

We will continue to fight for the reinstatement of the full SALT deduction. Unlike the editorial board, my colleagues and I won't abandon New York in the SALT fight.

REP. TOM SUOZZI (D, N.Y.)  
Washington

Don't Be Fooled by the Interest-Rate Lag Time

There seems to be some misunderstanding in the Biden administration and the markets about the status of the inflation fight ("Zero Inflation"? Not Quite," Review & Outlook, Aug. 11). Many have suggested that because nothing bad has happened since the Federal Reserve began raising rates, everything will be fine. A historical precedent may provide some guidance.

Huge government spending during World War I caused strong inflation.

Why Do Writers Still Distort The Image of Joan of Arc?

I was dismayed to see Maureen Corrigan's positive review of "Joan" by Katherine Chen (Books, Aug. 6). Ms. Chen's portrayal of St. Joan of Arc as an angry Amazon is a distortion of the historical record.

If there were no reliable facts on which to base a historical novel, Ms. Chen might be excused. But the entire record of Joan's trial in 1431 is extant. Appeals to historical fiction's privilege "to keep loose its tether to fact" do not suffice, since such claims are understood to flesh out the personality of the protagonist as rooted in fact. Ms. Chen's portrayal of Joan appears rooted in her own ideology.

Even Bertrand Russell and Mark Twain, an atheist and a skeptic, respectively, didn't dare to portray Joan as anything other than what she was: a simple, devout girl of 19 who died at the hands of corrupt clerics who distorted her image for political gain.

NORINE DICARLO  
New Rochelle, N.Y.

Hearing Aid Isn't So Simple

It is advantageous to make the sale of hearing aids more competitive to bring down prices ("A Biden Hearing-Aid Breakthrough," Review & Outlook, Aug. 17). But there is more than one type of hearing aid and more than one size, and aids need to be programmed for each person. You need a trained audiologist to choose the right type and size and do the individualized programming or they won't work correctly. Selling them over the counter is completely misguided.

BEVERLY FRIEDMAN  
Sunnyvale, Calif.

CORRECTION

The Congressional Budget Office cost estimate for the ObamaCare subsidy expansion was \$34 billion for two years and \$64 billion for three years. The numbers were misstated in the editorial "The Government's Stealth Health Insurance Takeover" (Aug. 15).

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Pepper ... And Salt

THE WALL STREET JOURNAL





OPINION

# How China’s Propaganda Influences the West

By **Seth D. Kaplan**

The Chinese Communist Party’s propaganda machine has had a busy year. Two weeks before Russia’s invasion of Ukraine, Xi Jinping and Vladimir Putin declared that their countries’ friendship has “no limits.” Chinese state media has since been working overtime to parrot the Kremlin’s lies about the conflict. Less well known—and especially troubling—is how successful they have been in spreading their disinformation in the U.S.

Thanks to a decadeslong effort by the Chinese Communist Party, millions of Chinese-speaking American citizens rely on Beijing’s mouthpieces as their primary sources of news. SinoVision, a Chinese-language TV broadcaster, and Qiaobao,

ties to the party and its United Front influence organization. The World Journal, once the premier Chinese-language newspaper in the U.S., has taken a more pro-Beijing bent as a result of financial incentives and pressure. Cable television, a leading source of information for Chinese-American households, is no more objective, as China Central Television and Hong Kong’s pro-Beijing Phoenix TV dominate the offerings.

Beijing’s crackdown in Hong Kong has solidified its grip on information. The territory once had a lively media environment that was consumed overseas—especially by Cantonese speakers—but independent voices such as Apple Daily have been closed or compromised. Newsrooms have been raided and journalists arrested or forced out of work.

Deep party ties mean that Chinese-language outlets parrot Kremlin talking points on the war in Ukraine. Qiaobao’s headlines often repeat Xinhua’s words verbatim, such as labeling the war the “Russia-Ukraine situation.” Earlier in the war, the outlet trumpeted the Kremlin’s unfounded theory that the U.S. funded biowarfare laboratories in Ukraine.

These lies have no doubt spread in part thanks to WeChat, the China-based messaging and social-media app that hosts 19 million daily users in the U.S. The app’s popularity and functionality—users can shop, read news and launch phone calls—make it invaluable in the party’s efforts to influence American politics. The U.S. Commerce Department raised national-security concerns when it sought to ban WeChat from U.S. app stores in 2020, but a federal judge blocked



Beijing has detained family members of reporters at outlets critical of the party.

Washington must work to ensure Chinese-speaking Americans have access to a free media during the upcoming midterm elections and beyond. The U.S. government should require entities to disclose their ownership structures and financial relationship with any Chinese or United Front organization—and insist that those under party influence either be sold off or shut down. The U.S. should also subsidize independent alternatives and syndicated content from outlets such as Radio Free Asia, China Digital Times and BBC Chinese.

The Department of Homeland Security must expose the risks of social-media apps such as WeChat being deployed for malign influence. The department should draft and enforce regulations that require them to follow American standards and norms of free expression and privacy. If they don’t comply, the government should ban them from the American market. While the Biden administration has established a set of rules to ensure information and communications products such as WeChat don’t pose security risks, it’s unclear whether any investigation to evaluate them has been launched.

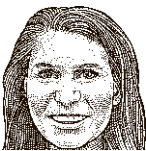
The Chinese Communist Party is influencing the information consumed by millions of Chinese-speaking Americans. If Beijing’s propaganda campaign remains unchecked, all Americans will suffer.

*Dr. Kaplan is a professorial lecturer in the Paul H. Nitze School of Advanced International Studies at Johns Hopkins University. He lived in China for seven years.*

## Millions around the world now rely on Beijing’s mouthpieces as their primary sources for news.

one of the largest Chinese-language newspapers in the U.S., are subsidiaries of the Asian Culture and Media Group, an arm of the Chinese government. Staff at both places cut their teeth at the state-owned China News Service and are often dispatched to the U.S. for propaganda purposes. Once there, most of their stories on China, Sino-American relations, Taiwan, Hong Kong and related subjects are reproduced from state-owned media such as Xinhua and the People’s Daily.

Other media outlets—such as Sing Tao Newspaper Group and the Duowei news website—are controlled by businesspeople with close



**LIFE SCIENCE**  
By **Allysia Finley**

Donald Trump was unlucky that a once-in-a-century pandemic struck in his re-election year. And Joe Biden is lucky that the current monkeypox outbreak is relatively mild. But his administration’s bumbling response belies Mr. Biden’s 2020 argument that he would have handled Covid better.

Monkeypox, first identified in lab animals in 1958, is a close relative of smallpox, though it is less lethal and contagious. Periodic outbreaks have occurred in Central and West Africa, where the virus is endemic and spreads among wild animals. Humans can catch it through direct contact with the skin lesions of an infected animal or person.

A small U.S. outbreak in 2003 was linked to rodents imported from Ghana by an exotic pet dealer. The virus infected 71 Americans but was quickly contained with the help of the smallpox vaccine. No one died.

The outbreak, coupled with growing concerns about bioterrorism, prompted Washington to seek a safer,

more effective vaccine against smallpox and monkeypox. The federal government began to support the development of Bavarian Nordic’s Jynneos vaccine. In 2017 the Trump administration awarded Bavarian a 10-year contract for freeze-dried vaccines, giving the U.S. rights to an estimated 13 million doses. The Food and Drug Administration approved the vaccine in 2019, and the Trump administration in 2020 ordered 1.4 million doses in case of emergency.

So when the first monkeypox cases popped up in mid-May, the U.S. had the benefit of scientific knowledge, experience and a ready-made vaccine. The Centers for Disease Control and Prevention has reported 14,115 cases nationwide as of Aug. 18, probably an underestimate since the virus can look similar to other diseases. No deaths have been reported in the U.S. But Biden officials’ inept response has made the outbreak far worse than it might have been.

On May 22, four days after the first case was identified, Mr. Biden said monkeypox was “something that everybody should be concerned about,” although reports indicated that the virus was mainly spreading among gay men.

the action. The Biden administration then revoked the ban and ordered a security review, but it appears to be focused more on safeguarding Americans’ personal data than on limiting Beijing’s propaganda and censorship.

The party has successfully enlisted WeChat for such purposes elsewhere. In Australia, Beijing has limited users’ access to news that’s unfavorable to the party—notably, Australia’s recent actions to stem Chinese influence over the Solomon Islands. In Canada, frequent Beijing critic Kenny Chiu was targeted with disinformation on WeChat during his re-election campaign in 2021 after he proposed a public registry to track foreign influence. Many of the attacks originated with HuayiNet, a company with close ties to the Chinese government that provides daily news briefings aimed at the

Chinese diaspora. In the weeks leading up to the election, these included articles claiming that Mr. Chiu’s proposal would lead to widespread suppression and monitoring of the Chinese community. In an election that showed little change in national voting tendencies, Mr. Chiu lost his re-election bid after a swing of more than 15 points from his prior election.

Though a few outlets, such as the Epoch Times, Hope Radio and New Tang Dynasty TV, remain out of the party’s control, their reach is nothing like that of larger sources. Other small, independent channels, such as HongKonger Station, operate with limited resources. The Wall Street Journal and New York Times run Chinese-language websites, but paywalls limit access to their content. The party seeks to influence these outlets indirectly, too. On several occasions

## A Bumbling Biden Fails the Monkeypox Test

Officials then rushed to tamp down a brewing panic. “This is a virus we understand,” White House Covid response coordinator Ashish Jha said. “We have vaccines against it. We have treatments against it. It’s not as contagious as Covid. So I am confident we’re going to be able to keep our arms around it.”

### Would he have handled Covid better than Trump? A different outbreak gives ample reason for doubt.

At the time the government had a mere 2,400 usable doses of Jynneos in its Strategic National Stockpile—enough to inoculate 1,200 people. Bavarian was storing another 372,000 finished doses in Denmark, but they wouldn’t arrive for weeks. Demand for vaccines quickly outstripped supply.

The other doses the government had ordered earlier were filled at Bavarian’s new “fill and finish” factory in Denmark, which had been operating since early 2021. But the FDA

didn’t certify the facility until July 27, meaning that those doses couldn’t be distributed. As cases mounted, the administration ordered millions more doses in late June and July but they too couldn’t be delivered until later this year or next.

To stretch the government supply, the FDA this month approved a new method for injecting vaccines in the upper skin layer, which would allow each single-dose vial to be split into five doses. Bavarian CEO Paul Chaplin warned officials in a letter that there was “very limited safety data available” to support this method, and local officials complained that health-care workers weren’t trained in it. Nevertheless, administration officials last week told states they would send them more doses only if they adopt this protocol.

Making matters worse, doses were misdirected because the administration used antiquated computer systems to distribute them to states, which couldn’t track the shipments. “Our response is completely inefficient and breaking the back of state and local responders,” Claire Hannan, executive director of the Association of Immunization Managers, told the New York Times.

Meantime, some 1.7 million courses of the smallpox antiviral treatment, which could help patients, sit in Washington’s stockpile. European regulators have approved the drug to treat monkeypox, but the FDA hasn’t, and the CDC is restricting access by requiring doctors to complete mounds of paperwork to prescribe it.

The reason? Government officials explained in the New England Journal of Medicine last week that the National Institutes of Health wants to conduct a randomized controlled trial. Expanding access to the antiviral could make this harder to do—why risk getting a placebo when your physician can prescribe the real thing?—but a trial could take years at the NIH’s snail speed. The Trump administration was criticized for authorizing convalescent plasma as a Covid treatment without evidence from randomized trials, but tens of thousands of patients probably benefited from access to it.

The Biden administration’s haphazard monkeypox response may cause hundreds of thousands of Americans to suffer needlessly. Why should we think Mr. Biden would have done any better with Covid?

## Trump’s Supporters and Detractors Are Mirror Images

By **Katherine C. Epstein**

Reactions to the Federal Bureau of Investigation search of Mar-a-Lago revealed a symmetry between Donald Trump’s loudest supporters and his loudest detractors that both sides wish to ignore: the desire to avoid acknowledging their unpopularity and taking responsibility for their choices.

Mr. Trump’s supporters have offered a stream of theories to justify their belief that he didn’t lose the 2020 election—voting machines were tampered with, election officials were corrupt, ballot boxes were stuffed, etc.

On the other hand, Mr. Trump’s opponents have pursued a stream of legal investigations to justify their belief that he engaged in criminal conduct—the Russia investigation,

the tax-fraud investigation, the Jan. 6 investigation, etc.

