

What's News

Business & Finance

The stock market took its biggest U-turn since the early days of the pandemic, with the Dow falling 1,063.09 points, or 3.1%, posting its largest decline this year just 24 hours after its largest gain since 2020. The Nasdaq and S&P 500 slid 5% and 3.6%, respectively. **A1**

◆ **The yield** on the 10-year Treasury note rose to 3.066%, the highest level since November 2018. **B11**

◆ **Musk has assembled** a group of investors including a Saudi prince, Larry Ellison and a bitcoin exchange to pony up more than \$7 billion to back his bid for Twitter. **A1**

◆ **Boeing plans** to move its global headquarters to Arlington, Va., from Chicago, a shift that would bring the company's leadership closer to top federal officials. **B1**

◆ **Top U.S. regulators** proposed overhauling how banks lend hundreds of billions of dollars annually in lower-income communities. **A2**

◆ **The BOE** raised its key interest rate but signaled that it is likely to move cautiously in coming months. **A10**

◆ **Bausch + Lomb** priced its IPO at \$18 a share, falling short of expectations. **B1**

◆ **Peloton Interactive** is exploring a sale of a sizable minority stake in an effort to shore up its business. **B1**

◆ **Shell said** it took a \$3.9 billion posttax charge related to its decision to exit Russia, only slightly denting an otherwise strong quarter. **B3**

◆ **Shopify agreed** to buy fulfillment specialist Deliverr in a \$2.1 billion deal. **B4**

World-Wide

◆ **Russia is intensifying** strikes on Ukrainian infrastructure, seeking to disrupt deliveries of Western weapons as Moscow's offensive in the east appears to have stalled. **A1, A8-9**

◆ **The U.S. provided** intelligence that enabled Ukraine to sink the missile cruiser Moskva, the flagship of Russia's Black Sea fleet. **A8**

◆ **The Democratic and Republican** parties are weighing the political impact of the prospect of the Supreme Court overturning Roe v. Wade as they look ahead to midterm elections. **A4**

◆ **The FDA limited** the use of the Covid-19 vaccine from Johnson & Johnson after reviewing the risk of life-threatening blood clots. **A3**

◆ **The WHO estimated** that nearly 15 million people had died from causes related to the coronavirus pandemic by the end of 2021. **A10**

◆ **The level of carbon dioxide** in the atmosphere reached a record high in April, according to measurements at an observatory on Hawaii's Mauna Loa volcano. **A3**

◆ **A suspected terrorist** attack in central Israel killed at least three people and injured several others, rattling the country as it celebrated independence day. **A10**

◆ **U.S. Indian Health Service** hospitals in the Dakotas have faced delays in obtaining life-saving equipment. **A6**

◆ **Suspected Colombian** drug kingpin Dairo Antonio Úsuga was arraigned in a New York federal court. **A5**

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Russian Missile Strikes in Ukraine Intensify



SHATTERED: A Ukrainian serviceman on Thursday walks next to an apartment building destroyed by shelling in Kramatorsk in eastern Ukraine. Russia intensified strikes on infrastructure, in particular in Ukraine's west, where arms are flowing into the country. **A8**

For Mariupol Civilians, 'Days Passed Like a Blur'

By MATTHEW LUXMOORE

ZAPORIZHZHIA, Ukraine—As Russian forces bore down on Mariupol in the first days of the war, unleashing artillery and rocket fire on the strategic port city in Ukraine's southeast, Anna Zaitseva, a young schoolteacher, found herself scrambling for safety. After a night in their apartment block's cramped, airless basement, her husband, Kirill, suggested they move with their infant son, Svyatoslav, and Ms. Zaitseva's parents to what he deemed the ultimate refuge: the bunkers beneath the sprawling Azovstal steel

plant where he worked. "We didn't know what provisions there were or how well defended it is," said Ms. Zaitseva. "But we took a leap of faith and went." In interviews with The Wall Street Journal, Ms. Zaitseva and other civilians who escaped from Azovstal painted a picture of what life was like inside. As the Russian army turned Mariupol into rubble over more than two months, leaving thousands dead and depriving the city of food, water, electricity and phone signal, the steel plant became the final holdout and a symbol of

resilience in the face of seemingly insurmountable odds. The site is a complex Cold War-era labyrinth of warehouses, furnaces, tunnels and rail tracks spanning a territory of 4 square miles on the east bank of the Kalmius River that divides Mariupol in two. There are 40 bunkers underground, said one evacuee who worked at the plant, five of which are Please turn to page A8

