

# [***Forbes Daily: Earnings Show Meta s Turnaround And Apple s Tepid Growth***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:6B7W-9761-DXVP-5019-00000-00&context=1516831)

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**Highlight:** A major month for layoffs; How much Supreme Court Justice Ketanji Brown Jackson is worth; Trump racks up nearly $40 million in legal fees; and more

**Body**

**This is a published version of the Forbes Daily newsletter, you can sign-up to get Forbes Daily in your inbox here.**

Good morning,

Tax season kicked off this week, but a looming question mark as taxpayers begin filing is**whether Congress will expand the child tax credit** in the coming weeks.

The $78 billion bill, which also restores corporate tax breaks, was approved by the House on Wednesday but faces an uncertain future in the Senate. Itwould result in hundreds of dollars of tax cutsand credits for those who qualify, starting in the 2023 tax year. That leaves many questioning whether they should hold off on filing taxes.

But theIRS has encouraged taxpayers not to wait on Congressand file when they re ready. IRS Commissioner Danny Werfel said the agency will make any changes that impact your tax return.

If all of that or other aspects of filing sound confusing,**Forbes** is launchinga new weekly tax newsletter, Tax Breaks, to help answer your questions and break down these developments. You cansign-up here.

**BREAKING NEWS**

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Allen Weisselberg may plead guilty to perjury, admitting he lied on the stand and under oath in former President Donald Trump s civil fraud trial. (Photo by Michael M. Santiago/Getty Images)

Getty Images

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Allen Weisselberg the **ex-CFO of the Trump Organization** isreportedly in talks to negotiate a plea deal with Manhattan prosecutorsin which he**would plead guilty to perjury**during the trial over whether Trump, his children and business associates lied about the value of assets for personal gain. Weisselberg was taken off the stand after**Forbes**accused him of perjury and undercut his testimony with reporter s notes and emails thatshowedWeisselberg had thought about the size of Trump s penthouse something he said he never focused on.

**BUSINESS + FINANCE**

January wasone of the biggest months for layoffs in almost 15 years, a new report found, as**more than 82,000 people lost their jobs.**The largest sectors for layoffs were finance, tech, food production and retail, and companies cited restructuring, closing, market conditions and cost-cutting as the biggest reasons for the staffing changes.

Amazonreported $170 billion in fourth-quarter revenue, surpassing expectationsand causing its stock to jump more than 4% in after-hours trading Thursday. Following a solid year of growth,**Amazon s stock is separating itself from an abysmal 2022**and closing in on its 2021 all-time high after introducing cost-cutting measures.

**TECH + INNOVATION**

Metarecorded its most profitable quarter and yearever, its latest earnings report revealed,**marking a rapid turnaround from the company s painful 2022.** Shares of Meta soared more than 10% shortly after the report s release, as the company announced another $50 billion in stock buybacks and unveiled its inaugural cash dividend, but scars remain from billionaire CEO Mark Zuckerberg s criticized pivot into the metaverse.

Applebeat Wall Street s expectations in its quarterly earnings reportThursday, but its 2% revenue growth from 2022 s December quarter and 16% profit expansion are far more paltry than those just reported by rivals Microsoft and Google. Apple s tepid growth can largely be traced to**lackluster growth in iPhone sales**and a 15% annual decline in sales in greater China, a historically high-growth region.

**MONEY + *POLITICS***

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The Florida-raised justice started her career in law as a self-described professional vagabond, but found more stability after becoming a judge.

KETANJI BROWN JACKSON BY OLIVIER DOULIERY/AFP/GETTY IMAGES

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Ketanji Brown Jackson s ascendency to become the first Black woman on the Supreme Court no doubt took plenty of perseverance, but unlike some of her colleagues,it has not yet led her to immense wealth: She**ties with Brett Kavanaugh as the least wealthy justice, worth $2 million**,according to**Forbes**estimates. But Jackson has a book coming out later this year that could give her fortune a bump.

Former President Donald Trump hasracked up nearly $40 million in legal fees for his civil and criminal casesin the months since he was first indicted in March 2023, according to filings from his leadership PAC Save America. The**ex-president used donor funds last year to battle the cases**,and campaign finance experts told**Forbes**that Trump using PAC money to pay his personal legal fees is a highly questionable legal gray area.

**SPORTS + ENTERTAINMENT**

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On The Rise: Lionel Messi has raised Inter Miami's global profile, leading to this year's preseason tour through Saudi Arabia, Hong Kong and Japan.

MATIAS J. OCNER/MIAMI HERALD/TRIBUNE NEWS SERVICE/GETTY

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Lionel Messi s arrival at Inter Miami supercharged the team both on and off the field, with revenue more than doubling to $118 million in 2023,making it the second-most valuable MLS team,**Forbes**estimates. It s the**second team in league history to achieve a billion-dollar valuation**, but the Los Angeles Football Club remains MLS s most valuable franchise, at $1.2 billion.