Mr. Trump’s most fervent supporters and opponents focus on asking whether the stolen-election theories and legal investigations are empirically accurate. It’s easy to get sucked into trying to answer that question, as most commentary has done, and forget to ask other important ones. Why, for example, might Trump supporters and opponents focus on that particular inquiry—and why might they not want others to undertake additional inquiries? In the language of cultural history, what work does their preferred framing of the question do for them?

The answer seems to be that it enables them to avoid searching their own consciences. By blaming others, they don’t have to blame themselves. By explaining events in terms of other people’s choices, they

don’t have to take responsibility for their own.

For Trump supporters, the stolen-election theory enables them to avoid confronting the reality that a large majority of the country dislikes the guy they like and to avoid asking whether there might not be some empirically well-founded reasons to dislike him, such as his narcissism, petty vindictiveness and America-first parochialism. The stolen-election theory enables Trump supporters to avoid admitting they’ve backed a loser. It allows them to believe that the problem isn’t Mr. Trump’s unpopularity, for which they and Mr. Trump are largely responsible.

If Trump supporters’ problem was his unfitness for public office rather than compromised voting machines, then they’d have to consider that they might be complicit in what ails the country. They’d have to do a lot of hard work to figure out why they were so loyal to such an obnoxious person. Much easier to blame a Democratic conspiracy.

For Trump opponents, the quest for a legal silver bullet enables them to avoid confronting the reality that a large majority of the country dislikes the candidates *they* like and to avoid asking whether there might not be some empirically well-grounded reasons to dislike these candidates—such as their condescension, desire to spend vast sums of money without regard for the long-term implications, and lack of interest in national security. The quest for a legal silver bullet enables Trump opponents to avoid admitting that they have backed losers. It allows them to indulge the

inverse fantasy of Trump’s supporters: to believe that the problem isn’t the Democrats’ unpopularity, for which they themselves are largely responsible.

If Trump opponents’ problem were political, cultural and moral rather than legal, then they would have to consider that they might be complicit in creating the conditions that made Mr. Trump’s presidency possible.

### The Mar-a-Lago search reveals both camps are loath to take responsibility for the choices they made.

They would have to do a lot of hard work persuading Americans that Democrats have better ideas than Republicans. Much easier to seek a shortcut through the courts.

In effect, where Mr. Trump’s supporters have a cult of personality, his opponents have a cult of law. They want the law to do something it can’t—solve political, cultural and moral problems—in much the same way that Mr. Trump’s supporters want him to be something he isn’t, which is a winner. What’s striking about Trump supporters isn’t that they’re angry at the left (lots of people are), but that they identify the solution so strongly with a single person. What’s striking about his opponents isn’t that they want a solution to the Trump problem (lots of people do), but that they keep searching for a *legal* solution.

The substance of the reactions to the FBI search among Mr. Trump’s

supporters and his opponents is different, but the almost pathological intensity of their reactions is similar. Among supporters, there’s a desperate unwillingness to consider whether the search might be justified by the facts of the case or by the bedrock principle that no one is above the law. Among opponents, there’s a desperate hope that this will finally be the case that gets him and an equally desperate desire to avoid considering whether the search might compromise the bedrock principle that the law must not be politicized.

That desperation is the hallmark of Trump Derangement Syndrome—a pandemic spread by the virality-seeking media and for which Mr. Trump himself is Patient Zero.

I’m not arguing that Trump supporters are wrong to be angry at the left, or that Trump opponents are wrong to care about the law. I’m arguing that the annoying question always asked by therapists—not “is that really true?” but “why do you think or want that to be true?”—is a question that needs to be asked of Mr. Trump’s supporters and opponents. The answer is one they don’t want to hear.

The Mar-a-Lago search has been used to explain support and opposition to Mr. Trump in terms of evil or stupidity, which is how his supporters and opponents explain each other. Perhaps we might use it instead to ask what work using evil and stupidity as our categories of analysis does for us.

*Ms. Epstein is an associate professor of history at Rutgers University-Camden.*

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# BUSINESS & FINANCE

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Last Week: **S&P** 4228.48 ▼ 1.21% **S&P FIN** ▼ 1.72% **S&P IT** ▼ 1.71% **DJ TRANS** ▼ 2.48% **WSJ \$IDX** ▲ 2.25% **2-YR. TREAS.** yield 3.265% **NIKKEI** 28930.33 ▲ 1.34% **See more at [WSJ.com/Markets](https://www.wsj.com/markets)**

## Online Fans Stick With Meme Stock

Individual investors cheer on Bed Bath & Beyond on social media after selloff

By Akane Otani and Caitlin McCabe

A stupefying rally in **Bed Bath & Beyond** Inc.'s stock came skidding to a halt last week when one of the company's biggest shareholders cashed out.

Now, a crowd of individual investors say they are hoping to ride out the worst of the selloff.

Even as Bed Bath & Beyond slumped Friday in its worst one-day pullback ever, individual investors continued to cheer the stock on social-media platforms like Reddit, Discord and Twitter.

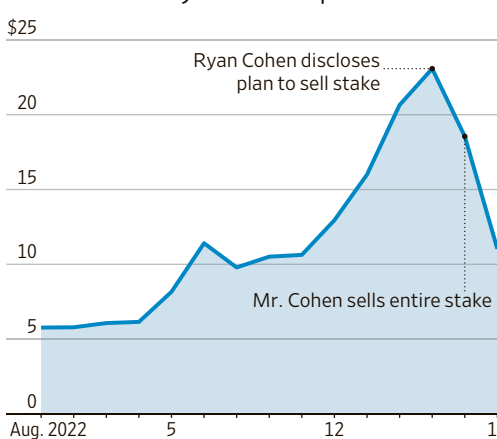
Many posted emojis of diamonds and hands—internet shorthand for someone who holds steadfast to their investments even when there is rising pressure to sell.

Others tagged their posts with “HODL”: hold on for dear life.

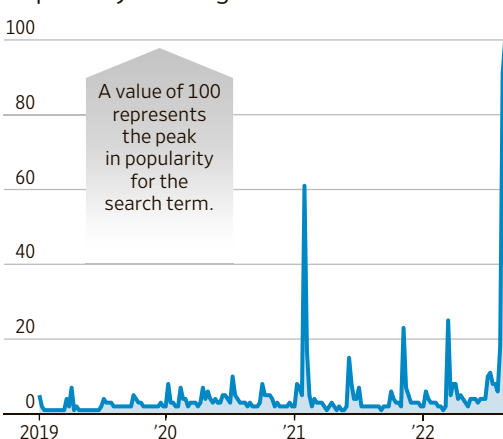
Their message to the world? We aren't giving up.

Wil Lobach, a 39-year-old investor from New Jersey, said he is hoping to use the selloff

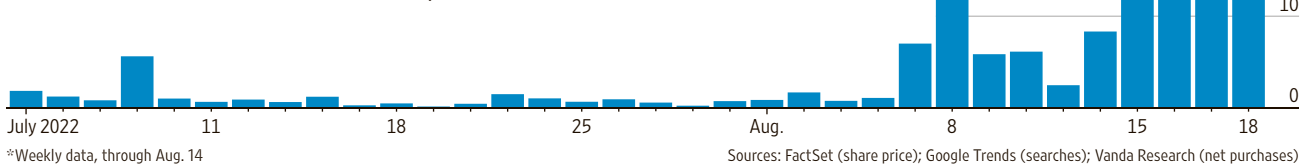
Bed Bath & Beyond share price



Popularity of Google searches for BBBY\*



Net purchases among retail investors of Bed Bath & Beyond, AMC Entertainment and GameStop shares



as a way to add to his Bed Bath & Beyond holdings.

He owns more than 250 shares of the struggling retailer. Having scooped them up at an average price of around \$6.50, he is still up about 70% on his initial investment. Bed Bath & Beyond shares fell 41% Friday to \$11.03.

Mr. Lobach said the volatil-

ity in the stock last week did little to scare him. He also owns stakes in meme stocks

**GameStop** Corp. and **AMC Entertainment Holdings** Inc., both of which are also known for their wild swings.

“I’m proud of him,” Mr. Lobach said of billionaire investor Ryan Cohen, whose sale of his stake triggered the sell-

off in Bed Bath & Beyond's shares last week.

Cohen's “army is right behind him,” Mr. Lobach added, noting he supports the sale and believes Mr. Cohen isn't done with Bed Bath & Beyond yet. “It's been incredible to be a part of this moment in history.”

Mr. Cohen, the co-founder of pet-supply retailer Chewy

Inc., has developed a devoted following of individual investors, who cheered his rapid ascension last year from activist investor to GameStop chairman.

Many individuals piled into Bed Bath & Beyond's shares after Mr. Cohen revealed a sizable stake in the company in *Please turn to page B2*

## Amazon Adds Fees, Sales Event To Offset Costs

By Sebastian Herrera

**Amazon.com** Inc. is adding new revenue streams ahead of the holiday season to help it counter inflationary pressures and other rising costs and as it recalibrates following a pandemic boom.

The company is passing on some costs to the sellers that use its e-commerce platform and plans to hold a second deals event for Prime members after having completed its annual Prime Day shopping extravaganza in July.

Amazon this past week told third-party sellers using its shipping services that it would introduce a “holiday peak fulfillment fee” from Oct. 15 to Jan. 14. The new fee is expected to increase costs for sellers in the U.S. and Canada by an average of 35 cents per item sold, according to an email sent to sellers viewed by The Wall Street Journal.

Amazon, which said in the *Please turn to page B2*

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The company is recalibrating ahead of holiday shopping season as its pandemic boom has faded.

## Verdict of \$1.7 Billion Spotlights Ford Truck Roof

By Nora Eckert

A \$1.7 billion jury verdict against **Ford Motor** Co. involving a fatal truck crash called into question the roof strength of older-model Super Duty pickups sold by the company over a roughly 17-year period.

A jury in Georgia on Friday reached a verdict in a case involving a 2014 rollover of a Ford F-250 pickup truck that

left two people dead.

The Gwinnett County jury determined that punitive damages should be imposed on Ford for selling 5.2 million Super Duty trucks with what the plaintiffs' attorneys said were dangerously weak roofs that could crush passengers in a rollover accident, according to James Butler, a lawyer for the plaintiffs in the case.

The case was brought by the

family of a Georgia couple, Melvin and Voncile Hill, who were driving a 2002 Ford F-250 Super Duty truck from their farm when the right front tire blew out and the truck rolled over, Mr. Butler said. The Hills were crushed inside the truck, he added.

“While our sympathies go out to the Hill family, we don't believe the verdict is supported by the evidence, and we plan to

appeal,” Ford said in a statement on Sunday.

The \$1.7 billion verdict is believed to be one of the biggest in Georgia history and is unusually large for an accident-related lawsuit involving an auto manufacturer. Typically, damages in these types of cases run in the millions of dollars, and many are settled out of court. Often, high-dollar verdicts are later reduced by

judges or the appeals courts.

“The Hill family is glad this part of the case is finally over,” Mr. Butler said. “They intend to persevere and make Ford pay.”

The lawyers for the plaintiffs argued that the roofs on the 1999-2016 Super Duty trucks were defectively designed and dangerously weak and that Ford allegedly knew of the dangers posed by the roofs.

*Please turn to page B2*

## Berkshire Likely Isn't Looking to Take Over Occidental

Warren Buffett's bid to boost his big stake in **Occidental Petroleum** Corp. even further isn't expected to serve as a prelude to a full takeover of the re-surgent energy company by the widely watched billionaire, at least for now.

By Akane Otani, Christopher M. Matthews and Cara Lombardo

In a regulatory filing Friday, the Federal Energy Regulatory Commission said Mr. Buffett's **Berkshire Hathaway** Inc. received permission to buy up to 50% of the driller's shares. The news stoked speculation that Berkshire could be gearing up to acquire Occidental.

Analysts have said Occidental's oil business would complement Berkshire's existing energy holdings, which include utilities, natural gas and renewables. Mr. Buffett has a warm relationship with Chief Executive Vicki Hollub and has praised her efforts to turn the company around after its acquisition of Anadarko Petroleum Corp. and her plans to pay down debt and increase dividend payouts.

But Mr. Buffett hasn't informed Occidental of any plans to acquire a controlling stake in the company, according to people close to the matter. Given Mr. Buffett's well-known aversion to hostile deal making, it would be out of character for him to make a bid without sounding out the company's executives and directors first.