◆ Attacks in Russia expand scope of conflict..... **A8**

◆ U.S. shared intel that helped Ukraine sink warship..... **A8**

◆ Kremlin effort to redraw export map faces hurdles... **A9**

Stocks Dive In Dizzying About-Face

Tech rout brings market down from previous day's rally as rate reality sets in

By CAITLIN MCCABE AND HARDIKA SINGH

The stock market took its biggest U-turn since the early days of the pandemic on Thursday, with the Dow Jones Industrial Average posting its largest decline this year just 24 hours after its largest gain since 2020. The reversal wiped out the euphoria that reigned on Wall Street Wednesday in the wake of Federal Reserve Chairman Jerome Powell's comment that the Fed wasn't "actively considering" raising interest rates by 0.75 percentage point at a future meeting. With inflation at its highest level since the early 1980s, markets were anticipating such an increase and the prospect of a slower rise in rates set off a furious buying spree in the late afternoon. The optimism behind that rally was long gone Thursday, when selling was widespread, though most intense in the

technology shares that have fallen on hard times in 2022 after years of leading the market advance. Tesla dropped 8.3% and Amazon.com fell 7.6%. Bank stocks, a key indicator of economic expectations, dropped 2.7%, according to the KBW Nasdaq index of large commercial lenders. The Russell 2000 index of smaller U.S. companies declined 4%. "The market yesterday was a relief rally," said Seema Shah, chief strategist at Principal Global Investors. By Thursday, she said, the realities of a more challenging environment for stocks were starting to settle in, including higher rates, difficult earnings comparisons and a stronger U.S. dollar that weighs on overseas earnings at multinational companies. Thursday's rout is the latest Please turn to page A2

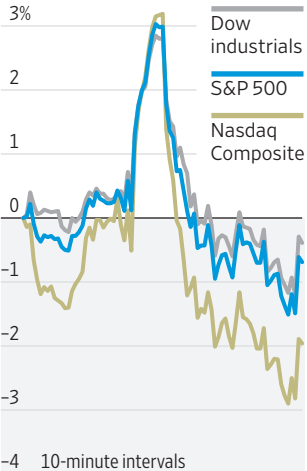
Market Fallout

◆ Mortgage rates reach 13-year high..... **A2**

◆ Investors look to stocks that pay dividends..... **B1**

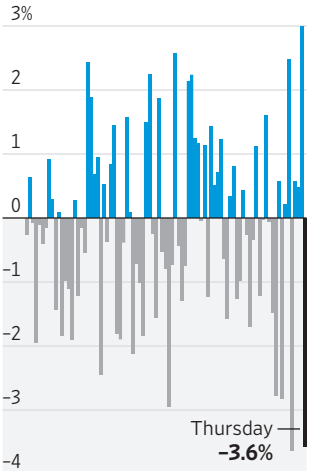
◆ Bitcoin and other cryptocurrencies fall..... **B11**

Index performance past two days



Source: FactSet

S&P 500 daily performance



Booster Collectives Shake Up Athlete Pay

By LAINE HIGGINS

The Kansas Jayhawks won the NCAA men's basketball title in early April. A few weeks later, members of the team are on a barnstorming tour that will let them monetize their success in a way that was never possible until now. Members of the title team stand to collectively make nearly \$1 million during a six-week trek to seven gyms around the state. The Jayhawks will sign autographs for adoring fans, auction off game-worn sneakers and shoot around—but not play games or scrimmage—during the events. Jayhawks star Ochai Agbaji will likely soon sign an NBA contract worth as much as \$5 million as a first-round pick, but most of the touring players will return to the team next year. All of it is being organized by Kansas alumni who are explicitly banding together to line players' pockets—and it's all perfectly legal. The "KU Basketball Barnstorming Tour" is being organized by a new and disruptive entity in college sports: "collectives" of supporters that operate outside the normal universe of the university and its athletic department. Collectives are companies, usually founded by well-connected and well-resourced alumni, whose sole aim is to pool the financial resources of a university's fan base and direct Please turn to page A14

