

THE WALL STREET JOURNAL.

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



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*

Broad Group Of Stocks Propels Rebound

Breadth hits technical milestone, but few traders are ready to call a market bottom

By Hannah Miao

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, especially after such a punishing year.

The S&P 500 has risen 15% from its 2022 low in mid-June, with all 11 sectors of the benchmark climbing to start the third quarter. Dozens of stocks, from BJ's Wholesale Club Holdings Inc. to Northrop Grumman Corp. and H&R Block Inc. set 52-week highs last week.

Plus, a widely followed technical indicator for market breadth recently hit a key milestone. The share of S&P 500 stocks closing above their 50-day moving averages rose earlier this month to 93%—the highest level since the summer of 2020—and held above 90% for most of last week, according to FactSet and Dow Jones Market Data. In the past two decades, the benchmark has on average risen in the months and year after initially crossing the 90% threshold.

Market participants typically see a broad push higher as an indication that a rally *Please turn to page A9*

Phone Sales Slow as Users Put Off Buying New Models

By Yang Jie and Sarah Donaldson

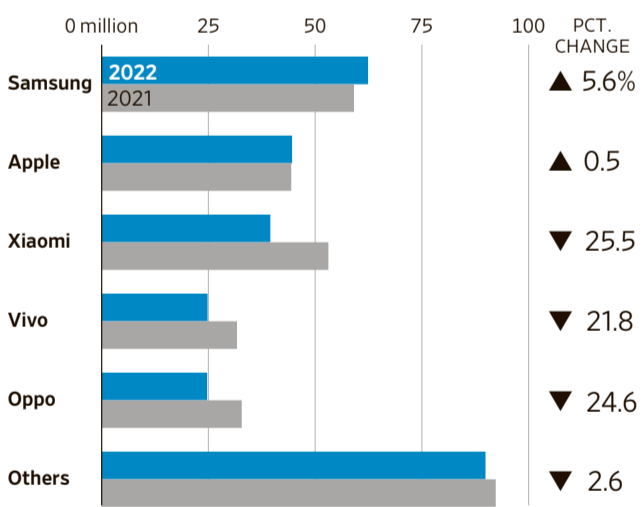
The global smartphone market is taking a breather.

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



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*

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*

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*

INSIDE



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 workout 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



*In current U.S. dollars
Source: United Nations Conference on Trade and Development

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 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 steady 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

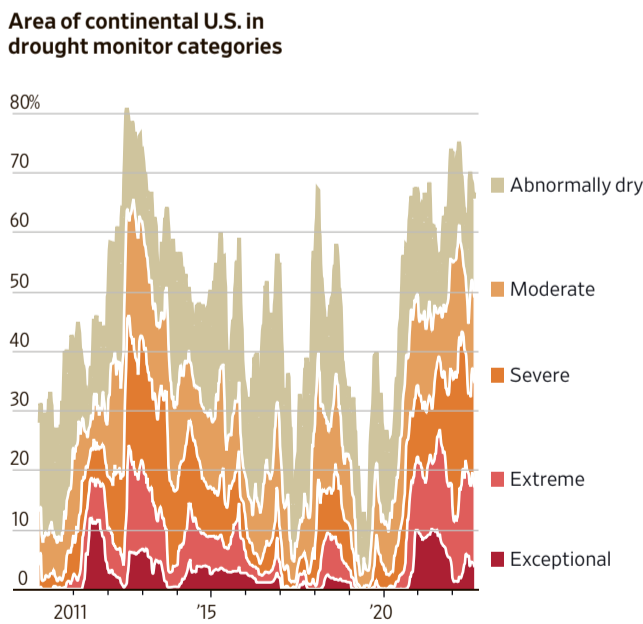
Continued from Page One
compounding existing strains such as supply-chain disruptions stemming from the Covid-19 pandemic and pressure on energy and food prices from the war in Ukraine.

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



Source: National Drought Mitigation Center, University of Nebraska-Lincoln (drought monitor); Bureau of Reclamation (Lake Mead)

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.

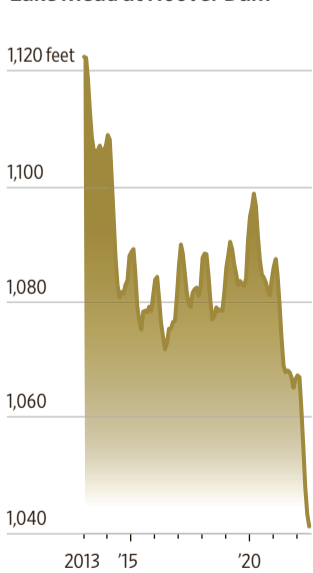
In the U.S., smaller snowpacks in the Sierra Nevada mountains of California have sharply reduced water supplies in the region, home to the na-

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-

End of month elevation of Lake Mead at Hoover Dam



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 Niuier
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 Biotech 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 Breshers, 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 Stobhan 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.

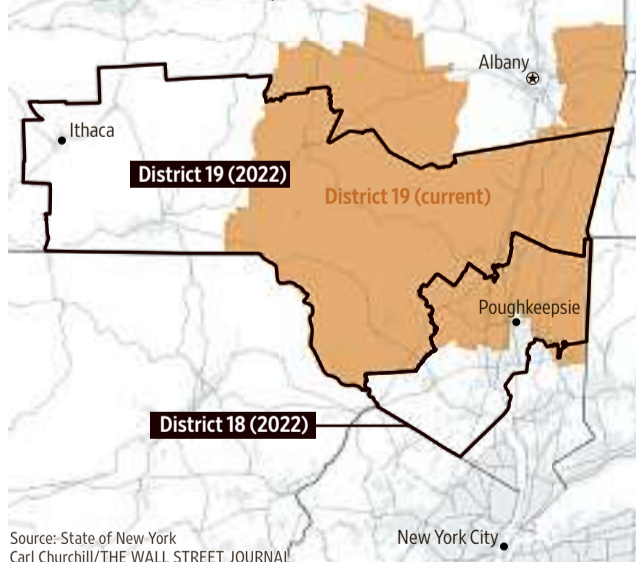
Both are vying to fill the seat held by Rep. Stephanie Murphy (D., Fla.), who decided to retire. Her district has been redrawn to include more Republican voters.

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.

—Stobhan Hughes
contributed to this article.

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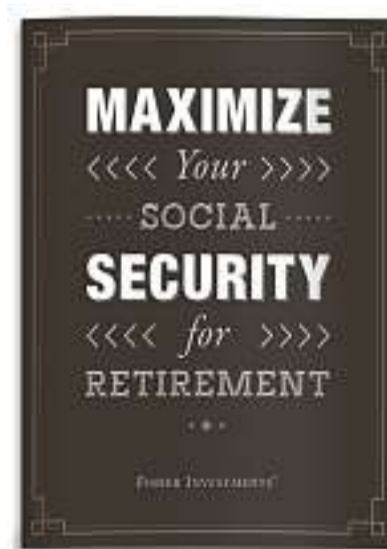
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U.S. NEWS

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, 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 National Forest, 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.

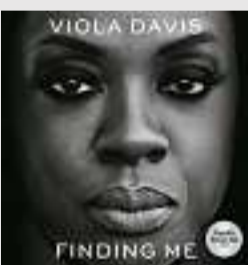
The warning was issued by the Charleston office of the National Weather Service for the towns of Madisonville, Chapmanville and Danville.

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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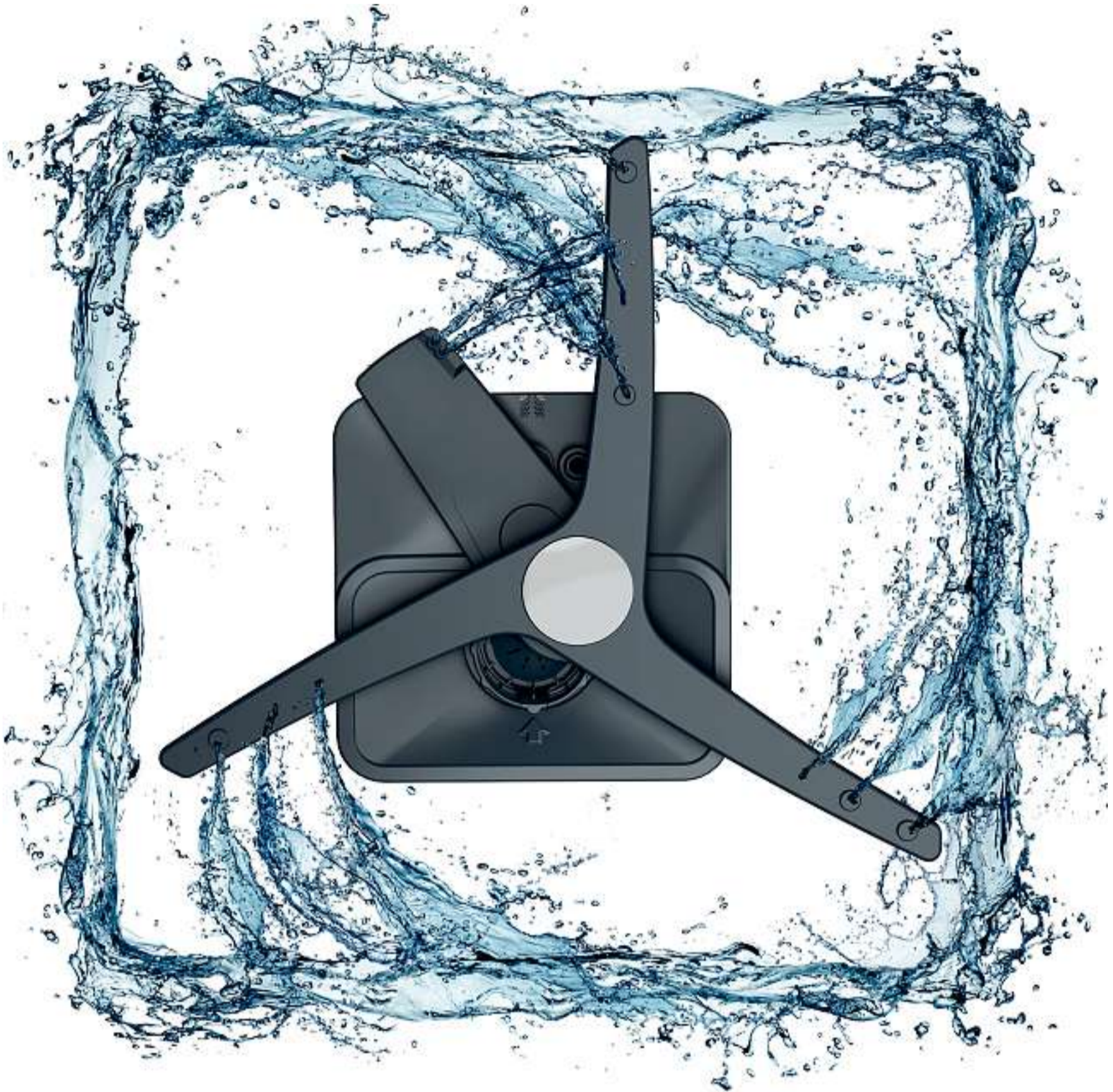
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WORLD NEWS

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-

munition 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 "Voennyi 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.



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

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.

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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 pro-

vocative. 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-young, 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 Ko-

rea'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 ef-

fective 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 Runar 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-

Phones priced at \$900 or more accounted for 70% of the sector's profits.

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."

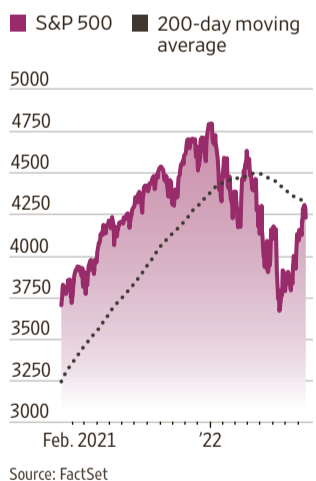
Investors are still contending with the Federal Reserve's campaign to raise interest rates to bring down inflation. And corporate earnings are expected to slow in the second half as recession fears loom.

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%.