Owning such a big stake—Berkshire is Occidental's largest shareholder—gives him major influence over the company, and acquiring control could cost him a hefty premium to the current share price. The stock closed Friday at \$71.29, up nearly 10% on the news, giving the company a market capitalization of about \$66 billion.

Why would Berkshire seek out permission to buy more of Occidental? For one, it was close to running up against FERC-imposed investing limits.

Filings show Berkshire has a 20% stake in Occidental. It also has warrants to purchase another 83.9 million common shares and 100,000 shares of preferred stock that pay a hefty dividend—both of which it acquired after helping Occidental finance its 2019 acquisition of Anadarko.

If Berkshire were to exercise the warrants, its stake would rise to roughly 27%. That would have exceeded the

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### STREETWISE | By James Mackintosh

## Market Is Split From Economy, but It Won't Last



Here's a thought experiment. Imagine the economy is looking a bit end-of-cycle-y, unemployment close to as low as it has ever been, forecast growth low, interest rates being cut and stocks high. Then fast-forward three years to an economy that isn't much bigger than it was and has unemployment slightly lower, growth forecast to be much lower and interest rates being raised. Where should stocks and other risky assets be?

The right answer, at least for where stocks in fact are, is up by a third. That end-of-cycle economy was 2019, and today's economy looks worse for investors on almost every measure—except the fat profits being made by companies.

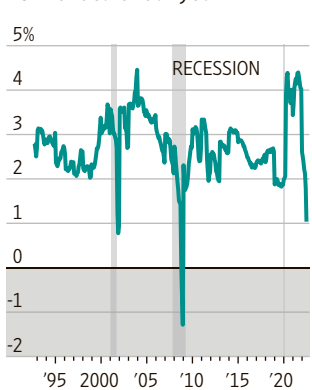
Start with the numbers. After the short but deep pandemic recession, U.S. gross domestic product was about 2.5% higher in the second quarter of this year than at the end of 2019. Unemployment at 3.5% is fractionally below 2019, and the equal-lowest since the end of the 1960s boom. Consensus Economics calculates the average forecast for year-ahead GDP growth is 1%, about half that in 2019. Finally, interest rates are well above where they stood in 2019, and rising, not falling, thanks to runaway inflation.

Luckily for stock-market investors, the economy doesn't seem to matter that much—though that may not last forever. Predicted profits 12 months ahead are up a third, and so are stock prices. Who cares if wages are rising fast and the economy stagnating, so long as

the costs can be passed on to customers?

It isn't exactly that the economy is irrelevant. Recession was (for a short while) terrible for stocks in 2020, and this year the hawkish Federal Reserve combined

Consensus growth forecast for next calendar year\*



\*Forecast earnings are 12-month forward for S&P 500; Growth and Value are Russell 1000 indexes; housing is S&P/Case-Shiller U.S. National Home Price Index, to May. †Monthly data, through July Sources: Refinitiv (change); Consensus Economics via FactSet (growth forecast)

Here's where we get the risk to stock prices. Earnings come from the gap between revenues and costs, and this year many obvious costs have been rising faster than sales. Labor costs are up, productivity is down. Input costs are up, and domestic after-tax profit margins have dropped back to where they were in 2019, after hitting a record high last year. The result is that for the U.S. corporate sector as a whole, as measured by economic data, earnings gains have been purely due to revenue gains, the vast bulk of which is merely inflation.

Again, investors don't seem bothered, because the stock market isn't the economy. S&P 500 profit margins have bucked the broader economic trend and remain higher than in 2019, having done well after the initial

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Farley, Jim.....B2	<b>K</b>	Sale, Keith.....R3
Ferraro, Chris.....B2	Krishnan, Charag.....R2	Schwamm, Lee.....R3
<b>G</b>	Kropp, Brian.....R1	Shohat, Yaron.....B4
Grundstrom, Jason.....R3	<b>M</b>	Sonders, Liz Ann.....A9
<b>H</b>	Maria P. Roche.....R3	Stockton, Katie.....A9
		Verdi, John.....R1

# Online Fans Stick With Bed Bath

Continued from page B1

March and issued a letter to its board pushing for major changes.

David Simpson, a 30-year-old from Seattle, said he is committed to holding on to his Bed Bath & Beyond investment until at least 2023, by which time he believes the stock will have risen to around \$200.

He wasn't deterred by news of Mr. Cohen selling his stake. In fact, he says his conviction in his Bed Bath & Beyond trade has only gotten stronger. He referenced Mr. Cohen's role in Chewy's growth from a small startup into a company that would later be acquired by PetSmart for \$3.35 billion, a deal that was at the time the biggest e-commerce acquisition ever.

"My instincts tell me the same is true" for Bed Bath & Beyond, Mr. Simpson said, adding he believes the company will be able to strengthen its financial position by the end of the year.

Bed Bath & Beyond is searching for a \$375 million loan to build cash and help pay down debt, The Wall Street Journal previously reported.

In June, the company said sales for the current quarter were trending down 20% from the year-earlier period.

Individual investors' resolve is the latest twist in a meme-stock mania that has endured much longer than many professional investors and analysts could have ever predicted. Some individual investors say they have good reason to believe the shares will spike again.

Many are also continuing to hold out for what they believe will be a massive short squeeze, a phenomenon that occurs when a stock rises so much that investors who bet against it are forced to buy back shares, driving the stock even higher.

At the moment, those betting on the stock face an uphill battle.

On Friday, the selloff hitting Bed Bath & Beyond spread to

other meme stocks, with GameStop losing 3.8%, AMC Entertainment falling 6.6% and Coinbase Global Inc. shedding 11%. The S&P 500 finished down 1.3%.

Data also show pressure from short sellers has continued to grow.

Roughly half of Bed Bath & Beyond's shares that were available to trade Friday afternoon were being shorted, according to Thor Dusanivsky, head of predictive analytics at S3 Partners, a technology and data analytics firm.

"This has been a rollercoaster week," Mr. Dusanivsky said in an email, noting the value of short sellers' positions was down hundreds of millions of dollars in the first half of the week, only to jump hundreds of millions of dollars on Thursday and Friday.

Wall Street analysts are also warning there could be more pain ahead for shareholders.

Wedbush Securities analyst Seth Basham said he believes Bed Bath & Beyond's stock should be trading at around \$5—55% below where it closed Friday. He cut his rating for the stock to "underperform" from "neutral" in a note after Mr. Cohen made his plans to sell his stake public Wednesday.

Even if the company manages to achieve goals like fixing its inventory and supply-chain problems, its stock has surged so much that the risk-to-reward ratio for investors remains "disproportionately skewed to the downside," Mr. Basham added.

Bed Bath & Beyond shares are still up 122% for the quarter, compared with the S&P 500, which has risen 12%.

Wells Fargo analyst Zachary Fadem, who covers Bed Bath & Beyond, is holding a price target of \$3 for the stock—73% below where it closed Friday.

Among Mr. Fadem's concerns: Foot traffic at Bed Bath & Beyond's stores and web traffic on its site seem to be decelerating.

The company is also in a financially vulnerable position. It is working with external advisers to try to strengthen its balance sheet.

"We believe the writing is on the wall that BBBY shares have again decoupled from economic reality," Mr. Fadem said in a note.

# Amazon Joins Bidding for Signify

By LAURA COOPER

Amazon.com Inc. is among the bidders for healthcare company Signify Health Inc., joining other heavy hitters vying in an auction for the home-health services provider, according to people familiar with the matter.

Signify is for sale in an auction that could value it at over \$8 billion, the people said. Bids are due around Labor Day, according to the people, but it is always possible an eager bidder could strike a deal before then.

CVS Health Corp. is also among the suitors, The Wall Street Journal previously reported, as the drugstore and insurance giant looks to expand in home-health services. UnitedHealth Group Inc. and another corporate buyer are also circling the company, according to the people.

There is no guarantee any of them will reach a deal for Signify, which has been exploring strategic alternatives. The healthcare company has a market value of roughly \$5 billion, boosted since the Journal first reported on the

possibility of a deal this month.

Signify uses analytics and technology to help employers, health plans, physician groups and health systems with in-home care. It offers in-home health evaluations for Medicare Advantage and other government-run managed-care plans.

A deal would mark Amazon's latest foray into the healthcare sector and the second time in recent months it faced off against CVS.

The online-commerce and media-and-technology giant

in July agreed to pay \$3.9 billion for iLife Healthcare Inc., which operates a primary-care practice under the name One Medical. The deal marks the first major acquisition announced during the tenure of Chief Executive Andy Jassy, for whom expansion into healthcare is a priority.

CVS had also eyed the One Medical parent company, according to people familiar with the matter.

New York-based private-equity firm New Mountain Capital is an investor in Signify, after first backing it in 2017.



The retailer indicates it plans a second Prime Day-like event for the first time ever during the fourth quarter. A July Prime Day transaction.

# E-Retailer Adds Fees, Sales Event

Continued from page B1

note it was raising fees because it expected increased operating costs during the holiday period, said it had previously absorbed such costs, but that "seasonal expenses are reaching new heights."

The fee bump is the second this year. In April, the company added a "fuel and inflation surcharge" to seller fees that averaged 5% of fulfillment costs at the time. The company also recently indicated that it plans to host a second Prime Day-like event for the first time ever during the fourth quarter.

This summer, Amazon notified some sellers of an event scheduled for the final three months of the year and

asked them to submit deals for the event by July 22. The company said the event would be a "Prime-exclusive shopping event" in the fall. Amazon declined to comment on the event. Business Insider previously reported on Amazon's plans to hold a second Prime event.

The recent moves could help Amazon boost revenue in the fourth quarter, its most important period of the year, as high national inflation continues.

The second Prime event also signals that Amazon is looking to expand upon the success of Prime Day, which it has held since 2015 and typically generates billions of dollars in revenue for the company.

Amazon has previously held a fourth-quarter Prime Day. In 2020, it moved Prime Day from the summer to the fourth quarter after the early days of the pandemic caused an overwhelming amount of orders on its site, prompting the company to reschedule.

That year, research firm Insider Intelligence estimated Amazon made about \$6 billion from the event, adding to the company's \$125.5 billion in sales for the fourth quarter. Analysts at FactSet project Amazon's fourth-quarter revenue this year will top \$156 billion.

The second Prime event this year will likely boost end-of-year sales that are crucial to Amazon's overall performance for the year. The company said customers purchased more than 300 million items during its July Prime Day event. Insider Intelligence projected before Prime Day that overall sales from the event would reach about \$776 billion in the U.S., a 17% increase from last year's event in June.

In a recent research note by investment firm Citigroup Inc., analysts predicted that the second Prime event "could boost volume to some extent ahead of the peak season" and lessen the year-over-year declines Amazon has experienced this year in profit and

revenue growth after a two-year period in which pandemic-induced shopping accelerated online commerce.

Amazon reported slowing sales and a net loss for the second straight quarter in July. Company executives have said that inflation is among its biggest challenges, and the company has looked to pare costs to help deal with the shifting economic landscape.

Amazon has tried to curb costs by subleasing millions of square feet of excess warehouse space, deferring construction of new facilities and finding ways to end or renegotiate leases with outside warehouse owners, acknowledging that it overbuilt as it sought to meet pandemic demand.

It also has thinned out its hourly workforce through attrition. The company shed about 100,000 full- and part-time employees during the second quarter, leaving it with roughly 1.5 million people. Amazon typically ramps up head count in preparation for the holidays.

# Ford Dealt \$1.7 Billion Verdict

Continued from page B1

The plaintiffs' attorneys pointed to evidence they said showed the roof on these trucks failed in the company's own internal testing and that Ford engineers developed a stronger roof for its Super Duty pickups in 2004 but that roof wasn't used in trucks sold to customers until the 2017 model year, according to court documents.

The pretrial order states that Ford has identified 162 lawsuits and 83 similar incidents of the roof crush involving the 1999-2016 Super Duty trucks.

Ford, responding to the allegations, argued the tire installed on the truck had the incorrect load-carrying capacity, which led the tire to catastrophically fail, according to court records.

Additionally, Ford argued that after the tire ruptured, Mr. Hill improperly steered his truck, causing it to leave the roadway at a "dangerous angle." The Hills also improperly used their seat belts, Ford said in the lawsuit.

The lawsuit was initially tried in 2018 and ended in a mistrial. In Georgia, three-quarters of proceeds from punitive-damages cases are awarded to the state. The remaining 25% is divided between the plaintiffs and attorneys.