INSIDE

MANSION

Below the Hollywood sign, a once-secret enclave has become a hot market. **M1**

Musk Secures Fresh \$7 Billion From Investors in Twitter Bid

By WILL FEUER AND HEATHER SOMERVILLE

Elon Musk has assembled a group of investors including a Saudi prince, Larry Ellison and a bitcoin exchange to pony up more than \$7 billion to back his bid to buy Twitter Inc. Tesla Inc.'s chief executive has lined up about \$7.14 billion from 19 investors, a roster of big-money backers whose investment effectively reduces the personal risk Mr. Musk has to take to close the \$44 billion deal for the social-me-

dia company. The new money will cut in half the amount Mr. Musk needs to borrow against his Tesla stake, according to a regulatory filing, and will slightly reduce the balance of cash he needs to put up personally, to just under \$20 billion. The biggest contribution comes from Prince al-Waleed bin Talal of Saudi Arabia, who agreed to retain a stake in Twitter valued at \$1.9 billion following Mr. Musk's takeover, the disclosure said. The prince, a nephew of

King Salman, initially dismissed Mr. Musk's offer, saying it undervalued Twitter. Prince al-Waleed was at his desert camp outside Riyadh Thursday and unavailable to comment, said a spokesperson for his company, Kingdom Holding Co. Mr. Ellison, a co-founder of Oracle Corp., agreed to put in \$1 billion. Cryptocurrency exchange Binance.com, controlled by billionaire developer Changpeng Zhao, promised \$500 million. Venture-capital Please turn to page A4

New Workers Are Vanishing Before They Even Get Started

* * *

People accept job offers and are never heard from again; 'It was just crickets'

Enervise Inc. recently found someone to fill a \$75,000-a-year job. The new hire said he would move to Cincinnati and report to orientation at 8 a.m.

By Chip Cutter, Lauren Weber and Ray A. Smith

on his first Monday. The day before, he emailed to say he had changed his mind. Taken aback, Aaron Dorfman, the recruiting manager for the facility-services and plumbing company, emailed back. No response. "I called, too, and it was just crickets," he said.

Add another head-scratching new feature to the post-Covid employment landscape: A job isn't filled until the new hire actually shows up for work. Manufacturers, restaurants, airlines and cleaning companies are among the employers seeing a surge of job seekers who accept positions—and are neither seen nor heard from again. Southwest Airlines Co. said some 15% to 20% of new hires for some jobs don't turn up on their first day. At security and facility-services provider Allied Universal, roughly 15% of new hires disappear before Please turn to page A9



Facebook Chaos Said To Be Deliberate

Whistleblowers allege havoc in Australia was negotiating tactic on news-payment law

Last year when Facebook blocked news in Australia in response to potential legislation making platforms pay publishers for content, it also took down the pages of Aus-

By Keach Hagey, Mike Cherney and Jeff Horwitz

tralian hospitals, emergency services and charities. It publicly called the resulting chaos "inadvertent." Internally, the pre-emptive strike was hailed as a strategic masterstroke. Facebook documents and testimony filed to U.S. and

Australian authorities by whistleblowers allege the social-media giant deliberately created an overly broad and sloppy process to take down pages—allowing swaths of the Australian government and health services to be caught in its web just as the country was launching Covid vaccinations. The goal, according to the whistleblowers and documents, was to exert maximum negotiating leverage over the Australian Parliament, which was voting on the first law in the world that would require platforms such as Google and Facebook to Please turn to page A11

FROM PAGE ONE

Facebook Allegations In Australia

Continued from Page One
pay news outlets for content.