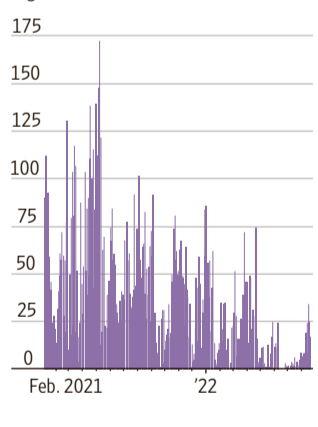
In the week ahead, investors will look to earnings reports from Salesforce Inc., Nvidia Corp. and Dollar General Corp for clues about the health of the economy. They will also watch the release of the personal-consumption expenditures price index—the Fed's preferred inflation gauge—and Fed Chairman Jerome 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



Stocks closing at new 52-week highs



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 overvalued," 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.

Advertisement for Ross + Simons jewelry featuring a gemstone necklace. Text includes: 'Gemstones Galore THE BRIGHT WAY TO MAKE A STATEMENT', 'Our vibrant tennis necklace will satisfy your color craving!', '\$399 Compare at \$595', and 'ORDER TODAY!'.

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 Hamma 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."

PERSONAL JOURNAL.

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

Bill 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

Yes, 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

thread. Then tap Info > Block This Caller.

► Android: Open your messaging app. Tap and hold the message to select it, then tap the More menu (three dots) on the top right. Select Forward, then New Message.

You can also report the spam to Google. Open the conversation then tap the menu (three dots) > Details > Block & report spam.

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.

CLOCKWISE FROM TOP: PHOTO ILLUSTRATION BY MARTHA MORALES SANDOVAL FOR THE WALL STREET JOURNAL; SARAH CLARK; MORGAN AMANDA PHOTOGRAPHY; KATHLEEN BAIN; JEREMY WODER

PERSONAL JOURNAL.

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

MY RIDE | A.J. BAIME

This '52 Ford Was Her Pick-Me-Up



Beth Paretta, 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 (3)

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

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
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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 naiveté; 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



ART REVIEW

The Threads of History

By CAMMY BROTHERS

Renaissance 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, near London. While a few minor changes were introduced (for example, the halos were omitted), the tapestries were largely the same as the earlier versions, only with different borders. The six tapestries from the Gemäldegalerie Alte Meis-

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.)

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

“The Miraculous Draft of Fishes,” left, and “St. Paul Preaching at Athens,” below left

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 at 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

For 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 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 heartbreaking 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 someone 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."

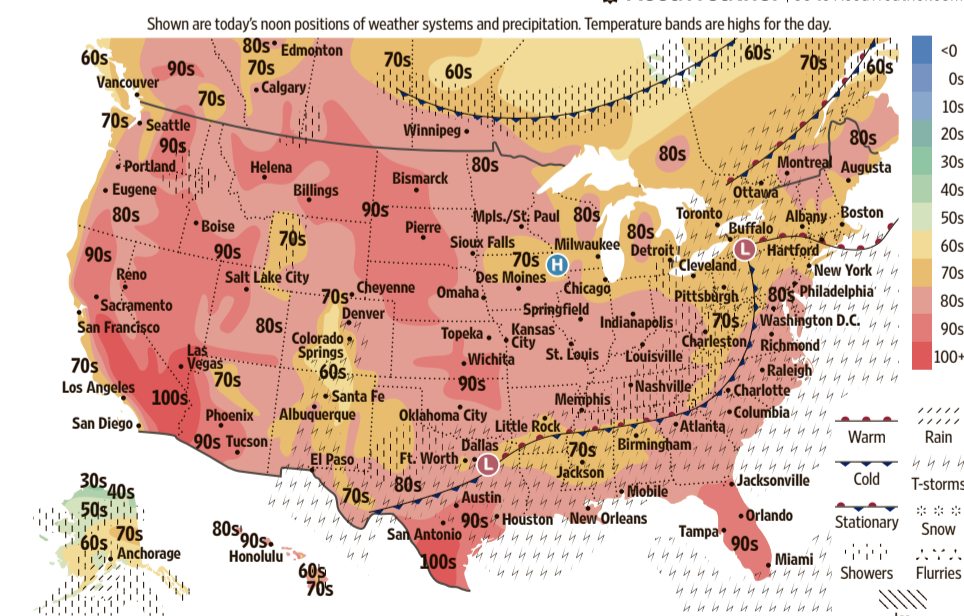
Deontay Wilder, who lost two of three bouts to Fury, is seeking to revive his career in a return to the ring on Oct. 15 against Robert Helenius. A fight between former champions Wilder and Joshua could be an attractive matchup. Joshua could also fight Ruiz again to complete a trilogy. Ruiz, who battles 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



U.S. Forecasts

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

Table with 3 columns: City, Today (Hi, Lo, W), Tomorrow (Hi, Lo, W). Lists major US cities and their weather forecasts.

International

Today Tomorrow

Table with 3 columns: City, Today (Hi, Lo, W), Tomorrow (Hi, Lo, W). Lists international cities and their weather forecasts.

The WSJ Daily Crossword | Edited by Mike Shenk

Crossword puzzle grid with clues for 13 down, 16 across, 19 across, 23 across, 26 across, 28 across, 29 across, 30 across, 31 across, 32 across, 33 across, 34 across, 35 across, 36 across, 37 across, 38 across, 39 across, 40 across, 41 across, 42 across, 43 across, 44 across, 45 across, 46 across, 47 across, 48 across, 49 across, 50 across, 51 across, 52 across, 53 across, 54 across, 55 across, 56 across, 57 across, 58 across, 59 across, 60 across, 61 across, 62 across, 63 across, 64 across, 65 across, 66 across, 67 across.

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 *Purchase item, 18 Big name in arcade games, 19 Mardi ____, 20 Consider, 22 Tell whoppers, 23 Israel's Golda, 24 *Where to go for a fill-up, 26 One-named Tejana singer, 28 Famous fiddles, 29 Take advantage of, 30 Entreaties, 34 Low USN rank, 35 *Taunts between teams, 38 Slezay paper, 40 Golf great ____, Stewart, 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.

- Down: 66 Public relations concern, 67 End for Japan or Vietnam, 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 Curry letter, 44 Criticize harshly, 45 Sweetie pie, 46 Band performance, 48 Rescue, 50 Desert flora, 51 Burglar's nation, 52 Nairobi's bane, 56 Fencer's blade, 58 UFO crew, 60 Texter's "Holy cow!", 61 Fish eggs.

Previous Puzzle's Solution: A grid of letters with the answer REMARK highlighted. Includes a contest question and 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."

Argentina's Long Road to Ruin

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. Fernández 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.

Trump's nominees turn to the Minority Leader to save their campaigns.

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 SZLAVY, 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 ploy" 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,

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

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 mid-term 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.

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



LIFE SCIENCE
By Alyssia 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.

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 corrupted, 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-founded 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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THE WALL STREET JOURNAL.

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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.

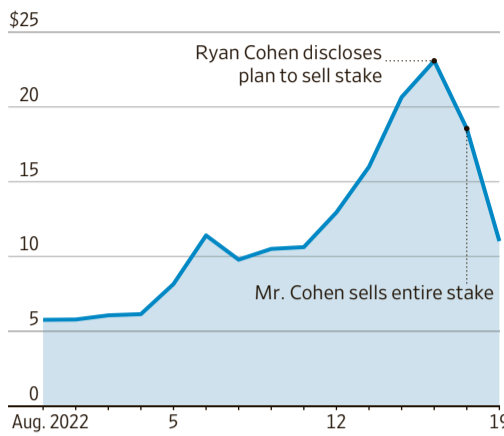
Many posted emojis of diamonds and hands—internet shorthand for someone who holds steadfast to their investments even when there is rising pressure to sell.

Others tagged their posts with "HODL": hold on for dear life.

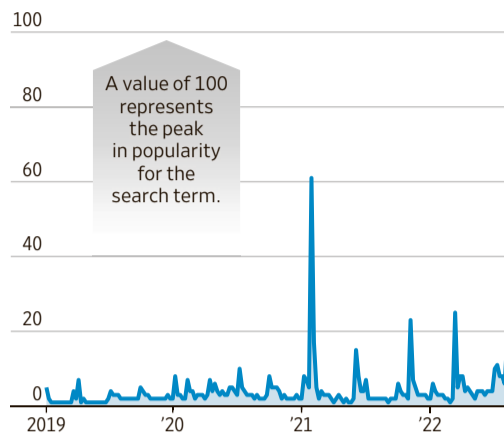
Their message to the world? We aren't giving up.

Wil Lobach, a 39-year-old investor from New Jersey, said he is hoping to use the selloff

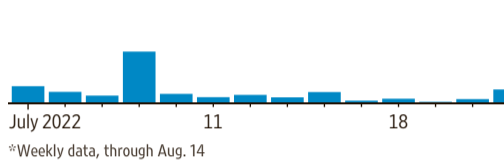
Bed Bath & Beyond share price



Popularity of Google searches for BBBY*



Net purchases among retail investors of Bed Bath & Beyond, AMC Entertainment and GameStop shares



*Weekly data, through Aug. 14

Sources: FactSet (share price); Google Trends (searches); Vanda Research (net purchases)

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*

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 resurgent 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 *Please turn to page B4*

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*

◆ Amazon joins bidding for Signify Health..... B2



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*

INSIDE



RETAILING

H&M aims to cut emissions by offering secondhand clothes and repair services. B3



COMMODITIES

Coffee prices could get even higher as Brazil's harvest falters. B6

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.

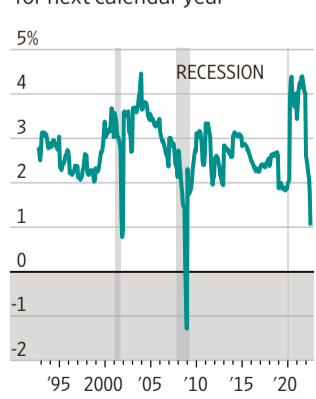
Start with the numbers. After the short but deep pandemic recession, U.S. gross domestic product was about 2.5% higher in the second quarter of this year than at the end of 2019. Unemployment at 3.5% is fractionally below 2019, and the equal-lowest since the end of the 1960s boom. Consensus Economics 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 *Please turn to page B5*

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Farley, Jim.....B2	K	Sale, Keith.....R3
Ferraro, Chris.....B2	Krishnan, Charag.....R2	Schwamm, Lee.....R3
G	Kropp, Brian.....R1	Shohat, Yaron.....B4
Grundstrom, Jason.....R3	M	Sonders, Liz Ann.....A9
H	María 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.

'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."

who says H&M can keep growing sales without harming the planet. Data from the nonprofit 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

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ANSWER

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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 cell-phones 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.

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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.

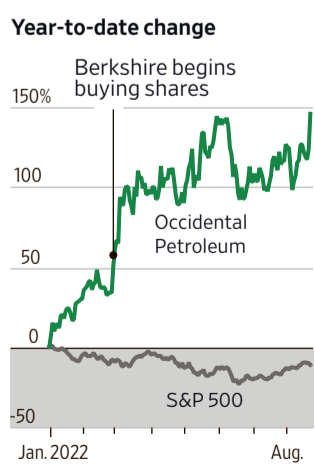
So far, Berkshire has bought virtually all of its Occidental shares at a price in the range of \$50 to \$60, Mr. Kass said. The highest price Berkshire paid was \$60.37 in July, according to filings.

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.

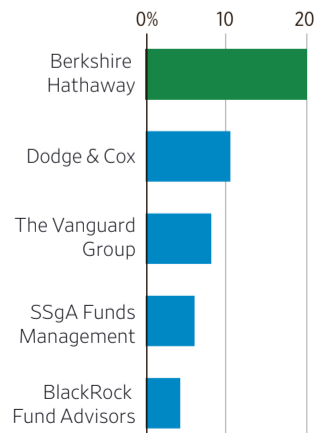


Source: FactSet

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.