On Thursday, the Georgia jury awarded plaintiffs Kim and Adam Hill, the children of the



Lawyers in the Georgia trial argued that F-250 pickups had weak roofs posing danger in a rollover.

couple who died in the crash, \$24 million in compensatory damages, Mr. Butler said. The jury allocated 70% of fault in the case to Ford, Mr. Butler said.

The remaining 30% of damages went against Pep Boys-Manny Moe & Jack, a tire distributor that the plaintiffs' lawyers say mistakenly installed the wrong tire size on the Hills' truck. "Consistent with our steadfast commitment to our customers, Pep Boys and the legal counsel for the Hill family worked together to resolve our part in the matter over five years ago," the company said.

Ford executives have for years worked to tackle costly quality and warranty problems with their vehicles, including

making this effort a priority under the current chief executive, Jim Farley. The company has issued 49 recalls this year, the most of any auto maker, according to the National Highway Traffic Safety Administration.

"We continue to be hampered by recalls and customer-satisfaction actions," Mr. Farley said on a July earnings call. "This affects our cost but more importantly, it falls short on our most fundamental commitment to our customers."

It couldn't be determined whether the quality issues the company is trying to address have anything to do with the Georgia accident.

Last year, Ford set aside more than \$4 billion for warranty costs, up 76% from five years earlier. The car com-

pany's total warranty expenses increased about 17% from 2016 to 2021.

Earlier this year, Mr. Farley brought on a new executive director of quality, Josh Halliburton. Before coming to Ford, Mr. Halliburton spent 17 years at J.D. Power, an independent research firm that specializes in assessing and studying vehicle quality.

"We are placing more time and emphasis on ensuring everything is done right upfront to prevent quality issues from manifesting later in the development process," Mr. Halliburton said.

He added that he expects to see Ford's warranty problems improve next year, but that it might take two to three years to see results with the most impact.



Ryan Cohen has a devoted following of individual investors.



BUSINESS NEWS

# H&M Aims to Cut Emissions and Grow Sales

Fast-fashion giant increases efforts to offer secondhand items, repair services

By SAABIRA CHAUDHURI

STOCKHOLM—**H&M** made its name selling huge volumes of low-price, fast-fashion items. Now the apparel behemoth is stepping up its efforts to sell secondhand clothing and charging shoppers to repair or rent used items.

Not far from company headquarters in downtown Stockholm, one H&M-owned store displays used clothing from brands like Prada and Zara. Ball gowns and wedding dresses can be rented for five days, while a patch-up station lists prices for customization and repairs.

While the new offerings are only available at a handful of European stores for now, they represent a model that H&M hopes to roll out elsewhere. The retailer plans to double revenue and halve its carbon footprint by 2030—as well as position itself as more environmentally friendly in an era when shoppers and activists are increasingly concerned about the impact of disposable fashion.

H&M tried selling secondhand clothing in the 1990s, and dropped the effort. Since 2013, it has been collecting customers’ used garments in stores for resale or recycling, but executives say they can’t determine what percentage of those goods was turned into new clothing.

“That is still a little bit tricky,” said H&M Hennes & Mauritz AB Chief Executive Helena Helmersson in an interview.

Rental items are available in just three of H&M Group’s 4,700 global stores, repair services in six and resale in seven, in some instances several years after trials began.

Scaling up clothing recycling is a big priority for Ms. Helmersson, the company’s former sustainability manager,



An H&M clothing designer and tailor works at the repair station at a store in downtown Stockholm.

who says H&M can keep growing sales without harming the planet. Data from the non-profit Ellen McArthur Foundation shows 1% of used textiles are recycled into new textiles globally.

H&M is working to use data to better understand consumer buying patterns so it produces only what it can sell, another way to cut emissions, said Ms. Helmersson. The company a few years ago went through one of the worst sales slumps in its history after repeatedly slashing prices to clear out billions of dollars in unsold goods amid a slowdown in store visits and competition from online players.

“Nobody argues that fashion in itself is something bad,” Ms. Helmersson said. “It’s the system behind fashion that we need to change.”

The CEO’s other plans include expanding in Latin America, pushing the H&M brand further into areas like home, beauty and sportswear,

and growing the company’s smaller brands such as Cos and Monki.

But it is new business models involving clothes already in circulation that Ms. Helmersson says are key to H&M hitting its 2030 carbon target.

**‘It’s the system behind fashion that we need to change,’ says H&M’s CEO.**

“It’s making sure that you have more than one transaction on each product that makes it sustainable while also adding the profitability,” she said.

Some analysts are skeptical H&M will find broad success in the new strategies. It set its latest plans before deciding to exit Russia—one of its most profitable markets—following the country’s invasion of

Ukraine earlier this year, and before sales in China were hit by Covid-19 restrictions.

H&M last year launched a guide aimed at helping its designers ensure products can be easily repaired, made with renewable or recycled materials and eventually be recycled.

Convincing shoppers to pay to repair clothing that often costs just a few dollars new may be a tough sell. At a store in Stockholm recently, a counter offering to patch jeans and customize jackets was deserted at a busy time for the store.

A bigger area of focus for H&M is making money by selling secondhand clothes, online and in stores. The company has high hopes for Sellpy, a Swedish, online secondhand shop in which it owns a 74% stake. Sellpy offers a resale website and app in two dozen countries in Europe and reported sales of 403 million Swedish krona, the equivalent of \$38 million, for fiscal 2021,

up 69% from the year earlier, but isn’t yet profitable.

At a Stockholm branch of Weekday, a chain owned by H&M Group, secondhand items comprise about 4% of the store’s sales, according to a Weekday executive.

Customers can bring in used, washed clothes from any brand for Weekday’s buyers to consider and the brand keeps 60% of the money from a sale.

On a recent afternoon, resale products on offer were arranged by fashion rather than size with prices starting at 50 krona for a necklace, trousers selling for 300 krona and bags for 400 krona. A pair of blue and yellow sneakers from German discount grocer Lidl carried a price tag of 550 krona.

In February, H&M’s websites in Sweden and Germany began showing customers options to buy secondhand items from various brands.

H&M previously sold secondhand clothes for more than five years starting in the late

’90s in Sweden, Germany and the U.K. but axed the effort after initially strong customer demand waned, said Cecilia Brannsten, who worked as a secondhand clothing buyer for H&M at the time. Another problem was that, as the number of stores offering vintage items grew, the sourcing and selection processes became less feasible, a spokeswoman said.

Ms. Brannsten—who currently works on sustainability for H&M—is more optimistic about resale now. She said her 13-year-old daughter and her friends first visit secondhand stores when looking for clothes.

Much of the resale market is dominated by peer-to-peer websites like Etsy and Depop, though other traditional retailers including Macy’s Inc., Levi Strauss & Co. and J.C. Penney Co. dabbled in selling secondhand clothing.

Executives in the resale business say sourcing, washing and curating tens of thousands of used clothes comes with high costs. Resale also threatens to cannibalize retailers’ sales of new items.

“A lot of retailers really underestimate the full reinvention required to sell second hand,” says James Reinhart, CEO of Thredup, an online marketplace for secondhand clothing. “The logistics and operations part of the resale business is extremely complicated.”

H&M is aiming to use an average of 30% recycled material across its business—including packaging—by 2025, up from 17.9% today.

While the company is banking on clothing recycling to help it cut emissions, it says it can’t specify the impact of the shift, which will depend on the types and quantities of materials H&M can recycle.

“It’s almost impossible to say; there are too many moving pieces,” said Henrik Sundberg, H&M’s climate-impact head. “It would be a lot of conjecture to come up with a number.”

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# Israeli Cyber Firm NSO Names New CEO

Reorganization follows criticism that clients have abused its powerful spyware

By Dov Lieber

TEL AVIV—Israeli cybersecurity company **NSO Group** said it is replacing its chief executive and will lay off 100 employees, in a reorganization that comes after criticism that clients have abused its powerful spyware.

The move follows a U.S. decision last year to blacklist NSO over allegations that its surveillance software, called Pegasus, has been used inappropriately. Those pressures have put the company at risk of defaulting on debt that Moody's Corp. estimated was around \$500 million in November.

The privately held company said Sunday that it would restructure to focus on business with members of the North Atlantic Treaty Organization. The expected layoffs amount to around 13% of the company's employees, a spokeswoman for NSO said.

Yaron Shohat, NSO's current chief operating officer, will succeed the departing CEO, Shalev Hulio, the company said.

"The company is reorganizing to prepare for its next



Shalev Hulio, the departing CEO, shown in Tel Aviv in 2020, will be succeeded by Yaron Shohat, the company's chief operating officer.

phase of growth. Yaron is the right choice at the right time," Mr. Hulio, one of the company's three co-founders, said.

The company sought to replace Mr. Hulio last November with the company's co-president, Isaac Benbenisti, but Mr. Benbenisti quit his new role as chief executive after two weeks.

Critics and privacy advocates for years have alleged that NSO and similar companies sell tools that allow gov-

ernments and other customers to target and break into cellphones belonging to politicians, human-rights activists and journalists.

NSO's Pegasus software can be installed on mobile phones without a user's knowledge or consent, according to security researchers. Pegasus, they say, can turn a smartphone into a silent spying device by gaining access to its files, messages, microphone and camera.

NSO has said its products are used by government-intelligence and law-enforcement agencies to fight terrorism and crime. The company has also said it has terminated contracts with governments that have abused its software and has taken steps to prevent abuse.

Last year, NSO said it had 60 customers in 40 countries, and earlier this year it informed the European Union that 12 member states are

among its clients.

The company rarely comments directly on the identity of its clients. But according to Amnesty International, which worked with a consortium of journalists to analyze a trove of data linked to NSO, they might have included Rwanda, Saudi Arabia and the United Arab Emirates, among other countries.

All three governments have denied that they abused the

spyware. Rwanda denies acquiring the software at all.

In a statement on Sunday, NSO's incoming CEO Mr. Shohat said the company will ensure that its "technologies are used for rightful and worthy purposes."

An NSO spokeswoman said the company is examining the future of contracts with non-NATO countries.

In addition to spyware, NSO says it sells products that provide data analysis, defense against drones and search-and-rescue services.

The company was in talks late last year with two U.S.-based investment funds about a potential sale or refinancing plan. The company is still in talks with potential buyers, said people familiar with the company. Those people couldn't say whether the potential buyers were U.S.-based.

NSO has also faced scrutiny from businesses. It is currently battling lawsuits from **Apple Inc.** and **Meta Platforms Inc.**, formerly known as Facebook Inc., who alleged the company had misused their products and services.

In response to the lawsuits, NSO has said its spyware has saved lives by allowing law enforcement to gain access to criminals' and terrorists' encrypted communications.

—Aaron Boxerman contributed to this article.

## The Great Resignation INSPIRING TEAMS TO RETHINK is ~~creating~~ disruption in productivity

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# U.K. Requires Audit Firms to Apply for New Register

By Jennifer Williams-Alvarez

The U.K. Financial Reporting Council is set to gain greater control over auditors with a register that will determine who can audit the financial statements of large listed companies or financial institutions—so-called public-interest entities—and who cannot.

The country's audit and accounting regulator is requiring audit firms and certain key individuals currently auditing these entities to apply to be included in a newly created index. If a firm or individual is

found not to be "fit and proper," they will not be admitted to the PIE register or will be removed from it, according to the regulator.

All audit firms and affected individuals who audit PIEs have to be registered by the FRC by Dec. 5, the FRC said.

Under the regulations, the FRC can suspend entry to the register for noncompliance with its requirements—including conducting at least one PIE audit within 24 months of applying for inclusion—or if it is in the public interest to do so. During a period of suspen-

sion, the length of which will be determined by the FRC, a firm or individual might have to resign from continuing PIE audit work and appointments and might face a ban from signing off on audit reports, the regulator said.

The moves are meant to bolster the FRC's power to regulate the audit sector by separating PIE auditor registration from the activities of four professional bodies, including the Association of Chartered Certified Accountants and Chartered Accountants Ireland. The FRC previ-

ously had to rely on these bodies for registrations, it said, adding that by directly registering audit firms and individuals, it will have better oversight over audit issues. The FRC's regulations take precedence if they conflict with those of the professional bodies, the regulator said.

The FRC first announced its plans for auditor registration in April, noting at the time that it had "insufficient powers" to address systemic issues within audit firms. The announcement came as the audit and accounting sector un-

dergoes an overhaul, which includes the creation of a new regulator called the Audit, Reporting and Governance Authority.

