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FED CHAIR, FACING A FIERCER ATTACK, IS FIGHTING BACK

DROPS CAUTIOUS WAYS

Agency Independence at Stake Amid Criminal Investigation

By COLBY SMITH

Jerome H. Powell wanted to avoid a fight. That had long been his approach to handling President Trump and his relentless attacks on the Federal Reserve, which in his second term had taken on heightened intensity.

Between an executive order wresting more control over the Fed's oversight of Wall Street to Mr. Trump's attempt to oust a sitting member of the policy-setting board of governors, the Fed had stuck to a time-tested strategy: Avoid provoking the president. At times, that meant bending to meet his demands in areas like climate change and bank regulation. But Mr. Powell, the Fed chair, drew the line when it came to protecting the central bank's autonomy to set interest rates.

A criminal investigation into whether Mr. Powell lied to Congress, revealed by The New York Times on Sunday, has prompted the central bank to jettison its cautious approach and fight. The battle's outcome could determine whether the Fed remains an independent entity.

"Trump is now exercising the nuclear option, so there is no longer a reason for Powell not to speak his mind," said Maurice Obstfeld, a senior fellow at the Peterson Institute for International Economics, who was formerly the chief economist at the International Monetary Fund.

Mr. Powell's decision to push back, which came in a rare video message on Sunday evening, tees up the most challenging moment in his roughly eight years at the helm of the central bank. Mr. Powell, whose term as chair ends in May, must now decide how hard to continue fighting and whether to remain in his role as a governor, a term that is set to expire in 2028.

Mr. Powell and staff members at the Fed worked through the weekend after the Justice Department served the central bank with grand jury subpoenas late on Friday. What culminated was a two-minute video released Sunday evening featuring Mr. Powell bluntly calling out the administration for seeking to leverage a criminal investigation into costs related to the Fed's renovation of

Continued on Page A11



SOCIAL MEDIA, VIA REUTERS

An image, verified by The New York Times, showing apparent body bags in Iran. Tehran said on Monday that communication channels were open between its foreign minister and a U.S. envoy.

Placing Blame in Green Beret's Deadly Rampage

By DAVE PHILIPPS

Sgt. First Class Duke Webb was an active-duty Green Beret with seven deployments and a flawless record when he entered a bowling alley in Rockford, Ill., one night and started shooting people.

No one had done anything to provoke him. He just seemed to snap. He shot a 14-year-old boy in the face by the front door, and a 16-year-old girl in the shoulder when she tried to hide. Then he walked into the snack bar and continued to fire.

By the time the police tackled him that evening in 2020, three people were wounded and three

Claiming Brain Injury After Exposure to Blasts for Years

were dead. He has been awaiting trial for first-degree murder ever since.

He has admitted that he pulled the trigger. The question is why.

PTSD is the obvious guess. But there is little in Sergeant Webb's record to support it. He was only in one real firefight, and no one on his team was hit by enemy fire that day.

The real cause, Sergeant Webb and people close to him say, had nothing to do with combat, but everything to do with his Army service.

Special Operations troops train relentlessly, jumping from planes, firing shoulder-fired rockets and setting off explosives. The years of training expose them to so many weapons blasts and knocks to the head that it can erode their ability to do the job, or even to function normally. Many end up with significant brain injuries — injuries that are often missed by the Army.

That is what Sergeant Webb

Continued on Page A9

IRAN SET FOR WAR BUT OPEN TO TALKS AFTER CRACKDOWN

An Official Responds to Trump's Warning — Groups Say Deaths Are Rising

By AURELIEN BREEDEN and SANAM MAHOOZI

warning to American politicians to stop their deception."

Iran has been roiled in recent weeks by protests that began over economic hardship, then snowballed into a serious challenge to the country's authoritarian clerical rulers.

"We are not looking for war, but we are prepared for war — even more prepared than the previous war," Abbas Araghchi, the foreign minister, told a conference of foreign ambassadors in the capital, Tehran, in remarks broadcast by state television.

He appeared to be referring to the 12-day war with Israel in June, which the United States joined to bomb Iran's nuclear facilities.