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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 refranchising 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



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

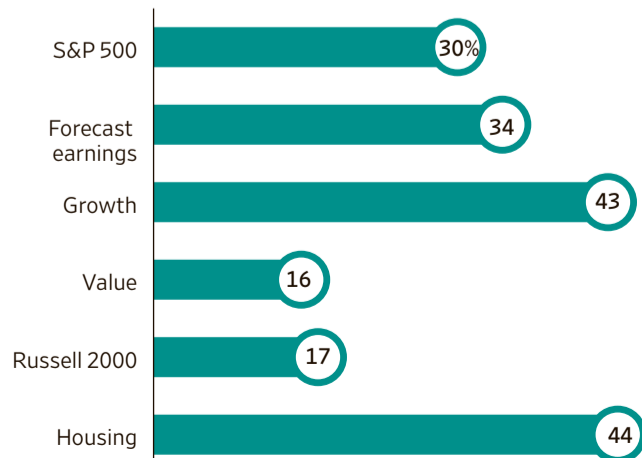
strong link between overall profits and economic growth, which vanished in the past three years.

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*

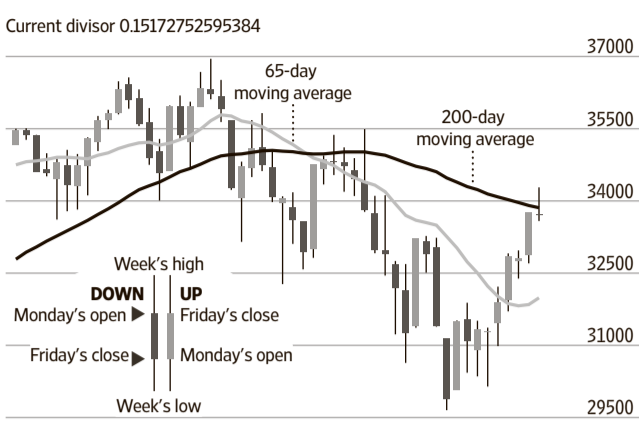


*Forecast earnings are 12-month forward for S&P 500; Growth and Value are Russell 1000 indexes; housing is S&P/Case-Shiller U.S. National Home Price Index, to May. Source: Refinitiv (change)

MARKETS DIGEST

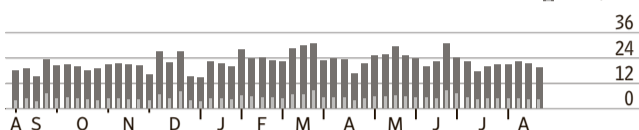
Dow Jones Industrial Average

33706.74 ▼54.31, or 0.16% last week
Trailing P/E ratio 19.80 23.64
P/E estimate * 18.05 19.04
High, low, open and close for each of the past 52 weeks
Dividend yield 2.10 1.79
All-time high 36799.65, 01/04/22



Current divisor 0.15172752595384
Bars measure the point change from Monday's open
Week's high, Monday's open, Friday's close, Week's low

NYSE weekly volume, in billions of shares



*Weekly P/E data based on as-reported earnings from Biriini Associates Inc. †Based on Nasdaq-100 Index

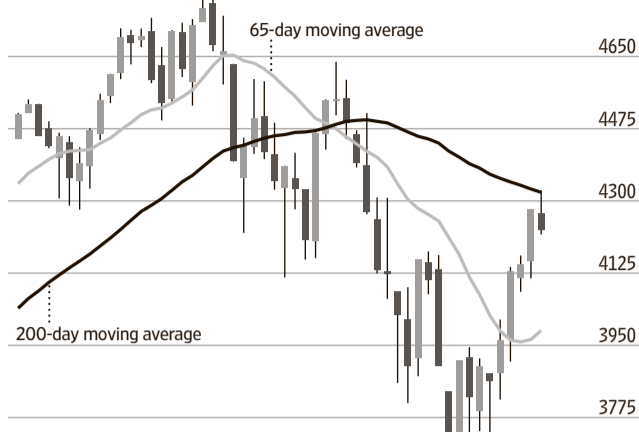
Major U.S. Stock-Market Indexes

Table listing major U.S. stock market indexes including Dow Jones, Nasdaq Composite, S&P 500, and Russell 2000, with columns for High, Low, Latest Week Close, Net chg, % chg, 52-Week Range, and YTD % chg.

§ Nasdaq PHLX

S&P 500 Index

4228.48 ▼51.67, or 1.21% last week
Trailing P/E ratio * 23.18 31.20
P/E estimate * 18.38 21.97
High, low, open and close for each of the past 52 weeks
Dividend yield * 1.54 1.34
All-time high 4796.56, 01/03/22



Current divisor 0.15172752595384
Bars measure the point change from Monday's open
Week's high, Monday's open, Friday's close, Week's low

QR code and text: Scan this code Get real-time U.S. stock quotes and track most-active stocks, new highs/lows, mutual funds and ETFs. Available free at WSJMarkets.com

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

Table showing performance of IPOs, most-recent listed first, with columns for Company, SYMBOL, Friday's Offer price, % Chg From Offer price, Friday's 1st-day price, % Chg From 1st-day price, and IPO date/price.

Sources: Dow Jones Market Data; FactSet

Public and Private Borrowing

Treasuries

Table listing Treasury auctions for Monday, Tuesday, and Wednesday, August 22, including auction dates, terms, and settlement dates.

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.

Table showing 'The Week's Action' for various companies, including Pct chg, Stock price, Point chg, Company, Symbol, Close, and \$1,000 Invested (year-end '21).

*Based on Composite price. DJIA is calculated on primary-market price. Source: Dow Jones Market Data; FactSet.

International Stock Indexes

Table listing international stock indexes by region/country, including MSCI ACWI, S&P/TSX Comp, Euro STOXX 50, and others, with columns for Close, Latest Week % chg, Low, High, and YTD % chg.

Source: FactSet; Dow Jones Market Data

Commodities and Currencies

Table listing commodities and currencies including DJ Commodity, Refinitiv/CC CRB Index, Crude oil, Natural gas, Gold, U.S. Dollar Index, and others, with columns for Last Week Close, Net chg, % Chg, and YTD % chg.

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Consumer Rates and Returns to Investor

U.S. consumer rates

A consumer rate against its benchmark over the past year

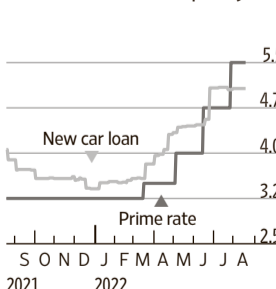


Table showing interest rates for Federal-funds rate target, Prime rate, Libor, Money market, Five-year CD, 30-year mortgage, 15-year mortgage, Jumbo mortgages, Five-year adj mortgage, and New-car loan.

Bankrate.com rates based on survey of over 4,800 online banks. *Base rate posted by 70% of the nation's largest banks. † Excludes closing costs. Sources: FactSet; Dow Jones Market Data; Bankrate.com

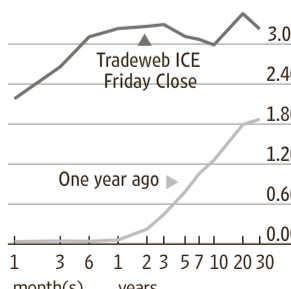
Selected rates

Table showing selected rates for New car loan, Bankrate.com avg, First Savings Bank of Hegewisch, First Command Bank, Third Coast Bank, SSB, Wilmington Savings Fund Society, FSB, Middlesex Savings Bank, and Natick.

Benchmark Yields and Rates

Treasury yield curve

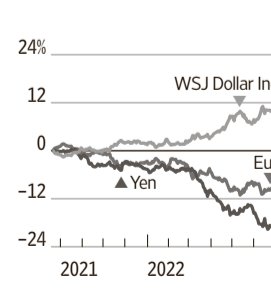
Yield to maturity of current bills, notes and bonds



Sources: Tradeweb ICE U.S. Treasury Close; Tullett Prebon; Dow Jones Market Data

Forex Race

Yen, euro vs. dollar; dollar vs. major U.S. trading partners



Corporate Borrowing Rates and Yields

Table showing corporate borrowing rates and yields for U.S. Treasury, U.S. Treasury Long, Aggregate, Fixed-Rate MBS, High Yield 100, Muni Master, and EMBI Global.

Sources: J.P. Morgan; S&P Dow Jones Indices; Bloomberg Fixed Income Indices; ICE BofA

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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-end 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 previous 12 months for periods ending at month-end or during the previous 52 weeks for periods ending at any time other than month-end by 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.

Table of 300 largest closed-end funds with columns for Fund (SYM), NAV, and returns for 52 weeks and 12 months. Includes categories like General Equity Funds, Specialized Equity Funds, U.S. Mortgage Bond Funds, and High Yield Bond Funds.

Currencies

U.S.-dollar foreign-exchange rates in late New York trading

Table showing U.S.-dollar foreign-exchange rates for various countries including Argentina, Brazil, Canada, Chile, Colombia, Ecuador, Mexico, Uruguay, Asia-Pacific, and others.

Continuation of closed-end funds table, including categories like International Equity Funds, U.S. Mortgage Bond Funds, and High Yield Bond Funds.

Continuation of closed-end funds table, including categories like International Equity Funds, U.S. Mortgage Bond Funds, and High Yield Bond Funds.

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Continuation of closed-end funds table, including categories like International Equity Funds, U.S. Mortgage Bond Funds, and High Yield Bond Funds.

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.

Table listing insider trades with columns for Date(s), Company, Symbol, Insider, Title, No. of shares in trans, Price range, \$ value in transaction, and % Ytd (%) change.

Biggest weekly individual trades

Table listing the biggest weekly individual trades with columns for Date(s), Company, Symbol, Insider, Title, No. of shares in trans, Price range, \$ value in transaction, and % Ytd (%) change.

Sellers

Table listing the biggest weekly individual trades for sellers with columns for Date(s), Company, Symbol, Insider, Title, No. of shares in trans, Price range, \$ value in transaction, and % Ytd (%) change.

Buying and selling by sector

Table showing buying and selling activity by sector, including Finance, Health care, Public Utilities, Technology, and Transportation.

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

Money Rates

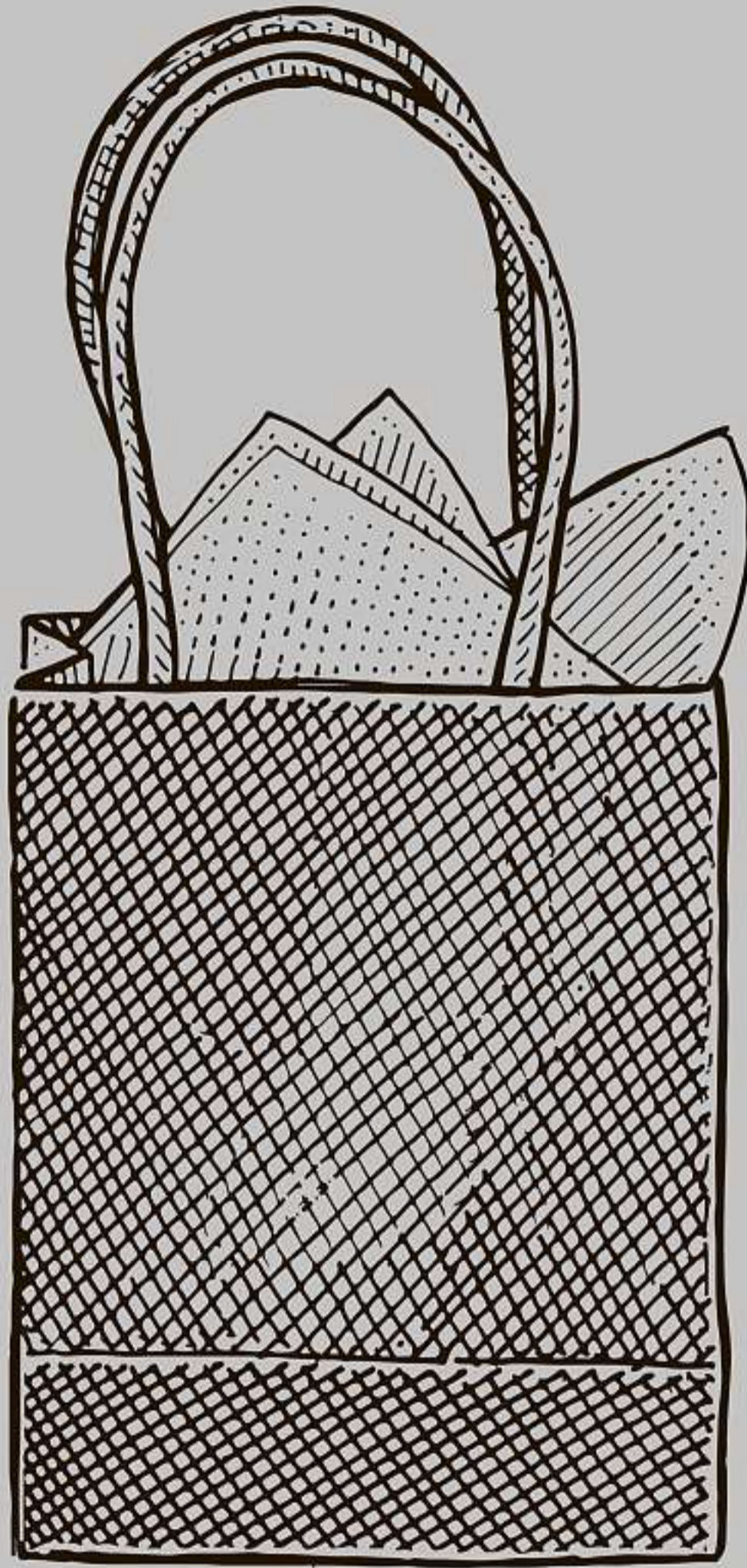
Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Table of Money Rates including Inflation, U.S. government rates, Discount, Federal funds, International rates, Prime rates, Policy Rates, Overnight repurchase, and Treasury bill auction.