With the changes announced last Thursday, the FRC said it gains more power to hold audit firms accountable for the quality of their work. "The new regulations will mean the FRC can act decisively when it identifies systemic issues in an audit firm, allowing us to impose conditions, suspensions and, in the most serious cases, remove registration," Sarah Rapson,

the FRC's executive director of supervision, said.

Feedback on the changes included commentary from six of the largest U.K. audit firms, the FRC said. The U.K. units of Big Four firms **PricewaterhouseCoopers LLP**, **KPMG LLP** and **Ernst & Young LLP** declined to comment. **Deloitte LLP** said it supports the changes. "We welcome today's announcement from the FRC, which we believe will serve to enhance public confidence in the audit profession," Paul Stephenson, managing partner at Deloitte U.K., said.

## Berkshire Move Isn't A Takeover

Continued from page B1  
25% limit FERC allowed for before Friday's ruling.

"This is not a company that's going to raise regulators' hackles," said Cathy Seifert, an analyst for CFRA Research.

It should also give Berkshire breathing room in case share buybacks or other company moves decrease the amount of shares outstanding, thus increasing its percentage stake.

There are other reasons to doubt a Berkshire takeover of Occidental is imminent.

One of them is price, said David Kass, a professor of finance at the University of Maryland's Robert H. Smith

School of Business.

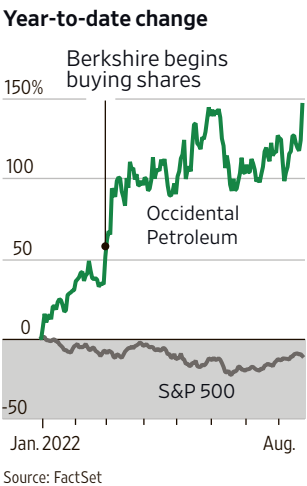
So far, Berkshire has bought virtually all of its Occidental shares at a price in the range of \$50 to \$60, Mr. Kass said. The highest price Berkshire paid was \$60.37 in July, according to filings.

Mr. Buffett is a well-known bargain-hunter, so it is difficult to imagine Berkshire rushing to buy more Occidental shares at the current price, Mr. Kass said.

The shares are up 146% for the year, boosted by a rally in the price of oil, compared with an 11% decline for the S&P 500.

People familiar with deliberations at Occidental said the company's leadership believes Mr. Buffett might consider making an offer if oil prices fall, bringing down Occidental's stock price. If Mr. Buffett made an offer the company viewed as fair, a majority of the Occidental's board would likely approve presenting it to shareholders, one of the people said.

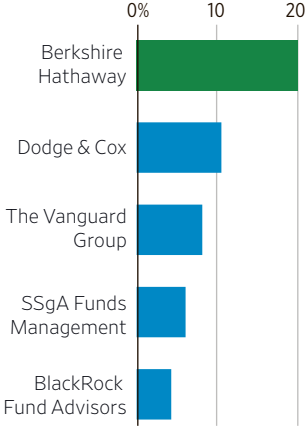
Occidental Petroleum's shares have surged past the broader market this year.



Mr. Buffett didn't respond to a request for comment. An Occidental spokesman declined to comment.

Mr. Buffett is currently represented as a passive shareholder in Occidental, based on the so-called 13G filing he has

Occidental's top investors, sorted by the size of their stake



on record with the U.S. Securities and Exchange Commission. If he were to change his intentions and hold meaningful discussions with the company about a full-on takeover, he would likely need to change his filing to a 13D, which is re-

quired by large shareholders who intend to get actively involved in the running of a company.

Taxes could also play a role in Mr. Buffett's bid for a bigger minority stake in Occidental. Corporations with a stake of at least 20% in another company are eligible to deduct 65% of dividends received, up from the standard 50%.

Berkshire's 20% stake also allows it to include a proportionate share of Occidental's earnings in its own results. That could give its earnings a multibillion-dollar boost annually, based on analyst estimates of Occidental's earnings. Before the most recent purchases, disclosed this month, Occidental fell below the 20% threshold for both benefits.

Since Berkshire started buying Occidental shares in February, Mr. Buffett has had a friendly and collaborative relationship with Ms. Hollub, and the pair speak regularly, according to people familiar with the matter.

When Mr. Buffett bought another slug of Occidental shares this spring, he called Ms. Hollub to let her know about the transaction, according to one of the people. Ms. Hollub was driving at the time and pulled over to take the call, the person said.

Mr. Buffett's message was simple: "Keep doing what you're doing," he told Ms. Hollub.

Berkshire's growing ties with Occidental have an unexpected link to Mr. Buffett's earliest days of investing.

At age 11 in 1942, Mr. Buffett made his first investment: three shares of Cities Service's preferred stock. Forty years later, Occidental went on to acquire the oil company, which Ms. Hollub had just joined the year before.

Mr. Buffett's investment in Occidental this year shows his first stock purchases "coming full circle 80 years later," Mr. Kass said.

—Benoît Morenne contributed to this article.



BUSINESS NEWS

# Chinese Videogame Firms Look Overseas

By SHEN LU  
AND RAFFAELE HUANG

Chinese videogame companies are moving rapidly into the U.S. and other overseas markets as regulations at home tighten and user growth stalls.

**Tencent Holdings Ltd.**, the world's biggest videogame developer, has doubled down on acquiring and joining with foreign studios. **NetEase Inc.**, China's second-largest game developer, has opened new studios abroad. Upstarts including **miHoYo Co.** and **Lilith Games** have established publishing labels that cater to global players.

The videogame sector is among the hardest hit by China's regulatory crackdown on the tech industry. Since last year, authorities approved significantly fewer games than before, tightened censorship of videogames and restricted play time for young gamers. China's weakening economy, hurt by lingering Covid-19 restrictions, has pushed spending on games down.

As regulatory scrutiny increases and the economy slumps, videogame developers—like other Chinese companies—said they are recalibrating their business strategies.

"We had no choice but to go overseas," said Yuan Yanbo, a former videogame executive in Shanghai who recently moved to Singapore to start a game company there. "You never know when your title will be approved in China. Maybe tomorrow, maybe in five years. But in five years, the company is probably dead already."

In this year's first half, China's videogame sector had its first revenue and user drop since such data became available in 2008, according to the government-backed China Audio-Video and Digital Publishing Association. Total industry revenue fell 1.8% from a year earlier to about \$22 billion, the group's data showed. Domestic sales of homegrown games declined 4.3% while revenue from overseas grew 6.2%.

From videogames and films to news and social media, Beijing has long censored content to maintain social control. Under Chinese leader Xi Jinping, the Communist Party has tightened its grip on society and ratcheted up content control.

Last summer, Beijing added new rules limiting play time for gamers under 18 years old to three hours a week, which

authorities said was related to concern about the harm of videogames on the health of minors. Regulators also suspended granting licenses to new game titles for about eight months. Such approvals are needed for developers to collect money from in-game features.

More than 16,000 game companies in China went out of business during the approval hiatus, according to the corporate-registry database Tianyancha.

Until Mr. Yuan left his former employer in late 2021, he said he had been waiting for Chinese regulators to approve a game whose creation he had been supervising since May 2020. It is still stuck in the license-application queue, he said.

As recently as 2020, Beijing was approving more than 1,000 game licenses each year. Since resuming approvals in April of this year, regulators have issued around 240 licenses, mostly to smaller firms. Many games approved in recent months were submitted for regulatory review in early 2021. Several developers said that although licensing has resumed, the timeline for future approvals remains un-



Beijing added rules limiting play time for gamers under 18 years old to three hours a week.

GREG BAKER/AGENCE FRANCE-PRESSE/GETTY IMAGES

predictable.

Industry regulators have told companies that game content is subject to closer review, according to people briefed on the rules. For example, games that feature same-sex relationships or transgender characters or that fabricate certain historical events wouldn't be approved, those people said.

China's National Press and Publication Administration, which issues licenses to games, didn't respond to a request to comment.

Tencent, based in Shenzhen, in the second quarter posted its first quarterly revenue decline since it went public in 2004, partly because of a 1% sales drop from a year earlier in its videogame business. It hasn't received a new game approval since mid-2021, leaving it to rely on aging titles to compete with rivals' newer hits such as "Diablo Immortal," which NetEase co-developed with a unit of Activision Blizzard Inc. The game received approval in February 2021 and was released this July.

Tencent is counting on foreign studios in which it owns stakes, as well as in-house teams, to release games outside China for growth, its chief strategy officer, James Mitchell, told analysts this past week.

In December, it launched an international game distributor, Level Infinite. This year it has invested in at least six game studios in markets such as Canada, Spain and New Zealand. It is planning to invest more in France's biggest videogame developer, Ubisoft Entertainment SA, people familiar with the talks said. Reuters earlier reported on Tencent's plans regarding Ubisoft.

NetEase has opened two studios in the U.S. in recent months. Chief Executive William Ding told analysts in May that he envisioned NetEase's overseas business eventually accounting for up to 50% of its gaming revenue, compared with the current roughly 10%.

This year game developers miHoYo and Lilith Games set up their global brands, HoYoverse and Farlight Games, in Singapore to publish games for overseas players.

## SEE OPPORTUNITIES Companies ~~are intimidated~~ by ~~uncertainty~~ in crypto and digital assets

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# Jack in the Box to Sell Some Del Tacos

By MARK MAURER

**Jack in the Box Inc.** is working to sell at least 250 restaurants to franchisees following its March acquisition of Del Taco Restaurants, a move in part aimed at retaining access to cheap debt.

The \$585 million purchase of the chain, which focuses on Mexican food, expanded Jack in the Box's presence in certain U.S. states and strengthened its foothold in the Southwest and Western regions.

The San Diego fast-food restaurant group plans to issue marketing materials for the re-franchising of many company-owned Del Taco restaurants in about a month, Chief Financial Officer Tim Mullany said.

Franchises comprise 84% of the company's 2,801 locations, down from 93% in February before the closing of the transaction, Jack in the Box said. The deal added about 300 Del Taco franchise restaurants and roughly 300 owned by the company to its portfolio.

Jack in the Box expects to get the percentage of franchised restaurants close to the 93% level within one to three years, but these negotiations tend to be "very laborious," Mr. Mullany said. To hit that percentage, it would have to sell at least 250 restaurants to franchisees.

"It behooves us to be very aggressive right now in refranchising the Del Taco business," Mr. Mullany said. "Strategically, we feel like being asset light is very, very important. We'd like to move quickly."

Increasing the number of franchise restaurants would reduce the number of assets Jack in the Box holds on the balance



JUSTIN SULLIVAN/GETTY IMAGES

Nearly 32% of Jack in the Box's revenue for the quarter ended July 10 came from Del Taco.

sheet, allowing the chain to maintain access to securitized debt, which is typically cheaper—and comes with less onerous debt agreements—than conventional term loans, Mr. Mullany said. Such debt is only available to heavily franchised businesses. Having fewer assets also lessens the company's exposure to inflation and simplifies its business model, he said.

Securitized debt is popular among franchise-based restaurant businesses because it offers the franchiser low interest rates in exchange for debt that is ultimately guaranteed by recurring, high-margin royalties paid by franchisees. Jack in the Box had \$1.86 billion in securitized debt as of July 10, including roughly \$500 million it took on to acquire Del Taco, which didn't have net debt, Mr. Mullany said.

The company's debt carries

an average interest rate of around 4% and doesn't start maturing until 2026, he said. "It'll be a long, long time before we can get a more advantageous cost of debt than what we currently have," he said. Rising interest rates in recent months have made it more expensive for companies to refinance debt.

Mr. Mullany said he has played a key role in the integration of Del Taco, serving as co-chair of the integration steering committee alongside Jack in the Box's head of human resources.

The CFO said he oversees a team that assesses the impact of refranchising on Del Taco's structure and another one that negotiates with prospective franchisees, alongside external consultants. Mr. Mullany declined to name the consulting firm. Jack in the Box expects to reap about \$15 million in total

cost savings, including from supply-chain synergies, once it completes the integration in about two years, he said.

The company plans to spend the majority of the proceeds from the refranchising on buying back its own shares and paying out dividends, Mr. Mullany said.

Jack in the Box, which hasn't bought back stock since the quarter ended October 2021, has \$200 million remaining under a buyback program that is set to expire in November 2023.

The company earlier this month reported revenue of \$398.3 million for the quarter ended July 10, up 47.8% from the prior-year period. Nearly 32% of the quarter's revenue, or \$126.3 million, came from Del Taco. Its net earnings, fell 42.9% to \$22.9 million, weighed down by what it said were rising costs for food and wages.