Despite saying it was targeting only news outlets, the company deployed an algorithm for deciding what pages to take down that it knew was certain to affect more than publishers, according to the documents and people familiar with the matter.

It didn't notify affected pages in advance they would be blocked or provide a system for them to appeal once they were.

The documents also show multiple Facebook employees tried to raise alarms about the impact and offer possible solutions, only to receive a minimal or delayed response from the leaders of the team in charge.

Amended law

After five days that caused disorder throughout the country, Australia's Parliament amended the proposed law to the degree that, a year after its passage, its most onerous provisions haven't been applied to Facebook or its parent company, Meta Platforms Inc.

"We landed exactly where we wanted to," wrote Campbell Brown, Facebook's head of partnerships, who pressed for the company's aggressive stance, in a congratulatory email to her team minutes after the Australian Senate voted to approve the watered-down bill at the end of February 2021.

Facebook Chief Executive Mark Zuckerberg and Chief Operating Officer Sheryl Sandberg chimed in with congratulations as well, with Ms. Sandberg praising the "thoughtfulness of the strategy" and "precision of execution."

Facebook denied the moves were a negotiating tactic.

"The documents in question clearly show that we intended to exempt Australian government Pages from restrictions in an effort to minimize the impact of this misguided and harmful legislation," said Facebook spokesman Andy Stone. "When we were unable to do so as intended due to a technical error, we apologized and worked to correct it. Any suggestion to the contrary is categorically and obviously false." Facebook felt it needed a broad tool because the law didn't define news, Mr. Stone said.

People familiar with Facebook's thinking said executives knew its process for classifying news for the removal of pages was so broad that it would likely hit government pages and other social services. They decided to take that route because Facebook was afraid a narrower definition might lead it to run afoul of the law, which contained a nondiscrimination clause barring platforms from carrying links to some news publishers but not others, the people said.

Facebook also decided to remove pages before the law went into effect because it feared that publishers might take legal action to block their ability to remove news once the legislation became law, the people said.

Facebook's hardball approach provides a glimpse of how future fights might go as similar legislation is introduced around the world. Last month, Canada introduced legislation modeled on Australia's that would force Google and Facebook to engage in a process that could include "final offer" arbitration with publishers to decide on payment, a process that tends to favor publishers. Similar legislation is circulating in the U.S.

The Wall Street Journal's parent company, News Corp, was one of the publishers that forged deals with both Alphabet Inc.'s Google and Facebook in Australia last year, and has been an outspoken advocate that such platforms pay publishers for their content.

The Facebook documents, reviewed by the Journal, have been submitted as part of whistleblower complaints filed with the U.S. Department of Justice and the Australian Competition & Consumer Commission, or ACCC. The documents have also been shared with members of Congress.

Rod Sims, who was the chair of the Australian competition regulator at the time of Facebook's news takedown, said he believed Facebook's explanation at the time that the improper blocking of some pages was a mistake. "I gave them the benefit of the doubt that they just

overshot," he said. "It's either a conspiracy they did it deliberately, or they got it wrong and mucked it up, and I was assuming the latter."

He said he doesn't think last-minute changes won by the tech giant substantially weakened the bill, pointing to the many private deals to pay for content that Facebook and Google have forged with publishers.

Mr. Sims said his current view was that the Australian government got most of what it wanted while Facebook had to move its position from where it started. "It's been a massive turnaround by them," he said.

The whistleblowers said the intent of the project—as a negotiating tactic—was unambiguous to those who worked on it. "It was clear this was not us complying with the law, but a hit on civic institutions and emergency services in Australia," said one employee who worked on the project.

That employee is one of the whistleblowers close to the project represented by John Tye, the founder of Whistleblower Aid, the nonprofit organization that separately also represented Facebook whistleblower Frances Haugen, who made public documents that showed the company knows its platforms are riddled with dangerous flaws. In the complaints filed with regulators, Mr. Tye alleges "a criminal conspiracy to obtain a thing of value, namely favorable regulatory treatment."