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

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

Table of Cash Prices for various commodities including Energy, Metals, Fibers and Textiles, Grains and Feeds, and Fats and Oils.



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FINANCIAL ANALYSIS & COMMENTARY

Dry Powder Key to Silicon Valley Bank

While SVB Financial Group was hit by tech downturn, venture-capital money might fuel a rebound

Bank stocks aren't often where investors turn to find growth. Yet there might be a potential bargain lurking among them.

SVB Financial Group, parent of Silicon Valley Bank, has been at the heart of the venture-capital industry for many years. A lot of young technology and life-science companies deposit the venture money they raise into the bank, and venture-capital firms borrow from the bank before drawing down on their limited partners' commitments. This has been a lucrative and fast-growing flywheel for many years, extending into private banking and capital markets, helping its stock often sharply outperform banks overall.

But after beating the KBW Nasdaq Bank Index every year since the end of 2012, SVB shares have dropped alongside the initial public offering and fundraising markets in 2022.

The shares are down over a third so far, well behind the KBW index's 15% decline.

Investors' worries about SVB are in the sweet spot of concerns about banks in general right now: weakening deposit growth and rising credit risk. As young companies raise less money and burn it faster, that is felt in SVB's deposit growth. Deposits declined 5% from the end of the first quarter to the end of the second.

The bank lowered its outlook for 2022 year-over-year average deposit growth from the low-40% range to the high-20% range. Also, the bank took a nearly \$200 million provision for credit losses in the second quarter, partly related to loan growth but also to "increased recession risk" and "emerging pressure from market volatility." Recessions can be tough for younger, less-established firms.

Reflecting these challenges, the bank's stock is trading around 11

times expected 2023 earnings, according to FactSet figures. That is about a third below its 10-year average ratio. It is still trading at a premium of around 20% to banks overall in the S&P 500, but that compares with an average premium of 50% over the past decade.

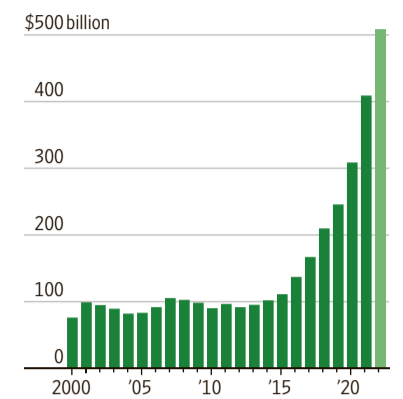
That will likely prove to be too much of a discount. The last time SVB shares underperformed the KBW index for more than a year was after the dot-com bubble's burst, from 2000 to 2002. But this isn't likely to resemble that era. Venture-capital firms globally have over \$500 billion of undeployed funds they have raised, or "dry powder," as of August, according to Preqin—almost seven times as much as they did at the end of 2000. That is a lot of potential spring-loaded growth for SVB.

Meanwhile, the bank's credit exposure might be relatively limited,

even if risks are rising. More than half of SVB's overall loans are capital-call lines that venture funds can draw on before they get the cash from their limited partners. The bank has reported one net loss on capital-call lending in the three decades it has been in that lending business. By contrast, just 2% of SVB's total loans are to early-stage companies that the bank says have historically been "the most vulnerable loan class with the most losses." Even as SVB expects its loss rate to tick higher in the second half of the year, its overall 2022 net charge-off outlook has remained in the range of 0.15% to 0.35% of its average loan portfolio.

As for deposits, SVB has sources of funding to draw on to sustain asset growth. Over \$190 billion of client money as of the end of June was held off balance sheet in vehicles such as money-market funds. Clients might expect to be compensated

Dry powder, or uninvested funds raised, of global venture-capital firms



Note: 2022 is as of mid-August
Source: Preqin

with higher rates to move it back into deposits—but that is still better than the alternative of needing to slow balance-sheet growth, which some banks might face.

Investors have been rightly worried about growth companies. But SVB has hardly lost its place at the heart of the venture business, adding some 1,700 commercial clients in the second quarter. It would be shortsighted to count it out after a down round. —*Telis Demos*

Movie Theaters Brace for a Rough Intermission

Cineworld doesn't seem to have much faith in the Rock, though he probably shouldn't take it personally.

The U.K.-based owner of the Regal Cinemas movie-theater chain is preparing to file for chapter 11 bankruptcy protection in the U.S. along with an insolvency filing in its home country. That came two days after the company warned investors of lower-than-expected admissions "due to a limited film slate that is anticipated to continue until November." November actually comes two weeks after the release of "Black Adam," the next entry in **Warner Bros. Discovery's** DC Comics franchise that stars the actor otherwise known as Dwayne Johnson. He is no slouch

on the screen: Movies featuring the former wrestler in a leading role generated more than \$5 billion in global box-office revenue, according to the movie-industry tracking site The Numbers. According to Wedbush analyst Alicia Reese, "Black Adam" is the next theatrical release expected to do significant business, defined as surpassing \$100 million domestically. The movie is currently set for release on Oct. 21.

That pause is a problem for all movie-theater operators, and an insurmountable one for Cineworld. The company entered the pandemic deep in debt following a string of acquisitions, and an attempt to buy the Cineplex chain for about \$1.7 billion in late 2019

turned out to be very poorly timed.

It didn't benefit from the meme-stock phenomenon that saved similarly indebted rival **AMC Entertainment**. A surge of interest from individual investors has helped AMC raise more than \$2 billion from stock sales and reduce its borrowings, thus avoiding its own trip to bankruptcy court.

Still, news of Cineworld's filing took down shares of AMC nearly 7% on Friday, while smaller chains Cinemark and IMAX saw their shares fall by 4.5% and 3% respectively. None of those three face similar financial stress, but Cineworld's move was a stark reminder that the theatrical exhibition industry is still working its way out of the hole created by the

pandemic.

The smashing success of "Top Gun: Maverick," which has grossed nearly \$1.4 billion worldwide, helped the industry close some of the gap with its prepandemic performance. The domestic box-office for this year's summer season has totaled about 72% of the average for the same period during the years 2015-2019, according to Box Office Mojo. The gap was 52% for the combined spring-summer seasons.

But the fall season is looking a bit dry at this point, at least until the release of "Black Adam." Cinemark Chief Executive Officer Sean Gamble warned in his company's earnings call earlier this month that "the next two months will be

challenged by another temporary dip in new release volume" due to a mix of production delays and release date shifts. Other major releases late in the season include sequels to Disney's "Black Panther" and "Avatar" films. Both are promising: "Black Panther" is the third-highest domestic grossing title in the Marvel Cinematic Universe, according to Box Office Mojo. And the first "Avatar" film from 2009 is still the reigning global box-office champ, with \$2.8 billion under its belt, according to The Numbers.

That will give the Rock some heavy competition. But movie-theater chains will need all of them to do some pretty heroic work. —*Dan Gallagher*

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Mandy Moore Stand Up To Cancer Ambassador
Fola P. May MD PhD SU2C Cancer Scientist
Kevin Pilot and Gastric Lymphoma Cancer Survivor
Photo by **Andrew Eccles**

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WORKPLACE TECHNOLOGY

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THE WALL STREET JOURNAL.

Monday, August 22, 2022 | R1



How far should companies go in using technology to monitor their employees?

MIKEL JASO

SINCE THE START of the remote-working surge, employers have had a nagging concern: Just how much are employees really accomplishing at home? To answer that, more companies are turning to worker-monitoring technology, which can reveal when employees step away from their computers, what websites they visit and how long they use various software. Depending on the system, managers can see what

By **BART ZIEGLER**

employees are typing, read their email and even watch them from their laptop's camera.

These capabilities, though generally legal, have led to pushback from workers and raised concern from privacy experts. Have employers gone too far?

We gathered three experts to discuss this is-

sue: John Davisson, director of litigation and senior counsel at the Electronic Privacy Information Center, a non-profit research and advocacy organization; Brian Kropp, vice president of human-resources research at advisory firm Gartner Inc.; and John Verdi, senior vice president of policy at the Future of Privacy Forum, a data-privacy

Please turn to page R6

Mr. Ziegler is a former Wall Street Journal reporter and editor. Email him at reports@wsj.com.

You're New at a Company. What's the Fastest Way to Learn Its Technology?

By **SUMAN BHATTACHARYYA**

ONE OF the biggest roadblocks to success in a new job is something workers don't often think about: learning the technology. After all, until new employees are up to speed on a company's technology, they are hard-pressed to do much work. They often can't even communicate with their colleagues or their bosses. Companies, of course, have

Many companies offer just a little training, and then figure employees can learn on their own. Here's how to make sure employees get up to speed as quickly as possible.

elaborate systems and plans when they introduce new technology to departments or the whole company. When all employees learn at the same

time, there is an entire support network of experts and colleagues there to guide them.

But that isn't the case with many new employees. They typically might get a little training—and then they're let loose to learn while doing.

Dave Carty, who returned to the workforce in 2013 after a 13-year career break, says

Please turn to page R7

Mr. Bhattacharyya is a writer in Philadelphia. He can be reached at reports@wsj.com.

Inside

BIG DATA GOES TO COLLEGE

More schools are using apps and analytics to help attract students, guide them through graduation and launch their careers **R2**



Scan this code to see a video on how workplace holograms could soon replace the Zoom conference call.

Telehealth

Some healthcare providers are making telemedicine easier for more people to access and for all to use, but challenges remain **R3**

RECYCLING ELECTRONICS

A Houston facility decides: refurbish or shred **R8**



JOURNAL REPORT | WORKPLACE TECHNOLOGY



Big Data Goes to College

More institutions are using apps and analytics to help attract students, guide them through graduation and launch their careers

By BETH DECARBO

TO KEEP college students happy and engaged in their coursework, administrators at Georgia State University turned to a school fixture with blue fur and ferocious teeth: Pounce, the school mascot.

In the real world, Pounce is a fuzzy game-day presence, rooting on the university's athletes. In the virtual world, the mascot is a chatbot enhanced with artificial intelligence.

The virtual version was introduced in the summer of 2016 to incoming freshmen, who could text questions to Pounce 24/7 and in just seconds get answers about financial aid, registration, housing, admissions and academic advising. Three years later, Pounce was rolled out to the entire student body, with broader capabilities—able not only to answer questions but also to initiate interactions on its own. For example, the chatbot can intervene when a student is determined to be at risk of failing a class or dropping out of school.

"Using predictive analytics, we can identify early risk factors rather than waiting for students to find solutions for themselves," says Timothy M. Renick, executive director of the National Institute for Student Success at Georgia State in Atlanta. Because the chatbot converses in natural language, "students have come to see Pounce as a friend," he adds.