# Stocks Are Split From Economy

Continued from page B1

shock of the pandemic. Forecast margins are coming down but remain elevated, especially for big technology companies. On top of that, big companies increased their sales far more than the growth in the economy and inflation. Higher margins on bigger sales is exactly what investors want.

The key question is how long the stock market can remain divorced from the economy. There are reasons for divergence, such as IPOs, stock issuance, valuation changes and international earnings. But historically there is a

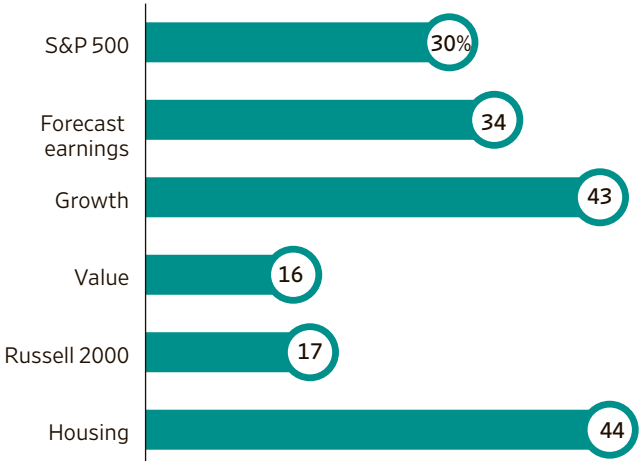
strong link between overall profits and economic growth, which vanished in the past three years.

Part of the gap between the economy and the market is that the market is heavily skewed toward large technology companies. Many were pandemic winners as demand shifted online, helping maintain rapid growth despite their size and boosting profit margins. Perhaps now both those factors will reverse, just as tech-on-tech rivalry increases (think streaming wars) and competition regulators get more aggressive.

The past three years have demonstrated once again that the stock market isn't the economy. But what happens in the economy eventually matters. Slower growth, more inflation and higher interest rates isn't a recipe for long-term success. Investors had better hope it reverses.

Large growth stocks did far better than smaller company and cheap 'value' stocks.

Change since end of 2019\*



\*Forecast earnings are 12-month forward for S&P 500; Growth and Value are Russell 1000 indexes; housing is S&P/Case-Shiller U.S. National Home Price Index, to May. Source: Refinitiv (change)





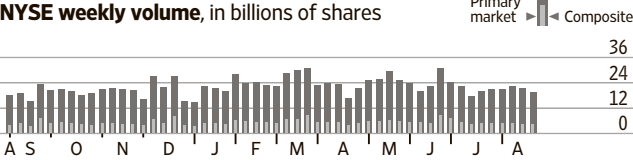
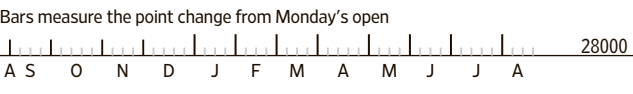
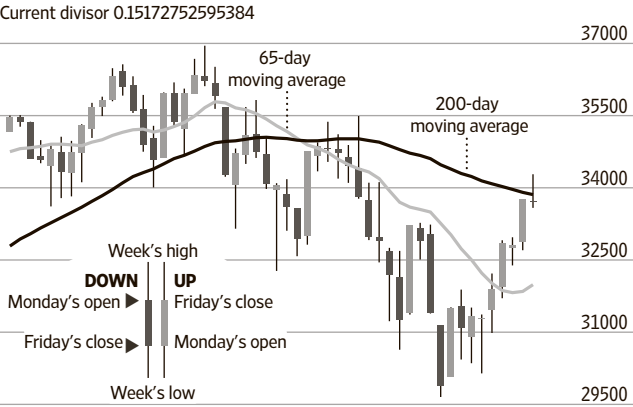


MARKETS DIGEST

Dow Jones Industrial Average

33706.74 ▼54.31, or 0.16% last week  
High, low, open and close for each of the past 52 weeks

Last	Year ago
Trailing P/E ratio	19.80 23.64
P/E estimate *	18.05 19.04
Dividend yield	2.10 1.79
All-time high	36799.65, 01/04/22



\*Weekly P/E data based on as-reported earnings from Biriiny Associates Inc.; †Based on Nasdaq-100 Index

Major U.S. Stock-Market Indexes

	High	Low	Latest Week Close	Net chg	% chg	Low	52-Week Close (●)	High	% chg	YTD	3-yr. ann.
<b>Dow Jones</b>											
Industrial Average	34281.36	33582.96	33706.74	-54.31	-0.16	29888.78		36799.65	-4.0	-7.2	8.8
Transportation Avg	15300.60	14748.27	14771.75	-374.95	-2.48	12868.60		17039.38	-5.5	-10.4	13.6
Utility Average	1061.13	1038.42	1056.06	14.50	1.39	869.74		1071.75	11.1	7.7	8.1
Total Stock Market	43643.76	42448.24	42550.57	-658.77	-1.52	36759.60		48929.18	-7.2	-12.5	12.4
Barron's 400	997.88	979.04	981.55	-12.58	-1.27	852.16		1127.2	-4.1	-11.3	14.0
<b>Nasdaq Stock Market</b>											
Nasdaq Composite	13181.09	12674.87	12705.22	-341.97	-2.62	10646.10		16057.44	-13.7	-18.8	16.7
Nasdaq-100	13720.91	13210.82	13242.90	-322.97	-2.38	11127.57		16573.34	-12.3	-18.9	19.7
<b>S&amp;P</b>											
500 Index	4325.28	4218.70	4228.48	-51.67	-1.21	3666.77		4796.56	-4.8	-11.3	13.1
MidCap 400	2646.02	2570.35	2578.06	-36.95	-1.41	2200.75		2910.7	-3.6	-9.3	10.9
SmallCap 600	1303.48	1263.94	1268.17	-19.63	-1.52	1087.48		1466.02	-4.0	-9.5	10.9
<b>Other Indexes</b>											
Russell 2000	2030.05	1952.50	1957.35	-59.27	-2.94	1649.84		2442.74	-9.7	-12.8	9.1
NYSE Composite	15897.67	15555.51	15588.32	-216.07	-1.37	14097.05		17353.76	-5.6	-9.2	7.1
Value Line	602.54	582.18	583.67	-13.07	-2.19	510.18		696.4	-10.1	-13.1	4.9
NYSE Arca Biotech	5117.13	4863.55	4890.17	-161.45	-3.20	4208.43		6019.57	-15.3	-11.4	2.0
NYSE Arca Pharma	807.66	792.03	803.53	-1.85	-0.23	732.23		887.27	-0.5	-2.9	11.4
KBW Bank	116.20	111.65	112.15	-2.71	-2.36	98.36		147.56	-10.4	-15.2	6.6
PHLX <sup>®</sup> Gold/Silver	110.22	103.91	104.07	-7.55	-6.77	100.65		167.76	-17.3	-21.4	4.2
PHLX <sup>®</sup> Oil Service	69.97	65.13	68.69	-0.776	-1.12	48.53		88.37	41.5	30.3	1.7
PHLX <sup>®</sup> Semiconductor	3084.86	2931.86	2953.34	-114.50	-3.73	2458.46		4039.51	-9.3	-25.2	25.1
Cboe Volatility	21.27	19.41	20.60	1.07	5.48	15.01		36.45	11.0	19.6	6.9

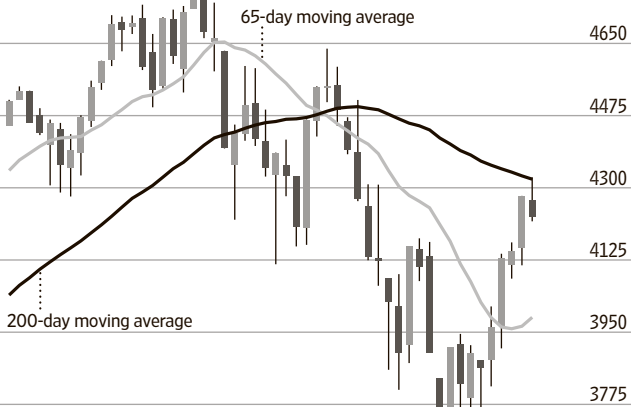
<sup>®</sup>Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

S&P 500 Index

4228.48 ▼51.67, or 1.21% last week  
High, low, open and close for each of the past 52 weeks

Last	Year ago
Trailing P/E ratio *	23.18 31.20
P/E estimate *	18.38 21.97
Dividend yield *	1.54 1.34
All-time high	4796.56, 01/03/22



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New to the Market

Public Offerings of Stock

IPOs in the U.S. Market

None expected this week

Lockup Expirations

None expected this week

IPO Scorecard

Performance of IPOs, most-recent listed first

Company	SYMBOL	IPO date/Offer price	Friday's close (\$)	% Chg From Offer price	1st-day close	Company	SYMBOL	IPO date/Offer price	Friday's close (\$)	% Chg From Offer price	1st-day close
GigaCloud Technology	GCT	Aug. 18/\$12.25	48.01	291.9	206.0	Mobiv Acquisition	MOBVU	Aug. 4/\$10.00	10.04	0.4	...
Innovative Eyewear	LUCY	Aug. 16/\$7.50	4.80	-36.0	-13.4	Brush Oral Care	BRSH	Aug. 3/\$4.16	2.36	-43.3	9.8
CorpHousing Grp	CHG	Aug. 12/\$4.00	2.62	-34.5	-29.2	Mobile Global Esports	MGAM	July 29/\$4.00	3.44	-14.0	-69.3
ForzaX1	FRZA	Aug. 12/\$5.00	6.28	25.6	-16.2	ECB Bancorp	ECBK	July 28/\$10.00	14.13	41.3	0.3
Reborn Coffee	REBN	Aug. 12/\$5.00	3.65	-27.0	-24.0	MAIA Biotechnology	MAIA	July 28/\$4.00	3.95	-1.3	-11.4
Hainan Manaslu Acquisition	HMACU	Aug. 11/\$10.00	10.00	...	...	Virax Biolabs Grp	VRAX	July 21/\$5.00	5.54	10.8	-69.6
Treasure Global	TGL	Aug. 11/\$4.00	5.69	42.3	-68.1	Intelligent Living Application Grp	ILAG	July 13/\$4.00	3.15	-21.3	-48.5
Embrace Change Acquisition	EMCGU	Aug. 10/\$10.00	10.07	0.7	0.4	Ivanhoe Electric	IE	June 28/\$11.75	9.50	-19.1	-12.0
Magic Empire Global	MEGL	Aug. 5/\$4.00	13.00	225.0	-86.6	SK Growth Opportunities	SKGRU	June 24/\$10.00	10.01	0.1	0.9
Pono Capital Two	PTWOU	Aug. 5/\$10.00	10.05	0.5	0.2	Golden Sun Edu Grp	GSUN	June 22/\$4.00	50.85	1171.3	212.0

Sources: Dow Jones Market Data; FactSet

Public and Private Borrowing

Treasuries

Monday, August 22	Wednesday, August 24
Auction of 13 and 26 week bills; announced on August 18; settles on August 25	Auction of 5 year note; announced on August 18; settles on August 31
Tuesday, August 23	Thursday, August 25
Auction of 2 year note; announced on August 18; settles on August 31	Auction of 4 and 8 week bills; announced on August 23; settles on August 30
	Auction of 7 year note; announced on August 18; settles on August 31

A Week in the Life of the DJIA

A look at how the Dow Jones Industrial Average component stocks did in the past week and how much each moved the index. The DJIA lost 54.31 points, or 0.16%, on the week. A \$1 change in the price of any DJIA stock = 6.59-point change in the average. To date, a \$1,000 investment on Dec. 31 in each current DJIA stock component would have returned \$28,250, or a loss of 5.83%, on the \$30,000 investment, including reinvested dividends.