In 2019, the ACCC published a study blaming Facebook and Google's business practices for weakening the country's journalistic institutions. In July 2020, it published a legislative proposal aimed at fixing the issue by forcing platforms to negotiate payment with publishers under binding arbitration.

Both Facebook and Google fought the legislation, arguing the law as originally proposed was unworkable. Worried about the precedent the law would set, both effectively threatened some kind of Australian blackout, with Google warning it would shut down its search engine in the

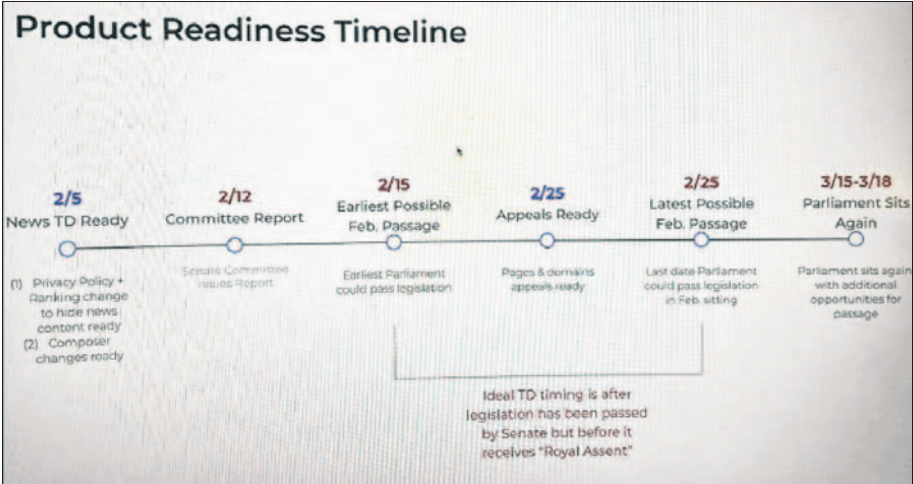
Whistleblowers said the project's intent — as a negotiating tactic — was clear.

country and Facebook saying it would remove news from its platform in the country if the proposal became law.

Inside Facebook, according to the whistleblower complaints, the company assembled a team of about a dozen people to prepare to remove the news content. The team largely consisted of members of Facebook's News team, which typically worked on products such as the Facebook News Tab, according to people familiar with the matter.

Instead of using Facebook's long-established database of existing news publishers, called News Page Index, the newly assembled team developed a crude algorithmic news classifier that ensured more than just news would be caught in the net, according to documents and the people familiar with the matter. "If 60% of [sic] more of

An internal planning document shows that Facebook considered the 'ideal TD [takedown] timing' was after the Australian Parliament voted on the legislation but before it was signed into law, and potentially before an appeals process was ready, which wasn't a typical process for Facebook.



Source: Internal Facebook document via Whistleblower Aid disclosure

a domain's content shared on Facebook is classified as news, then the entire domain will be considered a news domain," stated one internal document. The algorithm didn't distinguish between pages of news producers and pages that shared news.

The Facebook documents in the complaints don't explain why it didn't use its News Page Index. A person familiar with the matter said that since news publishers had to opt in to the index, it wouldn't have necessarily included every publisher.

The team also created a timeline for how it would roll out the takedown that showed it intended to launch before an appeals process was ready, the documents show. The move didn't follow typical procedure, according to the people familiar with the takedown.

"An appeals process was being built, but the agreement was reached before it launched," Mr. Stone said.

As the legislation headed toward a vote in February 2021, Google backed off its threat to shut down its search engine in Australia and instead forged private deals with news publishers.

Google spokeswoman Jenn Crider said this week the company had worked with publishers for more than 20 years to address challenges in the industry. "We also support thoughtful regulation that will support a diverse, sustainable and innovative news ecosystem that respects the open web and free expression it enables," she said.

On Feb. 18, about a week ahead of the final vote in the Australian Parliament, Facebook began taking down pages. Despite the warnings from Facebook that it might make such a move, the reality of the blackout took Australians by surprise.