Graduation guides

Georgia State has been at the forefront of the growing use of apps and analytics by colleges to help attract students, guide them through graduation and launch their careers. These digital initiatives are aimed at supporting all students, but they are particularly useful in helping Black, Latino and indigenous students earn their degrees, says Amelia Parnell, vice president for research and policy at Naspa-Student Affairs Administrators in Higher Education, a nonprofit based in Washington, D.C.

Naspa recognized colleges across the country last year with its inaugural Virtual Innovation Awards, for notable efforts designed to help students during the pandemic and beyond. One of the award winners was San Diego State University, which

mines its data to identify students who haven't registered by March or April for the fall semester, an early-warning sign that they may be in danger of dropping out. Teams of university staffers and peer mentors then reach out to these students via phone calls, text messages and emails. Early in the pandemic, they discovered that access to computers and stable internet connectivity were common obstacles these students faced with remote learning. In response, the university issued hundreds of laptops and internet-signal boosters.

The school also analyzes data from its frequent check-ins with students via an online communication and resources portal, to identify those who are unable to cover food and housing costs and provide them with emergency financial assistance.

Many schools are still behind the technical curve. An estimated 20% to 25% of higher-education institutions don't have data-analytics applications in place, due to such factors as budget constraints or lack of buy-in from faculty and staff, says Charag Krishnan, a partner at consulting firm McKinsey & Co. who primarily focuses on higher education. Other schools are data-rich but implement their initiatives inconsistently, he says.

Still, the onset of the pandemic accelerated the use of analytics as a tool to enable schools to broaden their support for students beyond the classroom. For example, the Georgia State chatbot is set up to recognize "trigger words" and immediately deliver the student's text to a person experienced in crisis management, Dr. Renick says. "Students have told the chatbot about feeling depressed or suicidal," even though they hadn't previously gone in for counseling, he says.

After receiving a supportive chatbot message in the fall, one Georgia State sophomore replied: "Yeah it's been stressful especially with deteriorating mental health and no will to live lol." Within minutes, a university staffer followed up with the student and referred her to on-campus counselors as well as her academic adviser. "I needed to talk to someone, but didn't know who. The chatbot was just handy," says the student, who is

Nigerian and a first-generation college student.

Many students have reported that they prefer the impersonal nature of the chatbot when revealing their problems, Dr. Renick says. Students are "revealing personal details about themselves, such as 'I just lost my job and can't afford a textbook,'" he says. "Ninety-five percent of the time, we can come up with a solution."

Grades show results

Georgia State is now testing a messaging system for specific classes. Last fall, students in a required American-government course were randomly assigned to groups that either received coursework-support text messages or didn't. The messages reminded students when their assignments were due, offered study tips and practice exams, and even solicited direct feedback for the professor.

Overall, students who received chatbot messaging were more

Similarly, San Diego State uses data analytics to identify classes that have higher rates of students who earn a D or F or withdraw entirely—typically introductory classes for freshmen and sophomores. Using the college's messaging system, students enrolled in these classes are encouraged to attend supplemental instruction sessions, which are led by students who previously took the class.

For her freshman chemistry class, Deegan Roecker, a San Diego State student from Redondo Beach, Calif., attended several supplemental sessions that she learned about through the school's messaging system. "It was a cool way to meet other students and have people to study with," she says. "As a freshman, it's hard to put yourself out there and meet other people."

Ms. Roecker, who is now a 22-year-old senior majoring in kinesiology, says supplemental instruction was a "huge factor" in her final letter grade—an A. In

tributes of their student body going back years into historical data. Understanding how these various attributes are related and how they are associated with student outcomes allows schools to offer individualized support based on the students' needs.

For example, Georgia State has found that students majoring in economics who get below a B-minus in their first math course have a very low chance of graduating. "This isn't new data, but we're using the data more proactively," Dr. Renick says. "Let's try to get you some support in math before you take killer classes in economics."

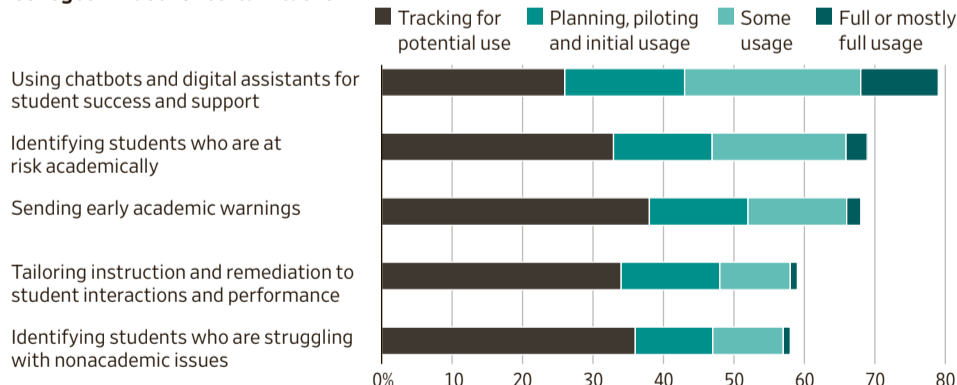
Analytics can also play a role in recruiting students in the first place. McKinsey published a report in April that detailed the efforts of a small college that wanted to prioritize its marketing resources. Using machine learning, the university (not identified in the report) was able to create archetypes of high-school seniors who were most likely to apply. In the end, using those archetypes to target the 10% of students likeliest to apply accounted for about 90% of eventual applicants, the report found.

All this data analysis raises concerns about student privacy and data breaches. In a survey of more than 16,000 undergraduate students at 71 U.S. institutions, 49% of the respondents agreed or strongly agreed with the statement, "I trust my institution to use my personal data ethically and responsibly," while 17% disagreed or strongly disagreed. However, about half said they didn't understand how their personal data was being used. The findings were published in a 2020 technology report from **Educause**, a nonprofit that focuses on information technology in higher education.

In its recommendations, Educause advises institutions to inform students about what data is being collected and how it is protected. It also says students should be allowed to opt out of data-collection initiatives that aren't mandated by accreditation organizations, which certify whether a school meets minimum academic standards.

Ms. DeCarbo is a writer in South Carolina. She can be reached at reports@wsj.com.

Colleges' AI use for certain tasks



Source: Educause poll of 195 higher-education technology leaders and staff conducted June 7-8, 2021

likely to earn an A or B in the class than those who didn't receive messages, the university found. First-generation students receiving messages earned final grades about 11 points higher than similar students not receiving messages. "That's a full letter grade better," Dr. Renick says. "It's leveling the playing field."

One of the students who received the texts is Zul-Qarnain Hossain, a 20-year-old sophomore from Duluth, Ga., who is studying computer information systems. He says he wasn't struggling in the government class, but that he appreciated the chatbot support. "It gives us the feeling that the teacher is reaching out and trying to help us," Mr. Hossain says. "It's a big morale booster and keeps us on our toes."

addition to attending classes, she works as an administrator for the college's supplemental-instruction program, which continues to grow because of its effectiveness.

An analysis of grades in an introductory calculus class last fall found that 100% of students who attended four or more supplemental instruction sessions passed the class. Of those who attended one to three sessions, 75% passed. Among those who didn't attend any sessions, more than half earned a D or F or withdrew.

More to come

For the next phase in data analytics, some schools are exploring or implementing advanced machine-learning applications that can analyze 150 or more at-

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Keith Sale, a doctor with the University of Kansas Health System, speaks with a patient during a telemedicine visit.

By SUZANNE OLIVER

How to Make Telehealth Services Easier for Everyone

Among the suggestions: portals that are simpler to navigate, and increasing access to disadvantaged groups

THE PANDEMIC has accelerated the transition to telemedicine, and video medical visits are likely to continue to play a big role in healthcare.

But telemedicine's ultimate success will depend in large part on technology—how seamless patients will find the process, and the digital divide that now keeps many physicians from offering telehealth services and patients from accessing them—and whether doctors will overcome their resistance to not being able to put their hands on patients when examining them.

What follows is a look at how some healthcare providers are making it easier to use telemedicine, and the challenges that remain.

Before the visit

Doctors and hospitals have come a long way since the beginning of the pandemic, when patients and providers struggled to set up appointments using Zoom and other videoconference services. In a recent survey by consultants McKinsey & Co., only 9% of patients reporting on negative aspects of an online doctor visit cited technical difficulties as a cause.

Doctors at Texas Children's Hospital in Houston conduct more than 14,000 video visits a month, and fewer than 300 fail due to technology glitches. Families with telehealth appointments receive visit reminders by email and text days ahead of time that include video and written instructions in English and Spanish, and the phone number of the help desk. There is also an option to test the audio and video connection. If a connection is substandard, the family is instructed to call the hospital help desk.

Johns Hopkins Medicine also sees preparation as key to ensuring a successful appointment. Because so many patients wait until only a few minutes before

an appointment to log in, "there is very little time to identify and solve technical issues, which reinforces the need to try to find a way to be a little bit predictive," says Brian Hasselfeld, medical director of digital health and telemedicine at Johns Hopkins Medicine in Baltimore.

In response, researchers at Johns Hopkins developed a tool that tries to identify patients who are at risk of being unable to complete a video visit. The tool looks at whether they have an active account in the portal, have completed the online check-in process, and have recently had a video visit or only a telephone visit. When warning signs are spotted, staff can reach out by text, email or telephone to offer assistance before the appointment.

Inside the portal

Making portals easier to navigate is another big focus of telemedicine. Early in the pandemic, many portals required patients to use a unique link and password for each virtual visit, and some required downloading new software. Now many use a much simpler interface. You use the same login information every time, after which you can see a list of your doctors and appointments. Click on your appointment, and start your visit.

"We realized there is a lot of cognitive overload for patients," says Lee Schwamm, vice president of digital patient experience and virtual care at Boston-based Mass General Brigham. "It is stressful to have to find an email, a link and a password

when you are getting ready for an appointment with your doctor."

Some portals are also trying to make their virtual waiting rooms more patient-friendly. Myra Davis, chief innovation officer at Texas Children's, says its patients are greeted by a live staff member when they enter the virtual waiting room. The hospital system is also trying to make it easier for the staff member to chat with patients and to offer them a callback if the doctor is running late.

"Patients have less tolerance for waiting when they are at home," says Robert H. Ball, medical director of e-health at Texas Children's Hospital.

Use

of telemedicine in the pandemic's first year was greatest among patients in wealthier counties and in metropolitan areas

41%

of physicians surveyed said they have the technology to deliver telehealth seamlessly

~2 in 3

physicians said shortcomings in telemedicine make it more difficult for them to do their jobs effectively

Sources: Rand Corp. (patient use); McKinsey Physician Survey 2021

Digital divide

While well-capitalized academic medical centers have invested heavily in hardware, software, help-desk staff and social-equity initiatives, smaller practices with fewer resources are falling behind when it comes to providing telemedicine. In a 2021 McKinsey Physician Survey, 45% of doctors surveyed said they invested in telehealth during the pandemic, and 41% said they had the technology to deliver telehealth seamlessly.

"The lift is huge to implement this technology," says Dr. Ball. Health systems want to increase access to telemedicine for

Doctor skepticism

Physicians themselves have some concerns about telemedicine. Roughly two-thirds of doctors polled in a survey released by McKinsey & Co. early this year identified shortcomings in telemedicine that make it more difficult for them to do their jobs effectively.

Their biggest criticism: the lack of a physical exam.

"There are some conditions where I need a physical exam to make a decision on a patient's care," says Keith Sale, vice president of ambulatory services at the University of Kansas Health System.

Collecting lab specimens can be a challenge, too.

Asking a patient in a virtual visit to go to a nearby lab for testing is much less certain to provide quick, satisfactory results than collecting the sample during an office visit.

Doctors also worry about the future of reimbursement for telemedicine.

According to research by the Center for Connected Health Policy, just 21 states require commercial insurers to cover telemedicine visits at the same rate as in-person visits.

During the pandemic, the Centers for Medicare and Medicaid Services loosened coverage requirements for telemedicine visits and established payment parity for in-person, video and telephone visits. Most commercial insurers did the same. Some of the pandemic-related CMS exceptions are set to lapse Oct. 13, but Congress extended most of the exceptions to March.