The Week's Action				\$1,000 Invested (year-end '21)		
Pct chg (%)	Stock price	Point chg in average	Company	Symbol	Close	\$1,000
4.48	2.09	13.77	Cisco	CSCO	\$48.70	\$786
3.63	4.80	31.64	Walmart	WMT	137.02	958
3.25	4.36	28.74	IBM	IBM	138.37	1,074
2.43	4.01	26.43	Johnson & Johnson	JNJ	169.31	1,002
2.31	1.47	9.69	Coca-Cola	KO	65.17	1,117
2.09	3.06	20.17	Procter & Gamble	PG	149.73	931
2.04	6.43	42.38	Home Depot	HD	321.32	784
1.66	4.36	28.74	McDonald's	MCD	266.54	1,005
1.16	1.06	6.99	Merck	MRK	92.08	1,222
0.99	2.47	16.28	Amgen	AMGN	250.86	1,142
0.85	4.62	30.45	UnitedHealth Group	UNH	548.32	1,099
0.71	1.49	9.82	Visa	V	212.82	987
0.63	1.08	7.12	Travelers	TRV	172.64	1,115
0.34	0.69	4.55	Honeywell	HON	201.56	982
-0.34	-0.58	-3.82	Apple	AAPL	171.52	970
-0.63	-1.24	-8.17	Caterpillar	CAT	195.60	962
-0.79	-0.44	-2.90	Dow	DOW	55.49	1,000
-1.18	-1.43	-9.42	Walt Disney	DIS	120.14	776
-1.29	-4.55	-29.99	Goldman Sachs	GS	349.27	924
-1.35	-2.16	-14.24	Chevron	CVX	157.69	1,382
-1.62	-0.73	-4.81	Verizon	VZ	44.42	887
-1.97	-5.76	-37.96	Microsoft	MSFT	286.15	856
-2.02	-0.73	-4.81	Intel	INTC	35.38	705
-2.17	-3.60	-23.73	American Express	AXP	162.24	1,001
-2.51	-2.91	-19.18	Nike	NKE	113.16	682
-2.87	-3.50	-23.07	JPMorgan Chase	JPM	118.63	766
-3.22	-6.12	-40.34	salesforce.com	CRM	183.77	723
-4.16	-7.07	-46.60	Boeing	BA	162.92	809
-4.62	-7.04	-46.40	3M	MMM	145.20	843
-5.84	-2.37	-15.62	Walgreens	WBA	38.22	758

\*Based on Composite price. DJIA is calculated on primary-market price. Source: Dow Jones Market Data; FactSet.

International Stock Indexes

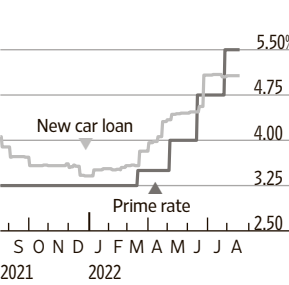
Region/Country	Index	Close	Latest Week % chg	Low	52-Week Range	High	YTD % chg
<b>World</b>							
	MSCI ACWI	646.81	-1.64	584.55		758.86	-14.3
	MSCI ACWI ex-USA	284.52	-2.00	266.69		357.80	-17.4
	MSCI World	2787.71	-1.65	2485.77		3248.12	-13.7
	MSCI Emerging Markets	1001.46	-1.51	961.85		1325.65	-18.7
<b>Americas</b>							
	MSCI AC Americas	1607.85	-1.46	1399.48		1836.68	-12.0
	S&P/TSX Comp	20111.38	-0.34	18329.06		22087.22	-5.2
	MSCI EM Latin America	2175.49	-3.70	1912.59		2761.97	2.1
	BOVESPA	111496.21	-1.12	96120.85		121570.15	6.4
	S&P IPSA	3261.73	-1.89	2631.83		3360.42	16.2
	S&P/BMV IPC	48463.26	-0.80	46657.88		56609.54	-9.0
<b>EMEA</b>							
	STOXX Europe 600	437.36	-0.80	400.68		494.35	-10.3
	STOXX Europe 50	3671.95	0.15	3361.90		3866.60	-3.8
	Euro STOXX	411.44	-1.36	373.07		487.72	-14.1
	Euro STOXX 50	3730.32	-1.23	3359.83		4401.49	-13.2
	ATX	3013.07	-2.41	2762.36		4057.59	-22.0
	Bel-20	3769.74	-1.94	3647.22		4402.32	-12.5
	CAC 40	6495.83	-0.89	5794.96		7376.37	-9.2
	DAX	13544.52	-1.82	12401.20		16271.75	-14.7
	Athex Composite	899.16	2.32	779.20		971.09	0.7
	Tel Aviv	2054.88	1.53	1725.18		2071.10	3.9
	FTSE MIB	22534.57	-1.90	20554		28163	-17.6
	AEX	719.52	-0.86	635.75		827.57	-9.8
	PSI 20	6263.53	1.55	5213.55		6349.21	12.5
	RTS Index	1170.57	4.86	742.91		1919.58	-26.6
	FTSE/JSE All-Share	69719.43	-1.43	61453.42		77536.12	-5.4
	IBEX 35	8338.10	-0.74	7644.6		9182.6	-4.3
	OMX Stockholm	807.79	-1.77	733.43		1045.27	-22.1
	Swiss Market	11156.72	0.26	10451.31		12970.53	-13.4
	FTSE 100	7550.37	0.66	6903.91		7672.40	2.2
<b>Asia-Pacific</b>							
	MSCI AC Asia Pacific	160.77	-1.42	154.1		207.2	-16.7
	S&P/ASX 200	7114.50	1.17	6433.4		7592.8	-4.4
	Shanghai Composite	3258.08	-0.57	2886.43		3715.37	-10.5
	Hang Seng	19773.03	-2.00	18415.08		26353.63	-15.5
	S&P BSE Sensex	59646.15	0.31	51360.42		61765.59	2.4
	NIKKEI 225	28930.33	1.34	24717.53		30670.10	0.5
	FTSE Bursa Malaysia KLCI	1504.44	-0.12	1411.32		1618.54	-4.0
	Straits Times	3246.51	-0.70	3041.29		3445.01	3.9
	KOSPI	2492.69	-1.39	2292.01		3207.02	-16.3
	TAIEX	15408.78	0.78	13950.62		18526.35	-15.4

Source: FactSet; Dow Jones Market Data

Consumer Rates and Returns to Investor

U.S. consumer rates

A consumer rate against its benchmark over the past year



Interest rate	-Yield/Rate (%) Last (●) Week ago		52-Week Range (%) Low 0 2 4 6 8 High				3-yr chg (pctpts)
<b>Federal-funds rate target</b>	<b>2.25-2.50</b>	<b>2.25-2.50</b>	<b>0.00</b>				<b>2.50</b>
<b>Prime rate*</b>	<b>5.50</b>	<b>5.50</b>	<b>3.25</b>				<b>5.50</b>
<b>Labor, 3-month</b>	<b>2.96</b>	<b>2.92</b>	<b>0.11</b>				<b>2.98</b>
<b>Money market, annual yield</b>	<b>0.15</b>	<b>0.14</b>	<b>0.07</b>				<b>0.15</b>
<b>Five-year CD, annual yield</b>	<b>1.86</b>	<b>1.83</b>	<b>0.41</b>				<b>1.86</b>
<b>30-year mortgage, fixed†</b>	<b>5.68</b>	<b>5.56</b>	<b>3.03</b>				<b>6.11</b>
<b>15-year mortgage, fixed†</b>	<b>4.94</b>	<b>4.96</b>	<b>2.32</b>				<b>5.39</b>
<b>Jumbo mortgage, \$647,200-plus†</b>	<b>5.70</b>	<b>5.57</b>	<b>3.06</b>				<b>6.11</b>
<b>Five-year adj mortgage (ARM)†</b>	<b>4.34</b>	<b>4.22</b>	<b>2.82</b>				<b>4.34</b>
<b>New-car loan, 48-month</b>	<b>5.07</b>	<b>5.07</b>	<b>3.41</b>				<b>5.09</b>



CLOSED-END FUNDS

Listed are the 300 largest closed-end funds as measured by assets. Closed-end funds sell a limited number of shares and invest the proceeds in securities. Unlike open-end funds, closed-ends generally do not buy their shares back from investors who wish to cash in their holdings. Instead, fund shares trade on a stock exchange. **NA** signifies that the information is not available or not applicable. **NS** signifies funds not in existence for the entire period. 12 month yield is computed by dividing income dividends paid (during the latest month-end market price adjusted for capital gains distributions. Depending on the fund category, either 12-month yield or total return is listed.

Source: Lipper

Friday, August 19, 2022

Fund (SYM)	NAV	Prem	12 Mo	52 wk
	Close	/Disc	Yld	Ret
<b>General Equity Funds</b>				
Adams Diversified Eq Inc <b>ADX</b>	20.01	17.06	-14.7	-2.9
Central Secs <b>CET</b>	43.93	37.74	-14.1	-2.2
CohenStersCEOPpf <b>FOF</b>	11.78	12.25	+4.0	-9.5
EVtXAdvDivlncm <b>EVT</b>	NA	26.17	NA	0.8
GabelliDiv&IncTr <b>GDV</b>	25.57	22.68	-11.3	-9.95
Gabelli Equity <b>GAB</b>	5.52	6.30	+14.1	4.3
GeneralAmer <b>GAM</b>	46.45	39.49	-15.0	-2.4
JHancockTaxAdvDiv <b>HTD</b>	26.41	25.61	-3.0	11.0
Liberty All-Star Equity <b>USA</b>	6.51	6.81	+4.6	-10.4
Liberty All-Star Growth <b>ASG</b>	5.92	6.18	+4.4	-18.1
Royce Micro-Cap Tr <b>RMT</b>	10.74	9.67	-10.0	-3.1
Royce Value Trust <b>RVT</b>	16.52	16.07	-2.7	-2.3
Source Capital <b>SOR</b>	41.80	38.50	-7.9	-4.8
Spott Focus Trust <b>FUND</b>	8.63	8.19	-5.1	9.9
SRH Total Return <b>STEW</b>	15.24	12.91	-5.1	-3.3
Tri-Continental <b>TY</b>	32.62	29.33	-10.1	0.3
<b>Specialized Equity Funds</b>				
abrdn Glb Prem Prop <b>AWP</b>	5.39	5.19	-3.7	-14.1
Adams Natural Resources <b>PEO</b>	24.71	21.63	-12.5	59.8
ASA Gold & Precious <b>ASA</b>	17.12	14.70	-14.1	-26.2
BR Enh C&I <b>CL</b>	20.23	19.87	-1.8	-0.5
BlackRock Energy & Res <b>BGR</b>	13.30	11.67	-12.3	47.7
BlackRock Eq Enbl Div <b>BDJ</b>	9.62	9.52	-1.0	3.5
BlackRock Enh Glb Div <b>BOE</b>	11.63	10.29	-11.5	-11.6
BlackRock Enh Intl Div <b>BCV</b>	5.79	5.13	-11.4	-11.8
BlackRock ESG Cap Alloc <b>ECAT</b>	18.05	15.37	-14.8	NS
BlackRock Alt-Hi Sel Trl <b>BMEZ</b>	19.76	16.86	-14.7	-35.7
BlackRock Hlth Sciences <b>BME</b>	42.96	43.33	-0.9	-5.5
BlackRock Innov and Grow <b>BIG</b>	10.75	9.74	-18.7	-48.3
BlackRock Res & Comm <b>BCK</b>	10.63	9.47	-10.9	13.4
BlackRock Sci&Tech Trl <b>BSZ</b>	24.78	21.60	-12.8	-39.0
BlackRock Sci&Tech <b>BST</b>	36.99	36.53	-1.2	-39.0
CLEARBRIDGEENGIN MDS <b>OP</b>	35.77	23.87	-4.0	-2.3
CLEARBRIDGEINVESTMENT <b>CTR</b>	38.70	30.98	-18.0	48.9
Clearbridge MLP & Midstn <b>CEM</b>	42.06	35.25	-16.2	49.2
ChnStrInfr <b>UTF</b>	27.59	27.53	-0.2	4.0
Cohen&SteersQualinc <b>RQI</b>	15.68	15.15	-3.4	2.5