In a blog post explaining the move, Facebook said it was shutting off Australians' ability to share news on its platform and for international publishers to reach Australian audiences on it because "the proposed law fundamentally misunderstands the relationship between our platform and publishers who use it to share news content."

It was almost immediately clear that Facebook had blocked much more than news. The Australian press and internal documents show that Facebook had also blocked pages for health



Campbell Brown, Facebook's head of partnerships, seen at a 2020 event, pressed for the company's aggressive stance in Australia.

services such as the Children's Cancer Institute and Doctors Without Borders in Australia; fire and rescue services during fire season, including the Bureau of Meteorology and Western Australian Department of Fire and Emergency Services; and emergency medical and domestic-violence services such as Mission Australia and the Hobart Women's Shelter.

The health-service blackouts came just as the national Covid vaccine rollout was being announced on Feb. 18, with inoculations beginning on Feb. 22.

Shona Yang, the content manager for Mission Australia, a charity that provides housing and mental-health services, among other things, said her team monitors its Facebook inbox every morning for new inquiries and to respond to calls for assistance. During the pandemic, Ms. Yang said, Mission Australia also used private Facebook Groups to stay connected to clients who needed help.

On the morning of the news ban, staff members discovered they couldn't share a post on Facebook. The group posted on other social-media channels, letting clients know how they could stay in touch.

Inside Facebook, some employees were alarmed by the blocking of pages that shouldn't have been and flagged the prob-

lem through Facebook's internal tool that is used to track problems and their solutions. A broad range of employees can participate in and read the discussions on the internal logs.

"We took down pages that were clearly not owned by news publications," wrote one employee, who was not on the team blocking pages, on the first day, according to the internal logs. "Such pages include those operated by official government sources, fire and emergency services, universities, official health pages and charities for causes such as homelessness and domestic violence."

The employee listed pages that had been improperly blocked and reinstated, such as the Bureau of Meteorology and City of Perth, as well as those still affected, such as the Women's Legal Service Tasmania and WWF-Australia.

The employee proposed that Facebook should "proactively find all the affected pages and restore them." The person added: "We should be proactive here, not reactive, given the damage this is doing to Facebook's reputation in Australia."

Facebook didn't halt or reverse the process. It ramped up the takedown, expanding the use of the algorithm from 50% to 100% of all Australian users over the next several hours.

Mr. Stone said the reason for the quick rollout was Facebook's fear of legal action.

This was contrary to typical Facebook procedure, which would be to use the "canary" method of testing a change on a small number of users, getting feedback about any problems, and adjusting the product before taking it to all users, according to people familiar with the takedown.

"The way this whole rollout was scheduled ran contrary to standard practices for rolling out major changes that might have potential side effects," said one of those people.

The product manager for the team wrote in the internal logs: "Hey everyone—the [proposed Australian law] we are responding to is extremely broad, so guidance from the policy and legal team has been to be overinclusive and refine as we get more information."

She then outlined the team's plan to undo the improper blocking, including starting with "the most obvious cases" like government and healthcare pages, and the need to go to outside legal counsel for "more nuanced" cases.

Facebook employees familiar with the move to remove pages said this communication was notable because it didn't refer to any efforts made to avoid blocking sensitive accounts and information ahead of time.

Facebook has many tools,

such as "whitelists" that exclude some users from enforcement efforts, including XCheck, which ensures that high-profile users get special treatment.

The whistleblower documents show Facebook did attempt to exclude government and education pages. But people familiar with Facebook's response said some of these lists malfunctioned at rollout, while other whitelists didn't cover enough pages to avoid widespread improper blocking.

Thousands blocked

On the first day of the action, Facebook executives discussed that the platform had blocked about 17,000 pages as news that shouldn't have been, of which 2,400 were "high priority" pages such as government agencies and nonprofits that they were working to unblock first, according to emails viewed by the Journal.

Three days later, Brian Rosenthal, the engineering director who led the team taking down pages, wrote in the internal log tracking problems that the group had "manually reviewed all" of the affected pages in Australia and "re-instated all of the pages where our manual reviews indicated we should re-instate," with exceptions for things like pages that Facebook strongly believed its algorithm had classified correctly.