At that time, unless there is a further extension by Congress, CMS coverage of telemedicine for traditional Medicare recipients will return to pre-pandemic rules, with some exceptions.

Coverage will primarily be limited once again to patients in rural areas, and providers such as physical therapists and audiologists will be excluded. CMS will no longer cover telephone visits except for mental and behavioral health, and its reimbursement rate might be lower for telemedicine than for in-person visits. Commercial insurers will make their own coverage decisions, and states will do the same for Medicaid.

On the plus side for doctors, the cancellation rate is lower for virtual visits, and a doctor can see more patients in the same amount of time.

"There will be a core of, I think, 20% to 25% of visits that really don't need to be done in person and probably shouldn't be...and there will be patient demand for that," says Dr. Schwamm.

"Covid has taught me that we can never be without this capability again."

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Tech Startups That Work Near Each Other Benefit From Social Interactions

Working in close range led to knowledge sharing and faster innovation, a study finds

By CHERYL WINOKUR MUNK

FOR TECH startups wondering where to locate their new companies, here's one suggestion: Set up shop near another tech startup, preferably one that isn't in the same business.

In a working paper, researchers from Harvard University, the Georgia Institute of Technology and the Massachusetts Institute of Technology measured the exchange of ideas that occurred between tech startups located near each other at one of the largest technology co-working spaces in the U.S.

They found that "knowledge spillovers" were greatest between dissimilar startups that worked within 20 meters (22 yards) of each other. Working in such close range allowed for socialization,

which in turn led to idea sharing about the types of technology the startups were using as part of their overall tech infrastructure, the researchers found.

"Environments really matter, and being close to each other is especially important in knowledge-based industries," says Maria P. Roche, lead researcher and an assistant professor of business administration in the strategy unit at Harvard Business School.

For their study, researchers chose a location where several new ventures worked side by side in the same building. They focused solely on interactions that occurred between startups on the same floor. On average, startups in the sample were working near one another for a year.

Researchers observed that working in close range allows people who otherwise probably



wouldn't interact to meet, talk and see each other regularly, Dr. Roche says. These interactions led to idea sharing about the types of technology the ventures were using to build their applications. This, in turn, resulted in some of this technology being adopted by the other nearby

startups.

The benefits of working closely include the ability to quickly implement ideas that are working well for other companies, Dr. Roche says. If one startup has already incorporated a particular technology, such as error tracking, marketing automation or analyt-

ics software, other startups can benefit from this knowledge and more quickly adopt it themselves, without having to do all the initial legwork and investigation into the technology's applicability and function.

This gives them the ability to launch their product more quickly, Dr. Roche says.

Notably, researchers found that startups located more than 20 meters apart on the same floor were indistinguishable from startups on different floors, stressing the importance of close location when it comes to idea sharing.

The study also underscores drawbacks to all-remote work, including the loss of unplanned interactions. The ability to gather immediate feedback from someone in proximity can be really important, especially when doing creative work, Dr. Roche says.

Ms. Winokur Munk is a writer in West Orange, N.J. Email her at reports@wsj.com.



Special Advertising Feature



TOGETHER FOR Opening Up the World of Work

As remote and hybrid work styles become the norm, next-generation mobile and workplace devices are equipping users for advanced performance at home and on-the-go.

The world of work has undergone a rapid transformation over the past two years. Remote and hybrid work have become commonplace, bringing with them a sea change in the needs and expectations of both employers and employees.

A recent global survey found that 95% of workers wanted to set their own hours, while 78% said they wanted the flexibility to choose their location. Moreover, a raft of organizations and several countries—including Belgium, Spain, the U.A.E. and U.K.—are trialing four-day work weeks, signaling this transformation is set to continue.

Next Gen Integration

One of the companies leading the way in providing technology solutions for the evolving world of work is Samsung Electronics, which has placed seamless integration and interconnected, multi-device experiences at the heart of its versatile Galaxy portfolio.

“Hybrid work is challenging,” says KC Choi, EVP and Head of Global Mobile B2B Team, MX Business at Samsung Electronics. “Our goal is to create mobile experiences that make the job easier and keep the business running smoothly with improved collaboration, stronger security, as well as maximum productivity and creativity.”

For most remote workers, tech that can flex between the office, home and travel has taken on new meaning. For example, employees need maximum power to stay productive. With up to 21 hours of battery life¹, the Galaxy Book2 Pro series and Galaxy Book2 Business make it easy to work on-the-go, while offering advanced connectivity options.

Employees also want the benefits of great screens from anywhere. One of the key differences between a traditional office environment and remote working is the screen setup, with remote users often settling for a single-screen laptop experience. Samsung’s Galaxy Book2 Pro series solves this issue with its Second screen² feature, which allows users to extend or mirror their screen on their Samsung tablet and simultaneously work across multiple apps when their devices and accounts are properly synced. And the Quick Share³ function makes it simple to send files between Galaxy devices in just a few clicks.

Power, superior screens and more—employees value a flexible workstation, which more than ever includes cutting-edge mobile devices. Both the Galaxy Tab S8 series and the Galaxy Z Fold3 5G can be transformed into a mobile PC thanks to Samsung’s DeX⁴, which allows users to create a desktop-like experience by



wirelessly mirroring to a compatible external display and connecting to a Bluetooth keyboard and mouse. That means multitasking with multiple, resizable windows, and the ability to drag and drop content between them. As part of Samsung’s commitment to give users the best possible mobile performance and experience, these devices will also be supported by up to four generations of OS upgrades and five years of security updates based on device and market.

For employees who want an even more dynamic tech experience, tools like S Pen allows for natural, lag-free note-taking, sketching and handwriting across Galaxy devices, while also unlocking a range of shortcuts and special functions. Designed to feel like a real pen, the S Pen can be used to annotate precisely within documents and apps, and automatically convert handwriting to text, giving any workforce the ability to connect differently than they have before.

A Vision for the Future

With the right tech set-up, collaboration can function as it should—at the heart of remote and hybrid models of working. Video call performance is one of the most important considerations for workplace tech

today. In particular, strong connectivity and superior audiovisual quality are essential for efficient and professional meetings, while the ability to augment background environments is crucial for calls outside the office.

The Galaxy Book2 Pro series has been designed with virtual meetings top of mind, bringing together cutting-edge technology and an intuitive understanding of remote work needs. 1080p FHD webcams assure dependable video clarity, while distracting background sounds are removed with bi-directional AI noise canceling for clarity.

Galaxy Tab S8 series users can also enjoy best-in-class video call functionality thanks to its dual ultra-wide 12MP front cameras, and a range of audiovisual optimization features such as AI auto-framing. This means users can stay perfectly centered even as they move around the frame, and newly added effects will automatically remove visual distractions from the background.

Trusted Security for the Hybrid Era

New ways of working require new tools, and the hybrid era demands something versatile that can be seamless across multiple devices and in a variety of situations and environments. Most of all, it demands that employers can keep their workforce connected, agile and productive even as cyber threats surge.

Strong security is foundational to the hybrid work environment. Galaxy devices are secured by Samsung Knox, offering vault-like protection for everything a company needs to protect. For an added level of security, confidential apps, files and more can be saved in Secure Folder—a private, encrypted location on Galaxy devices. Users can also securely share and manage files with Private Share, Samsung’s blockchain-based encryption technology.

Built on a strong foundation of industry-leading security, Samsung Galaxy technology doesn’t just make the modern workforce more mobile. Galaxy can give hybrid employers and employees the power and peace of mind to digitally transform for the future.

¹ Battery life tested under third-party laboratory condition. Typical value is the estimated average value considering the deviation in battery capacity among the battery samples tested under IEC 61960 standard. Actual battery life may vary depending on network environment, usage patterns and other factors. Battery pack sold separately. Video playback time is based on results from internal lab tests conducted by Samsung using default settings (Brightness-150 nits, Earphone (default volume), discharged to 2%, Airplane On (Wi-Fi/5G not connected), KBD Backlight Off) when playing local 1080p movie playback, Player-Movies & TV with full screen videos on its screen.

² Second screen feature supported for Galaxy Book Windows PC and Galaxy Tab S7/7+ or later models. (2021 Jan update required for Galaxy Tab S7/S7+) Wireless display-capable Windows 10 PC models and Windows 10 v.2004 or later version are required. (Windows update: Sep 2020 or later).

³ Available on Galaxy smartphones and tablets with Android OS version 10.0(Q) and One UI 2.1 or later. Bluetooth Low Energy and Wi-Fi required. Certain applications may not be supported.

⁴ Supported on select Galaxy smartphones and tablets. Additional features available on compatible devices only including Galaxy S22, Galaxy Tab S8 and devices running One UI 4.1 or later. Compatible apps may vary and not all apps may be resizable on Samsung DeX. Accessories for external screen connection sold separately.

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Image simulated. S Pen Fold Edition sold separately and is only compatible with Z Fold4 and Z Fold3.

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Your Company May Be Watching

Continued from page R1

think tank funded by corporations and foundations. Edited excerpts of the conversation, which took place online, follow.

• WSJ: How widespread is employer use of electronic-monitoring technology?

• MR. KROPP: Before the pandemic, roughly 30% of large employers used some form of employee monitoring. Now, 60% of large employers are using these technologies to track at least some of their employees.

• MR. DAVISSON: Of course, many of those people would have been subject to some form of activity monitoring in a bricks-and-mortar office, but the degree to which employee monitoring has entered the home is quite astonishing.

• WSJ: What types of monitoring have become more prevalent?

• MR. KROPP: Since the pandemic, more activity-tracking tools have been put in place. When do people log on, when do they log off? There has also been growth in organizational network analysis to better understand who is working with and communicating with whom.

The third place that we are seeing growth is text-analytics techniques applied to employee communications, including email and Slack. Employers are trying to get a sense of whether employees are talking about changes in policies, whether external factors are becoming more common in their conversations, etc.

The bleeding edge is using video analytics on facial expressions and reactions in meetings to determine who is making the biggest contributions and who isn't.

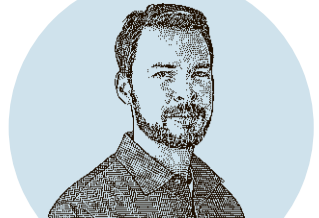
• MR. DAVISSON: Activity-monitoring tools seem to be the most prevalent in remote work. Depending on the system, employers may be able to view screenshots of an employee's computer and receive detailed analytics about an employee's activities. Some systems also include keylogging or the ability to turn on a computer's microphone and camera to observe and track an employee's activity.

• MR. VERDI: Brian mentioned tracking computer activity—login time, application use, etc. Sometimes that is particularly invasive and intrusive, such as supervisors engaging in the virtual equivalent of "peering over a worker's shoulder," gazing at their screen at all times. In other circumstances, organizations use less-invasive monitoring.

• WSJ: What are the most justifiable types of monitoring based on legitimate employer needs?



• John Davison



• Brian Kropp



• John Verdi

• MR. DAVISSON: Employers have a legitimate interest in ensuring employees are fulfilling their job responsibilities. The problem comes when employers engage in maximalist surveillance, collecting data that isn't strictly necessary for legitimate business purposes, using products that are far more invasive than the employer truly needs, and failing to account for the harmful effects on the privacy and morale of employees.

Surveillance systems that rely on automated decision-making to flag particular behaviors by employees—for example, cursor tracking or facial-recognition tools—also run the risk of reinforcing racist, sexist and ableist

patterns in the workplace. You have to do as an employer is be transparent with employees about what you are collecting and what is the business purpose of it. Then you need to share with employees the key information you are getting and the decisions you are making based on that.

Employees are increasingly accepting of being monitored if they know what is happening and why.

• WSJ: What types of monitoring are the least defensible?

• MR. VERDI: A few categories jump out as the least defensible: technologies that fail to deliver what is promised, technologies

out? What about employees who walk while they are having a phone conversation?

A second one is where biases are introduced from monitoring. For example, different people might use different words (non-native speakers) or have different facial expressions that are driven by cultural norms, histories or a variety of other realities. There is a real concern that the data generated from monitoring tools is biased based on these demographic factors.