Currencies

U.S.-dollar foreign-exchange rates in late New York trading

Country/currency	Fri	USD vs
	in US\$	per US\$ (%)
<b>Americas</b>		
Argentina peso	.0073136	1577 <b>32.6</b>
Brazil real	1934	5.1699 <b>-7.2</b>
Canada dollar	.7695	1.2996 <b>2.8</b>
Chile peso	.001059	944.50 <b>10.9</b>
Colombia peso	.000228	4387.33 <b>7.9</b>
Ecuador US dollar	1	unch
Mexico peso	.0496	20.1610 <b>-1.7</b>
Uruguay peso	.02472	40.4450 <b>-9.5</b>
<b>Asia-Pacific</b>		
Australian dollar	.6878	1.4539 <b>5.6</b>
China yuan	.1467	6.8171 <b>7.3</b>
Hong Kong dollar	.1275	7.8454 <b>0.6</b>
India rupee	.01251	79.923 <b>7.3</b>
Indonesia rupiah	.0000674	14838 <b>4.1</b>
Japan yen	.007303	136.93 <b>19.0</b>
Kazakhstan tenge	.002098	476.71 <b>9.6</b>
Macau pataca	.1237	8.0860 <b>0.6</b>
Malaysia ringgit	.2234	4.4765 <b>7.5</b>
New Zealand dollar	.6173	1.6200 <b>10.8</b>
Pakistan rupee	.00465	214.925 <b>22.0</b>
Philippines peso	.0179	56.017 <b>9.8</b>
Singapore dollar	.7188	1.3913 <b>3.2</b>
South Korea won	.0007486	1335.74 <b>12.4</b>
Sri Lanka rupee	.0027778	360.00 <b>77.4</b>
Taiwan dollar	.03320	30.117 <b>8.7</b>
Thailand baht	.02796	35.760 <b>7.6</b>

Sources: Tullett Prebon, Dow Jones Market Data

Insider Trading Spotlight

Trading by 'insiders' of a corporation, such as a company's CEO, vice president or director, potentially conveys new information about the prospects of a company. Insiders are required to report large trades to the SEC within two business days. Here's a look at the biggest individual trades by insiders, based on data received by Refinitiv on August 19, and year-to-date stock performance of the company

**KEY:** B: beneficial owner of more than 10% of a security class **CB:** chairman **CEO:** chief executive officer **CFO:** chief financial officer **C:** chief operating officer **D:** director **DO:** director and beneficial owner **GC:** general counsel **H:** officer, director and beneficial owner **I:** indirect transaction filed through a trust, insider spouse, minor child or other **O:** officer **OD:** officer and director **P:** president **UT:** unknown **VP:** vice president Excludes pure options transactions

Biggest weekly individual trades

Based on reports filed with regulators this past week

Date(s)	Company	Symbol	Insider	Title	No. of shrs in trans (000s)	Price range (\$)	\$ Value (000s)	Close (\$)	Ytd (%)
<b>Buyers</b>									
Aug. 16	Summit Therapeutics	<b>SMMT</b>	R. Duggan	CEO	94,849	.97	92,004	1.10	-59.1
Aug. 16			M. Zanganeh	CEO	5809*	.97	5,635		
Aug. 11-12	Ecobal	<b>ECL</b>	W. Gates	BI	185	171.37-174.07	31,805	171.78	-26.8
Aug. 15-16			W. Gates	BI	144	174.02-177.55	25,415		
Aug. 11	GreenLight Biosciences Holdings	<b>GRNA</b>	M. Walker	DO	6441*	3.92	25,250	3.51	-64.6
Aug. 11	CinCor Pharma	<b>CINC</b>	J. Healy	DOI	506	30.00	15,180	33.16	n.a.
Aug. 12-15	Six Flags Entertainment	<b>SIX</b>	R. Jaffer	BI	525	21.98-24.71	12,505	23.81	-44.1
Aug. 12-15			A. Ruchim	DOI	525	21.98-24.71	12,505		
Aug. 11-12	Nextdoor Holdings	<b>KIND</b>	D. Sze	DI	3,100	2.91-3.06	9,248	3.34	-57.7
Aug. 15-16			D. Sze	DI	1,529	3.13-3.39	4,922		
Aug. 12	TMC the metals company	<b>TMC</b>	A. Karkar	DOI	6,250	.80	5,000	0.88	-57.5
Aug. 15	Fox	<b>FOXA</b>	L. Murdoch	CEOI	127	36.50	4,627	35.68	-3.3
Aug. 16	IN8bio	<b>INAB</b>	A. Fletcher	DOI	1,774	1.90	3,370	1.84	-58.1
Aug. 16			E. Fairbairn	DOI	789	1.90	1,500		
Aug. 12	Cassava Sciences	<b>SAVA</b>	S. Robertson	D	100	20.69	2,069	25.58	-41.5
Aug. 12	NextNav	<b>NN</b>	T. Presutti	BI	671	3.05	2,045	2.84	-67.6
Aug. 15-17	American Assets Trust	<b>AAT</b>	E. Rady	CEOI	57	29.87-30.64	1,719	29.69	-20.9
Aug. 16-17	Texas Capital Bancshares	<b>TCBI</b>	R. Stallings	D	19	64.39-65.35	1,231	63.50	5.4
<b>Sellers</b>									
Aug. 11	XPO Logistics	<b>XPO</b>	B. Jacobs	CEOI	5,061	55.17	279,217	56.00	-27.7
Aug. 11	GXO Logistics	<b>GXO</b>	B. Jacobs	DI	5,168	48.35	249,849	47.29	-47.9
Aug. 15	Sovos Brands	<b>SOVO</b>	J. Case	DI	8,500	13.37	113,645	14.27	-5.2
Aug. 15			N. Mathur	DI	8,500	13.37	113,645		
Aug. 15			D. Roberts	DI	8,500	13.37	113,645		
Aug. 10	DoubleVerify Holdings	<b>DV</b>	R. Noell	DOI	3,480	25.75	89,602	26.83	-19.4
Aug. 8	Definitive Healthcare	<b>DH</b>	D. Winn	DI	2,200	24.03	52,855	20.85	-23.7
Aug. 10-11	Motorola Solutions	<b>MSI</b>	G. Brown	CEO	200	250.42-254.27	50,646	253.25	-6.8
Aug. 12-15			G. Brown	CEO	169	253.08-256.09	43,123		
Aug. 15	Dynavac Technologies	<b>DVAX</b>	A. Hack	DI	3,000	14.68	44,040	12.17	-13.5
Aug. 15	Flywire	<b>FLYW</b>	M. Harris	DOI	1,654	25.35	41,929	25.81	-32.2
Aug. 15	Airbnb	<b>ABNB</b>	J. Gebbia	HI	250	123.66-126.13	31,334	114.76	-31.1
Aug. 4-5	Rollins	<b>ROL</b>	G. Rollins	CEOI	826	37.49-37.73	31,079	36.54	6.8
Aug. 10-11			G. Rollins	CEOI	696	36.88-37.29	25,867		
Aug. 8-9			G. Rollins	CEOI	651	37.17-37.79	24,407		
Aug. 12-15			G. Rollins	CEOI	578	36.84-36.87	21,293		
Aug. 15	KLA	<b>KLAC</b>	R. Wallace	CEO	74	379.15-385.22	28,427	371.81	-13.6
Aug. 12-15	Procter Gamble	<b>PG</b>	J. Moeller	CEO	193*	146.56-147.86	28,363	149.73	-8.5

\* Half the transactions were indirect \*\*Two day transaction  
p- Pink Sheets

Buying and selling by sector

Based on actual transaction dates in reports received this past week

Sector	Buying	Selling	Sector	Buying	Selling
Basic Industries	6,875,217	15,091,798	Finance	8,124,685	133,368,270
Capital Goods	93,263	161,968,853	Health care	17,097,642	222,165,517
Consumer durables	845,375	40,236,060	Public Utilities	0	6,874,793
Consumer non-durables	680,850	72,538,290	Technology	5,063,835	317,479,345
Consumer services	5,951,532	243,049,156	Transportation	489,303	12,740,652
Energy	2,620,292	6,945,829			

Sources: Refinitiv, Dow Jones Market Data

Fund (SYM)	NAV	Prem	12 Mo	52 wk
	Close	/Disc	Yld	Ret
EV LmtDurlincm <b>EVV</b>	NA	10.84	NA	10.9
Franklin Ltd Dur Income <b>FTF</b>	7.54	6.96	-7.7	12.5
J Han Investors <b>JHI</b>	14.97	14.41	-3.8	10.0
MFS Charter <b>MCR</b>	7.09	6.72	-5.2	9.5
NuvCorePlusImpact <b>NPCT</b>	14.02	12.48	-11.0	9.8
Nuveen Taxable Mun Inc <b>NBB</b>	17.82	17.87	+0.3	7.0
PIMCO Corp & Inc Oppty <b>PTY</b>	11.71	14.20	+21.3	10.6
PIMCO Corp & Inc Strat <b>PCN</b>	12.09	14.42	+19.2	9.8
PIMCO Hlncm <b>PHK</b>	4.91	5.28	+7.5	11.2
PIMCO IncmStrfD <b>PFL</b>	8.64	9.47	+9.6	10.5
PIMCO IncmStrfD II <b>PFN</b>	7.61	7.97	+4.7	10.8
Putnam Prem Inc <b>PPT</b>	4.14	3.87	-6.5	8.0
Western Asset Dvsd Inc <b>WDI</b>	16.36	14.77	-9.7	9.8

Fund (SYM)	NAV	Prem	12 Mo	52 wk
	Close	/Disc	Yld	Ret
abrdn AP IncFnd <b>FAX</b>	3.36	2.84	-15.5	11.8
abrdn Tot Dyn Div <b>AOD</b>	9.63	8.56	-11.1	-29.2
Allspring Glb Div Oppty <b>EOD</b>	NA	5.10	NA	-3.1
BlackRock Capital Alloc <b>BCAT</b>	18.17	15.38	-15.4	-21.9
Calamos GlbDynInc <b>CHW</b>	6.90	7.54	+9.3	-20.7
EV TxAdvGlbDynInc <b>ETG</b>	NA	18.21	NA	-8.6
EtnVncTxAdvOp <b>ETO</b>	NA	25.77	NA	-11.4
FirstTrDynEuroEqInc <b>FDEU</b>	12.72	11.21	-11.9	-11.1
Gabelli Multimedia <b>GGT</b>	5.39	7.70	+42.9	-8.3
GDL Fund <b>GDL</b>	10.24	8.31	-18.8	-2.3
Highland Global Alloc <b>HGLB</b>	19.21	10.49	-18.7	19.6
India Fund <b>IFN</b>	19.60	18.18	-7.2	-5.5
Japan Smaller Cap <b>JOE</b>	7.61	6.49	-14.7	-21.3
LazardGlbTotRetInc <b>LGI</b>	17.34	17.69	+4.0	-7.1
Mexico <b>MXF</b>	NA	14.39	NA	-1.7
Miller/Howard HighDnc <b>L</b>	11.47	10.48	-8.6	13.0
MS China Shrfd <b>CAF</b>	17.80	15.20	-14.6	-22.5
MS India <b>IF</b>	NA	24.79	NA	-1.2
MS CBRE Gl In Mgt <b>MEGI</b>	19.29	16.80	-12.9	NS
Templeton Dragon <b>TFD</b>	12.38	10.83	-12.5	-30.2
Templeton Em Mkt <b>EMF</b>	13.81	12.21	-11.6	-22.9

AllierNatlMunInc					AFB	12.88	11.78	-8.5	5.0
BlkRkIncYr Inc					BKN	13.59	15.49	+14.0	1.3
BlackRockMuni2030Tgt					BTT	3.97	22.75	-5.1	3.1
BlackRockMuniBk					BLE	11.91	10.16	-7.1	6.0
BlackRockMuniHl					BFK	11.31	11.46	-6.9	5.9
BlkRkMuniIncQty					BYM	13.13	13.03	-0.8	5.0
BRMuniAssetsFnd					BA	12.29	12.47	+1.5	4.4
BRMHQty2					MUE	11.86	11.80	-0.5	5.0
BRMuniHoldings					MHD	14.02	13.23	-5.6	5.4
BRMuniVestFnd					MVF	8.18	7.55	-7.7	5.0
BRMuniVest2					MVT	15.59	11.60	-7.9	5.6
BRMuniYieldFnd					MYD	14.23	11.37	-8.5	5.4
BRMuniYieldQty					MYQ	13.60	12.87	-5.4	5.0
BRMuniYldQty2					MY2	12.03	12.31	+2.3	5.0
BRMuniYldQty3					MY3	12.08	11.90	-6.9	5.0
BNYMellonMuniBndFnd					BDM	14.48	13.67	-6.9	4.5
BNYMellonStratBond					BSM	6.96	6.48	-6.9	5.4
BNYMellonStratMuni					ML	7.28	6.93	-4.8	4.6
DelInvtNatlCreditMuni					WFL	12.72	12.52	-1.6	4.2
DWVSMuniInc					KTF	10.43	9.58	-8.1	4.8
UWVMBid					EIM	11.81	10.90	-7.7	5.1
UWVMinclmm					EVN	11.86	11.54	-2.7	4.8
EVNStMuniCorp					FOT	19.82	17.99	-9.0	5.0