YouTube s Premium and Music paid services for ad-free access and music streamingreached a combined 100 million subscribers, the Google-owned company announced. The new subscriber figure is still**small compared to YouTube s overall user base of 2.5 billion people,**but hitting the triple-digit millions means the company s subscription business is slowly catching up to a number of well-established rivals like Spotify premium and Amazon Prime.

**SCIENCE + HEALTHCARE**

Danish pharmaceutical giant Novo Nordisk willboost supplies of its wildly popular obesity drug Wegovyin the U.S. this year,**helping mitigate shortages as it reports huge profits** but struggles to meet growing demand. The company had throttled distribution of smaller doses in the U.S. in May in order to safeguard supplies for existing patients, but now will more than double the quantity of lower doses reaching the country compared to recent months.

**DAILY COVER STORY**

**Defense Contractor Scale AI Quietly Scrapped Deal With Chinese-Owned TikTok Over Security Concerns**

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ETHAN PINES FOR FORBES

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**TOPLINE** In the fall of 2022, Scale AI CEO Alexandr Wang saw a huge opportunity: a deal with TikTok where his $7.3 billion AI data-labeling company would provide insights for the social media giant s advertisers.

But as Wang pushed the deal through, members of Scale s leadership panicked, three people with direct knowledge of the matter told**Forbes**. Just two years earlier, former President Donald Trump had announced plans to ban TikTok, arguing the app, which is owned by Chinese company ByteDance, posed a threat to U.S. national security. And**TikTok remained the subject of an ongoing national security review**inspired by fears that American user data could be accessed by the Chinese Communist Party (a claim TikTok has denied).

Some executives **worried that a deal with TikTok might jeopardize future government business,** the sources said. But the then 25-year-old Wang, who has said publicly that beating China in the AI race is a matter of national security and has loudly positioned himself as a leader in defense tech, wasn t swayed: The commercial opportunity was too good to turn down. He pushed it through over their objections.

But when broke the newsthat TikTok parent company ByteDance had planned to surveil American citizens using the app s geo-location data,**Scale reconsidered the deal.** The company told**Forbes**it ended discussions with TikTok less than a month after the partnership began.

The reputational implications or optics of doing this would be horrible, Bill Evanina, former director of the U.S. government s National Counterintelligence and Security Center, told**Forbes**, speaking generally about any deal between a defense contractor and TikTok.

Scale s TikTok reversal was one of a number of issues that some company executives worried might undermine its efforts to build out a government and military business efforts Wang himself has said are a priority according to internal communications and interviews with 11 former employees and industry sources.

In interviews with**Forbes**, John Brennan, Scale s general manager for public sector, said the company doesn t currently have a contract with TikTok; Wang said no data or money was ever exchanged with TikTok. Both stressed Scale s commitment to national security and safety, with Wang noting the company was one of seven to sign on tothe Biden-Harris administration s voluntary commitment to ensure that AI is safe and secure.

TikTok declined to comment.

**WHY IT MATTERS**  Scale, which uses human labor to label the data on which AI is trained and has expanded to other data analytics services, began working with the government in 2020, says**Forbes**senior reporter Kenrick Cai. It is now among a handful of tech companies like Palantir and Anduril**most vocally courting defense contracts.** Between 2020 and the end of the third quarter of 2023, it spent $1.95 million lobbying the federal government, according to lobbying disclosures, and has generated $90 million in public government contracts over the same time period, procurement records show (this figure doesn t include potential non-public contracts). By 2023, the number of people working on Scale s public sector business had grown to more than 100 employees, the company said. Brennan told**Forbes**that Scale currently has 20 active government contracts.

**MORE**How Alexandr Wang Turned An Army Of Clickworkers Into A $7.3 Billion AI Unicorn

**FACTS AND COMMENTS**

TheBiden Administration started negotiations Thursdaywith the manufacturers of drugs widely used by older Americans. It s part of an effort to**cut prescription prices for the costliest medications** covered by Medicare:

**$98.5 billion:**The amount drug price negotiations are expected to save Medicare over a decade

**10:** The number of drugs the White House said Medicare officials are initially targeting for negotiations

**20%:**The share of total Medicare Part D prescription spending that the 10 drugs accounted for

**STRATEGY AND SUCCESS**

You ve heard of blue-collar and white-collar workers,but what about gold-collar?Referring to highly-skilled professionals in high-demand fields, such as doctors, lawyers, engineers, pilots and scientists,**their roles are specialized and typically the highest-paid**.Becoming a gold-collar worker typically involves advanced education, but if you are skilled at critical thinking and problem-solving, the jobs are more valuable and relevant than ever with the rise of generative AI.

**VIDEO**

https://www.forbes.com/video/6345947292112/

**QUIZ**

The struggling publisher of a popular tabletop game is denying rumors sparked by a news report that it is selling the franchise to Chinese video game company Tencent.**What game is it?**

A. Dungeons & Dragons

B. Magic: The Gathering

C. Catan

D. Ticket to Ride

Check your answer.

**Load-Date:** February 3, 2024

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