• MR. DAVISSON: I think there is very rarely a legitimate business need to subject employees to facial recognition or other biometric

ject to human bias.

• MR. KROPP: One of the big challenges in a hybrid/remote world is that it is harder for managers to observe the contributions employees are making.

On average, men are more likely than women to self-promote. In an in-office environment this leads to managers thinking that men, on average, are making a bigger contribution than women. This problem is only worsened in a virtual world.

Not only can monitoring tools see if employees are engaging in their tasks, the next generation will provide insights into which employees are making the biggest contributions but might not be the loudest about the contributions they are making. It has the potential to mitigate some of the gender bias in the workplace.

• MR. DAVISSON: I think the benefits of workplace surveillance are pretty limited for employees.

• WSJ: What are the legal boundaries for monitoring? Do employers need to tell workers they are watching them?

• MR. DAVISSON: Federal law generally prohibits employers from intercepting personal phone calls. Some states require employers to notify employees when and how they will be monitored. And some uses of surveillance technology in the workplace may even violate laws against unfair and deceptive trade practices or rise to the level of employment discrimination.

But these laws don't provide effective protection against the dominant forms of employee monitoring. It's a problem that federal and state lawmakers need to take up.

• MR. VERDI: The situation is much different globally. For example, EU law generally prohibits employers from using employee consent as a basis for monitoring, under the reasoning that such consent cannot be freely given when an individual's livelihood hangs in the balance. Europe's Data Protection Authorities have levied fines in excess of 30 million euros (about \$30.1 million) in response to excessive workplace monitoring.

European law provides tools for workers to better understand how their employer collects and uses data about them.

Some of those rights are on track to become available to California workers, as a provision exempting employee data from California's main privacy law is set to expire.

• MR. KROPP: A really interesting question for the U.S. is how quickly will these laws change. If California changes the California laws, do those laws become the de facto standard?

• WSJ: Can monitoring create wariness among workers about their employer or lead to other downsides for companies?

• MR. DAVISSON: Yes! Continuous worker surveillance can breed distrust and stifle productivity—this is a well-documented consequence of broad-scale surveillance. That's not to say all forms of employee monitoring are equally pernicious, and many employees may be able to thrive despite being monitored. But I do think the risk of blowback is there.

• MR. VERDI: Controversies can arise when organizations engage in adversarial monitoring and fail to inform workers, and especially if the monitoring produces unfair, inaccurate results.

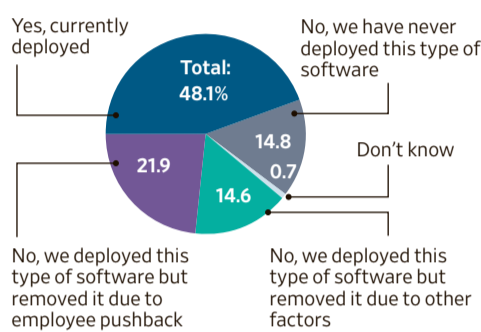
• MR. KROPP: Another important thing to keep in mind is the reputational damage that can emerge if this is done poorly.

If you are a large company and you misuse these tools, does that create the situation where the CEO needs to testify on Capitol Hill? If consumers find out that you are monitoring your employees and using it for "evil," does that create a customer backlash?

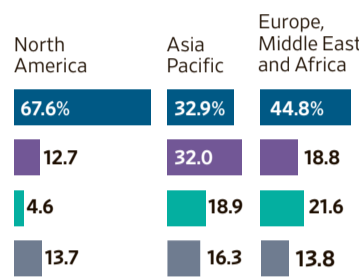
How Many Are Watching, And How

Employees are being monitored electronically around the world, especially in North America

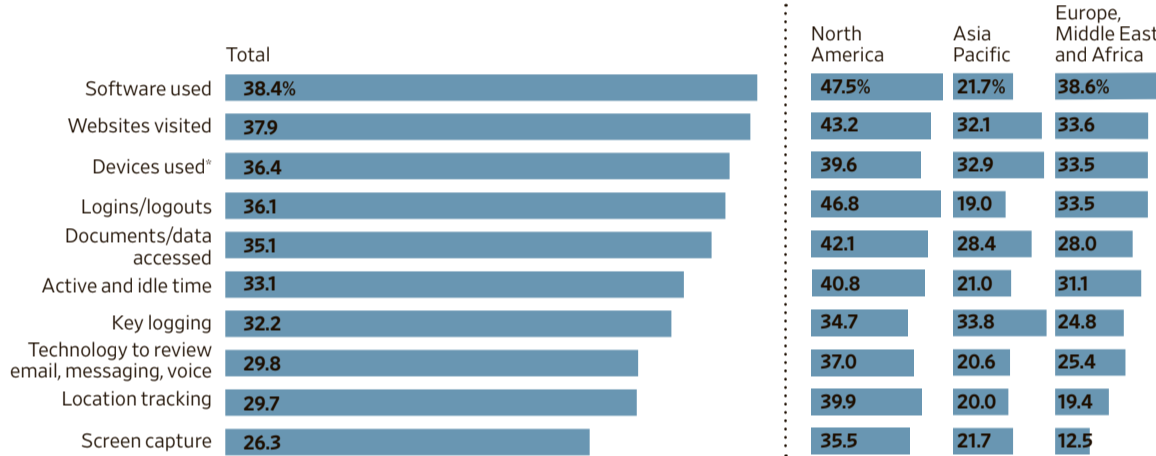
Has your organization deployed employee-monitoring software?



Regional breakdown



Which of the following are measured/captured using employee-monitoring software?



*Including terminal servers, laptops, desktops
Source: IDC global survey of 816 organizations with more than 500 employees, conducted July 2022

patterns in the workplace.

I also think activity-monitoring systems have a tendency to focus employers on the appearance of productivity rather than a task-driven, results-driven view of work.

• MR. VERDI: Most folks understand why organizations need to monitor for reasons like legal compliance, antifraud and workplace safety. Financial firms have long had obligations to monitor workers' activities to promote compliance with oversight regulations. But it is incumbent on organizations to vet their monitoring technology for efficacy and fairness.

• MR. KROPP: A different question isn't what is legitimate, but how do you make sure employees feel comfortable with whatever you are collecting? The first thing that

that discriminate against marginalized communities, and technologies that are surreptitious without any justification. For example, some tools claim to assess "trust-worthiness" based on facial or voice analysis, but experts are deeply skeptical that they deliver on that claim.

• MR. KROPP: Where it becomes problematic is when you are making decisions with the data that you collect that you can't actually make with the data.

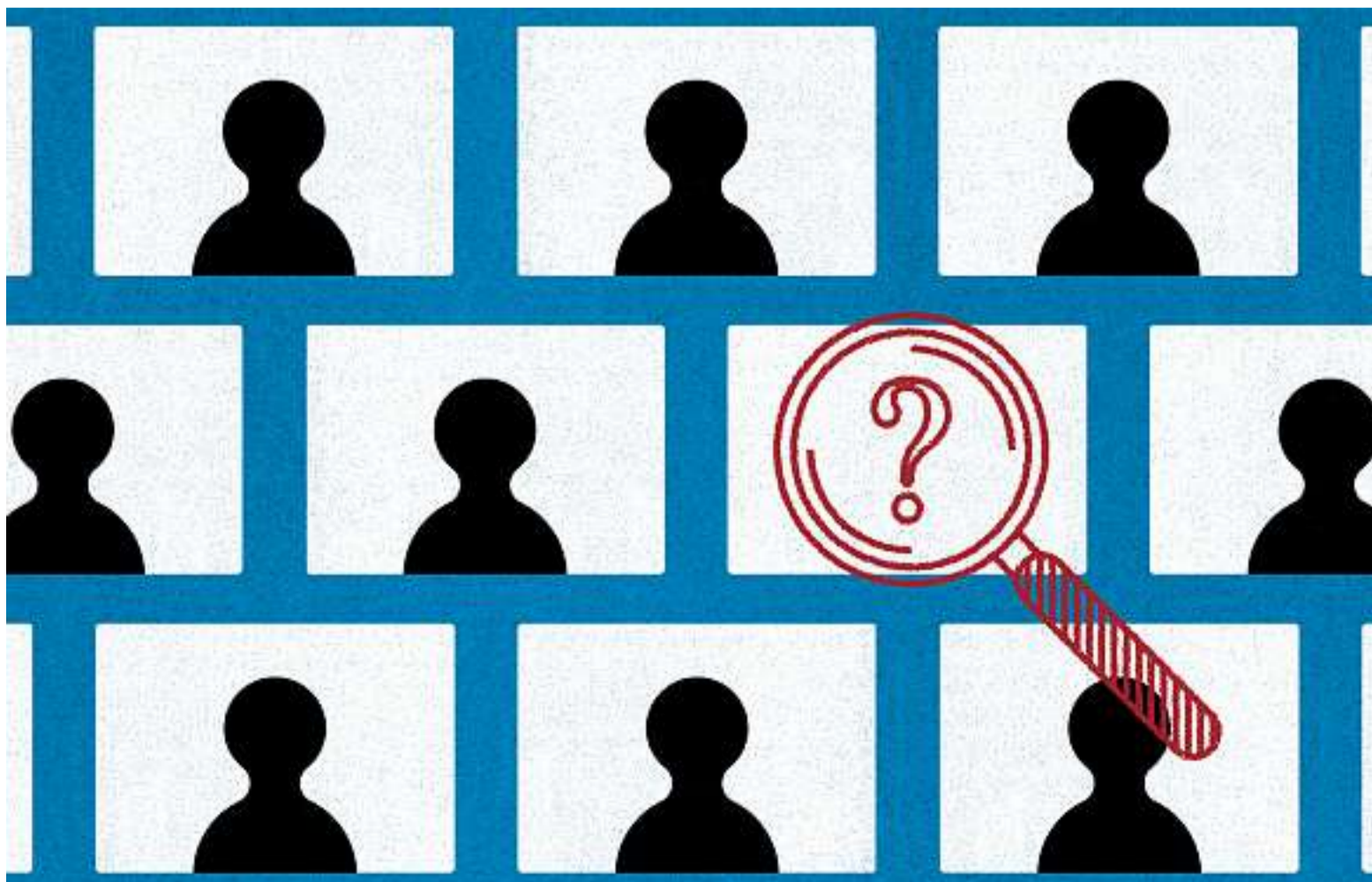
One company we were working with had to decrease its head count. They turned to their tracking software and basically wanted to lay off the people who were working the "fewest hours." But the software only shows when people are logged on or off. What about employees who step away from their computer and are working but are writing things

surveillance. Studies have consistently shown that these tools are less effective and less accurate when applied, for example, to Black faces or used to evaluate disabled persons.

I would also point to tools that allow an employer to covertly activate the microphone or camera on an employee's computer.

• WSJ: On the flip side, do monitoring technologies provide any benefits for employees?

• MR. VERDI: Organizations can use monitoring to act on complaints of workplace harassment. And some types of workplace monitoring can help even the playing field for workers. When used to monitor work with clear goals and metrics, monitoring can empower high-achieving workers who might be overlooked or sub-



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Learning Technology

Continued from page R1

he found himself largely on his own when he needed to learn workplace tools.

"There were a lot of platforms which I had to learn to use, and there was really no training," says Mr. Carty, who is currently chief financial and operations officer at the Caedmon School in New York. "There was just an assumption that well, you know how to use them, or if you don't know how to use them, you better know how to use them to get up to speed." He says for one role, it took him a year to get a basic skill set.

An increasing number of people find themselves in this same position, as workers change jobs more frequently and the lifespan of new digital tools in the office gets shorter. At the same time, the rise of remote work has made learning new technology even more difficult.

"The technology inside organizations has never been more complex, and organizations aren't very good at organizing things and making things intuitive and easy," says David Brodeur-Johnson, principal analyst for employee experience at Forrester Research.

So what's the best way for companies and employees to get over the technology hurdle at a new job? Here are suggestions from a variety of experts, companies and employees.