"We are also ready for negotiations, but negotiations that are fair, with equal rights and mutual respect," he added.

Hours later, Iranian state media showed images of large crowds in several cities rallying in support of the government and funeral processions for security personnel killed in the unrest that began two weeks ago.

"The great nation of Iran demonstrated itself, its determination, and its identity to its enemies," Ayatollah Ali Khamenei, Iran's supreme leader, said in a statement carried by state media. He called the pro-government rallies "a

Continued on Page A6

DIPLOMACY U.S. officials said President Trump was interested in exploring signals from Iran that it was open to negotiations. PAGE A6

F.B.I. Searches For Activist Ties In ICE Shooting

This article is by Alan Feuer, Glenn Thrush and Devlin Barrett.

Federal investigators assigned to the fatal shooting of a 37-year-old Minneapolis woman are looking into her possible connections to activist groups protesting the Trump administration's aggressive immigration enforcement, in addition to the actions of the federal agent who killed her, people familiar with the situation said.

It seems increasingly unlikely that the agent who fired three times at the unarmed woman, Renee Nicole Good, last week will face criminal charges, although that could change as investigators collect new evidence, the people added.

On Sunday, President Trump described Ms. Good and her wife, Becca Good, as being "professional agitators," adding that the authorities would "find out who's paying for it." He offered no evidence to support his claims.

The decision by the F.B.I. and the Justice Department to scrutinize Ms. Good's activities and her potential connections to local activists is in line with the White House's strategy of deflecting blame for the shooting away from federal law enforcement and toward opponents they have described as domestic terrorists, often without providing evidence.

Justice Department officials under Mr. Trump have long maintained that investigating and punishing protesters who organized efforts to physically obstruct or disrupt immigration enforcement is a legitimate subject of federal inquiries. But casting a broad net over the activist community in Minneapolis, former department

Case of Athlete May Set Marker On Trans Rights

By ANN E. MARIMOW

WASHINGTON — Becky Pepper-Jackson was 11 years old and a mediocre runner when she sued the State of West Virginia over a law that barred transgender girls like her from joining girls' sports teams.

For the next four years, Ms. Pepper-Jackson's status on the school track team was in doubt as judges blocked the law, then unblocked it and then blocked it again.

Now 15, she is an accomplished shot-putter and discus thrower. A decision about whether she can compete for her final two years of high school will now fall to the Supreme Court, which on Tuesday will hear her challenge to the West Virginia law that supporters said was intended to ensure fair competition for female athletes.

In an interview, Ms. Pepper-Jackson said she was devastated when the law took effect.

"I want to be able to play on the team with my friends, and that's all I've wanted to do," she said.

Ms. Pepper-Jackson is the only known athlete in West Virginia who would be subject to the law.

But her case — and a separate matter from Idaho dealing with college sports that the court is also hearing on Tuesday — has implications far beyond her personal sports saga.

Twenty-five other states have enacted similar restrictions since 2020, amid a backlash to transgender students participating in school sports and transgender rights broadly. However the Supreme Court rules this year, the decision could affect all of those states, and the student athletes who seek to play in schools and

Continued on Page A10

All the Way South

Follow along as The Times travels on an icebreaker with a scientific expedition to study Antarctica's fastest-melting glacier. Page D8.

INTERNATIONAL A4-7

Arsenal That Failed Venezuela

The Maduro regime had high-powered air defense systems that it acquired from its ally Russia, but failed to set much of it up.

PAGE A5

Restoring U.S.-India Ties

Sergio Gor took up his diplomatic post in New Delhi with relations between the countries at a decades-low ebb. PAGE A7

OBITUARIES A16-17

Jew Who Was on Nazi Cover

As a baby, Hessa Levinson Taft won a 1935 contest to represent the ideal Aryan infant. She was 91.

PAGE A16

BUSINESS B1-7

Britain Investigates Grok

A regulatory agency said it had started an inquiry into Elon Musk's chatbot over the spread of racy images. PAGE B1

Flying Taxis and Robot Trucks

In China, clean energy experiments can feel like living in the future, even when things do not quite work.

PAGE B1