On Feb. 21, an employee wrote: "Is there a reason the pages were not reviewed this way before the rollout? I think it would have been a smoother rollout if more checks were performed beforehand and the important Government health pages were not accidentally blocked."

"We're focused mostly still debugging the active situation but will afterward post-mortem it," Mr. Rosenthal wrote.

On Feb. 23, Facebook and Australian officials came to a handshake deal to change the proposed law, including adding language that allowed the Australian Treasurer to weigh private deals between publishers and platforms before "designating" a platform, a label that would require it to take part in the government-sanctioned negotiation process with publishers that could end with binding final-offer arbitration.

The previous version of the law automatically subjected platforms like Facebook to the negotiation process, which the platforms considered unworkable and onerous.

According to internal documents, Facebook's first action after the handshake deal was reached was to manually unblock the page of the Australian national government—which required just three lines of code.

Mr. Stone said the Australian government didn't inform Facebook that the page was blocked until Feb. 22. "We took action shortly after they let us know it was down," he said.

Australian officials explained the change in the law by saying Facebook had agreed to forge deals with publishers on its own.

Two hours later, Facebook's Ms. Brown announced the agreement publicly, saying "it will allow us to support the publishers we choose to."

The next day, the Australian Senate voted to approve the changes to the law. Minutes later, Ms. Brown emailed her congratulations to the team. The day after that, the Australian House voted the changes into law, and Facebook rolled back its takedown, reinstating all the pages it had blocked.

Ms. Sandberg and Mr. Zuckerberg emailed congratulations to the team, with Mr. Zuckerberg writing, "This is something we'd been preparing for, but the last couple of weeks were really intense," adding that the company had achieved "the best possible outcome in Australia."

The Australian government is conducting a review of the first year of the law and asking for comments to improve it.

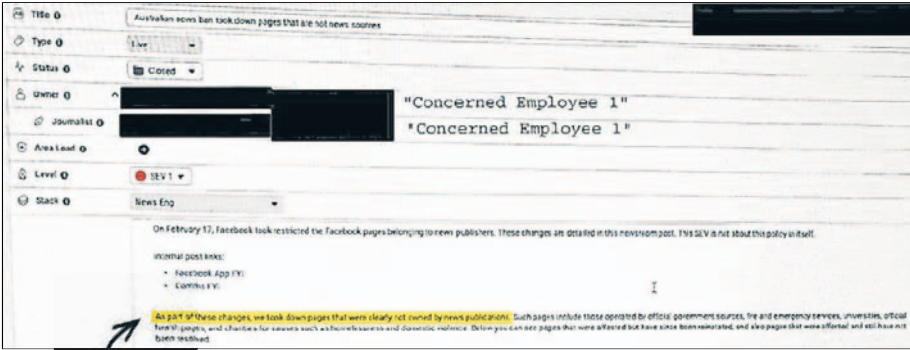
Paul Fletcher, the Australian communications minister, pointed to the deals that Google and Facebook have made with at least 19 and 11 news organizations, respectively, in Australia, to pay them a total of more than \$100 million a year, as evidence that the law is working.

Google's Ms. Crider said her company has done 60 deals with publishers in Australia representing 170 publications.

Mr. Stone said Facebook has done deals in Australia with 13 publishers, representing 200 newsrooms.

As a result, the companies haven't been "designated" by the treasurer, meaning they don't have to take part in the government-sanctioned negotiation process with publishers.

Employees noted in an internal log to track problems that pages were improperly being blocked. Later, the product manager wrote in the log that the team had been advised to be 'overinclusive' in the pages that were blocked.



'...the code we are responding to is extremely broad, so guidance from the policy and legal team has been to be overinclusive and refine as we get more information. We are iterating quickly to get more and more folks out of the block.'

Source: Internal Facebook documents via Whistleblower Aid disclosure. Redactions and employee descriptions by Whistleblower Aid.