Make a list. This might seem obvious, but companies often forget to create a checklist of every new tool and process that incoming employees need to know, says Adam Preset, vice president and analyst

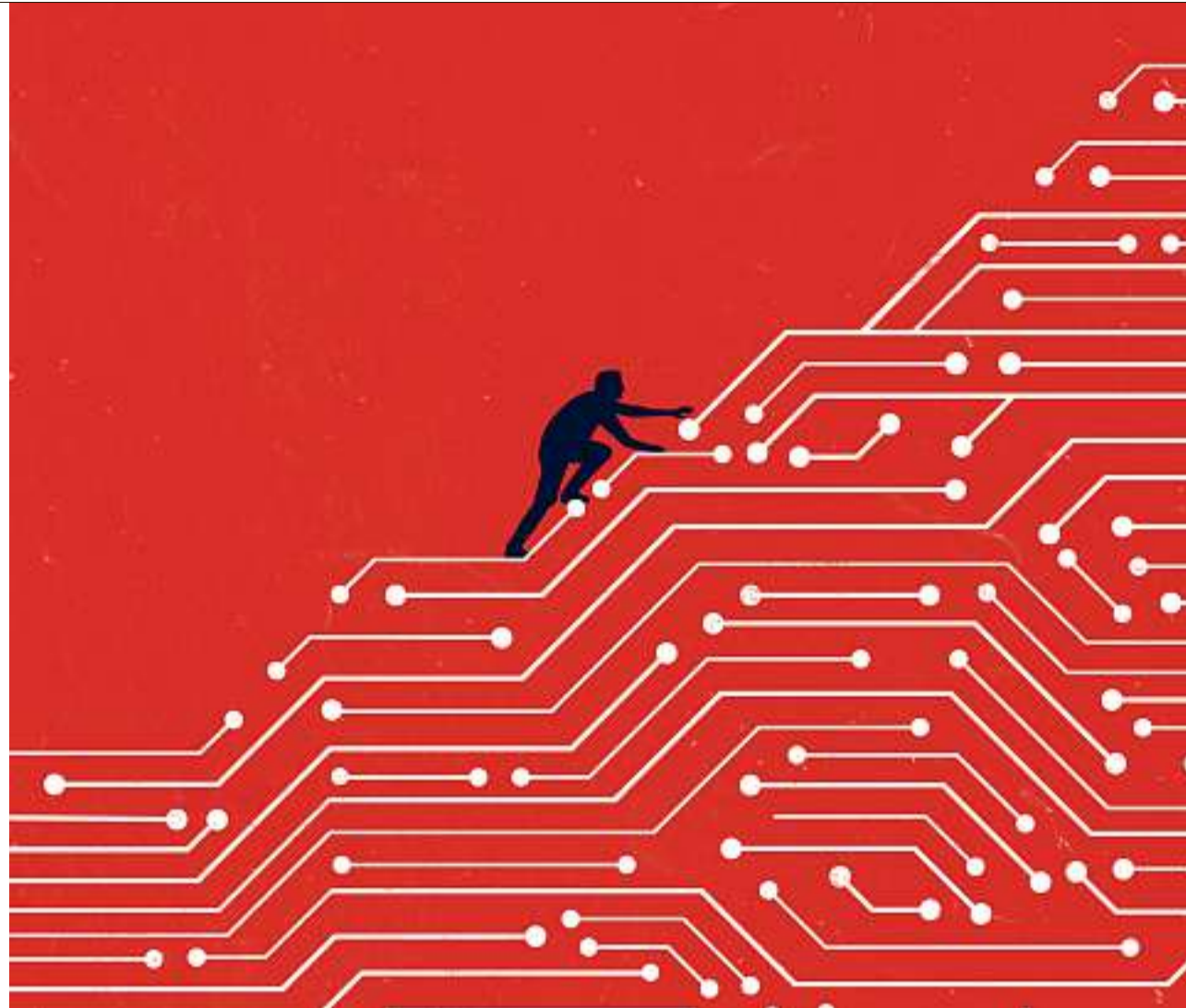
'The technology inside organizations has never been more complex, and organizations aren't very good at organizing things and making things intuitive and easy,' says Forrester analyst David Brodeur-Johnson.

for employee experience technologies at Gartner Inc., a research firm.

Existing employees have perhaps years of knowledge, accumulated slowly from all sorts of places. Not so for the new employee. "The information that helps you use the technology is distributed in various parts of the intranet or in chat channels, or it's in people's heads, and you have to go to all of this effort to extract all of that," Mr. Preset says.

A comprehensive list that outlines what employees need to know according to a schedule, including before the first day, all the way up to six months in some cases, ensures that people are clear on expectations, says Sally Earnshaw, managing director of the culture-change practice at Arthur J. Gallagher & Co., a global insurance-brokerage, risk-management and consulting-services firm.

Give people time. Companies can underestimate how much time it takes for new hires to get comfortable using workplace tools, says Gerald Kane, professor



of management information systems at the University of Georgia's Terry College of Business.

Metadot Corp., a tech company based in Austin, Texas, lets some employees train for up to three months full time on tools specific to their jobs.

"Three months is on the long side, for sure, and it's of course costly," says Daniel Guermeur, the company's chief executive. "But I think it's a philosophy that we have a responsibility as a company to make employees go and learn things."

Get a buddy. When new employees can reach out to "everybody," it too often leaves them unable to reach out to anybody. That is why pairing new employees with colleagues who act as technology training buddies can help smooth the transition in the early part of a new job.

Buffer, a social-media-marketing software company based in San Francisco, pairs every incoming employee with two buddies: a "culture buddy" and a

"role buddy."

A role buddy may be able to help a new employee on the specifics around a technology tool, while a culture buddy may offer insight on, for example, what type of discussion platform is appropriate given the situation, says Jenny Terry, Buffer's director of business operations.

"The culture buddy is a sounding board, and helps the new teammate ramp up on how our values infiltrate our work," she says.

Metadot uses buddies for the first three weeks to help new employees learn about company culture. For more specialized tools, it uses coaches, who are typically colleagues with more experience, says Mr. Guermeur. "For learning something specific, we assign a coach and depending on what you learn, that coach can be good for three months or six months," he says. "The coach basically guides the new employee when they have questions, but it's really a self-learning process."

From an incoming employee's perspective, a network of buddies can ensure that learning gaps aren't

overlooked. "When you're using a new product, you don't even know what you don't know," says Mr. Carty. "You don't even know what the right questions are to ask."

In one of the organizations where Mr. Carty worked after returning to the workforce, he had multiple buddies to help him get up to speed on proprietary software he needed to use for the role.

"As a question came up, I would find somebody who I thought I could ask the question of, and sometimes they had the answer and sometimes they didn't. Then I would have to go look for someone else," he says.

Tap into a network of employees. One or two buddies might not be enough to answer all questions from incoming employees. Giving new hires opportunities to message groups of employees already using the tools—possibly through a designated chat tool—may help offer access to advice more quickly.

"Buddy systems are useful, but I think what's more useful is when you get that volume," says Ms. Earnshaw, "where you create communities of employees and you can post a question and somebody responds immediately."

In addition, searchable tools that collect answers to frequently asked questions can help new employees learn more quickly when colleagues can't answer immediately.

Another solution, says Prof. Kane at the University of Georgia, is to give people opportunities to "lurk" and watch employees interact. By doing that, he says, a new employee "can see how the group as a whole is interacting with one another, you see where they put certain files, you see how they do certain communications."

Begin training even before employees start their jobs. Some companies believe a technology orientation before day one helps employees start on the right foot. Metadot, for instance, begins pairing employees with buddies a week before the start date to give new hires an idea of technologies used for workplace interactions, including online meeting tools.

Insight Enterprises, a Chandler, Ariz.-based technology company, has training milestones that need to be achieved by new employees before the first day. To prepare for what it calls Day Zero onboarding, the company says, it offers employees a work laptop kit with guidance on how to

connect to the company's network, how to get IT help, and how to access self-help resources.

"There's a before-first-day checklist that new hires have to go through," based on information the company provides, including how to organize one's workspace and how to set up the computer, says Suma Nallapati, the company's chief information officer.

Go beyond the vendor training. With off-the-shelf workplace technology, sometimes the struggle isn't teaching new employees how to use a particular tool, since they may be familiar with that tool from

previous jobs. The hard part, rather, is understanding how and why an organization uses it.

"If you use [Microsoft] Teams in one place, it may be that your new place uses Teams in a very different way and uses very different functionalities, and getting up to speed on those is going to be a challenge," says Prof. Kane.

Kelly Wibbenmeyer, executive director of performance consulting and business solutions at the Mercy health system in St. Louis, is responsible for managing its robotic process automation team. Incoming employees go through a five-day training course developed by a technology

vendor, which is supplemented by an additional five-day training program delivered by Mercy, "to help them understand the way that we perform business," she says.

Hold managers accountable for the results.

Incoming employees are usually given training goals, but managers should ensure they meet them, says Ms. Earnshaw.

"Full accountability for somebody's technical training and performance clearly sits with their line manager," she says. What some organizations get wrong is outsourcing that responsibility to others in the organization without line-manager accountability, she adds.

Buffer has developed a process to allow information from new hires' buddies to flow to the manager. Role buddies and culture buddies meet with the new hire's manager at the 30-day, 60-day, and 90-day mark after the employee joins to identify any gaps in technology training and adoption, Ms. Terry says. After the 90-day induction period is over, technology training is the responsibility of the employee's manager.

Employees, however, need to recognize that they're not powerless in the training and onboarding process, Mr. Carty says.

"It is incumbent on the employee to realize, 'OK, if I'm not getting [training] from the source I think I should be getting it from, I need to get it myself,'" he says. "That could be through Google, that could be through finding the employee in the cubicle next door or however you describe an office these days, who knows how to use it."



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Where Workplace Technology Goes To Die

At one recycling operation in Houston, about 60% of what comes in can be reused

By CHRIS KORNELIS

PHOTOGRAPHS BY CALLAGHAN O'HARE FOR THE WALL STREET JOURNAL



EVER WONDER what happens to all the laptops, cellphones and other electronics people use after they're done with them? Some of them end up at a recycling site like the CompuCycle Inc. operation in Houston. Every month, roughly two million pounds of discarded electronics pass through the gates of the facility, where they are either refurbished and sent

back out to work or broken down into reusable parts and elements. Either way, they won't be buried in a landfill, which is where most electronics end up. The World Economic Forum estimates that only about 17% of the electronics discarded around the world last year were properly recycled. In the U.S. alone, it says, every year some 151 million phones, or more than 400,000 a day, are buried in landfills or burned in incinerators. All that waste pollutes the environment

CompuCycle employees sort through used electronics, breaking some down for usable parts and feeding small hard drives, CDs and cassettes to a shredder.

and wastes valuable resources. According to the U.S. Environmental Protection Agency, for every one million cellphones that are recycled, 35,000 pounds of copper, 772 pounds of silver, 75 pounds of gold and 33 pounds of palladium can be recovered. The United Nations reported in 2019 that discarded electronics and electrical equipment were worth \$62.5 billion annually. The report also said "there is 100 times more gold in a ton of e-waste than in a ton of gold ore." At CompuCycle, roughly half

the old electronics come from corporate clients. The rest is from individuals or is scrap from competitors that don't offer the same processing services. The company turns out around 6,500 devices a month that can be used again, including laptops, phones and hard drives. The rest it shreds and separates into material that it sends to smelters, mills and refineries. Today, about 60% of what comes into the facility is suitable for reuse and 40% is headed for the shredder. A laptop with a



busted screen? They'll fix it themselves and send it back into the workforce. A five-year-old PC with a failed hard drive? They'll stick in a used one that works. The printer in your closet that hasn't worked in years? Its prospects aren't good. Clive Hess, a co-owner of CompuCycle along with majority owner Kelly Adels Hess, his wife, says no matter how many good things people have to say about their beloved printer that's gone on the fritz—and they often gush—nearly all items that come from individuals end up in the shredder. Residential customers, he says, usually wait to get rid of their electronics until they're ancient or broken. "If you would not buy it," Mr. Hess says, "other people won't buy it."

Mr. Kornelis is a writer in Bremerton, Wash. He can be reached at reports@wsj.com.



An employee looks for metal pieces among shredded electronics (above). Below, a container of aluminum from shredded devices.



Cellphones are tested to see if they can be refurbished (above), while an employee packages batteries to be sent to another company for recycling (far right).