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DJIA 38712.21 ▼ 35.21 0.09% NASDAQ 17608.44 ▲ 1.5% STOXX 600 522.89 ▲ 1.1% 10-YR. TREAS. (Reopening), yield 4.294% OIL \$78.50 ▲ \$0.60 GOLD \$2,336.00 ▲ \$28.50 EURO \$1.0809 YEN 156.72

What's News

Business & Finance

◆ **Fed officials penciled in** just one interest-rate cut for this year, indicating most are in no hurry to lower rates, even after a widely watched report showed inflation improved last month. **A1**

◆ **The S&P 500 and Nasdaq** rose to records after the consumer-price figures were released, gaining 0.9% and 1.5%, respectively. The Dow shed 0.1% and the yield on the 10-year Treasury note slid. **B11**

◆ **The EU plans to impose** tariffs on imported Chinese electric vehicles, marking an early victory for officials who view the imports as a threat to the region's car sector despite deep divisions in Europe over the issue. **A1**

◆ **McKinsey leader Bob Sternfels** said he is poised to "rewire" the consulting firm over a new three-year term as global managing partner, with plans to adjust some fee structures and make other changes. **A1**

◆ **Tesla CEO Elon Musk** said on X that preliminary voting results show shareholders backing proposals to ratify his pay package and reincorporate the company in Texas "by wide margins." **B1**

◆ **Do Kwon's crypto** company, Terraform, agreed to pay the SEC a massive \$4.5 billion penalty and wind down its operations to settle a civil securities-fraud lawsuit. **B1**

◆ **Global oil markets** are headed toward a major glut this decade, the IEA forecast, citing surging supplies and slowing demand growth. **B1**

◆ **Amazon said it would** invest billions of dollars in Taiwan over the next 15 years to build data centers to help meet growing demand for cloud services. **B3**

World-Wide

◆ **The House voted to hold** Attorney General Merrick Garland in contempt for refusing to release audiotapes of Biden, as Republicans stepped up their fight with the Justice Department in their push to keep questions about the president's mental acuity in the spotlight. **A3**

◆ **Hamas hardened its** position on a Gaza cease-fire proposal with Israel that has faced intransigence from both sides despite heavy U.S. lobbying, including by Biden. Meanwhile, violence flared on Israel's northern border with Lebanon. **A6**

◆ **The Southern Baptists** voted to oppose the use of in vitro fertilization as it is commonly practiced, aligning the church with a right-wing stance on the issue. **A3**

◆ **The State Department** relaunched an online passport-renewal program in trial mode, aiming to get the document to eligible travelers in six to eight weeks. **A3**

◆ **The U.K.'s economic** recovery sputtered to a halt at the start of the second quarter, underlining the scale of the task facing the next government in lifting the country out of a long period of stagnation. **A7**

◆ **The Oklahoma Supreme** Court dismissed a lawsuit brought by two survivors of the 1921 Tulsa Race Massacre, who sought reparations for the attack. **A3**

◆ **Biden's ability to hold** together a Western alliance central to the defense of Ukraine in its war against Russia was at the forefront when he arrived for the G-7 industrialized nations summit in Italy. **A18**

◆ **Markets**..... B11
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Cubists Celebrate 50 Years of Their Art



SOLVED: Students take part in a flash mob Wednesday in Budapest to mark the 50th anniversary of the invention of the Rubik's Cube. Erno Rubik, a Hungarian architecture professor, designed the puzzle to teach about three-dimensional spaces.

Musk Blurred Boundaries With Women at SpaceX

By Joe Palazzolo and Khadeeja Safdar

When Elon Musk personally contacted a former SpaceX engineering intern to discuss a role on his executive staff in 2017, the woman spoke with excitement to her friends about a high-profile problem-solving role at the rocket company, a dream for someone a few years out of college.

She and Musk had met years earlier during her internship, when she was still in college. She'd approached him with ideas for improving

SpaceX. Her outreach had led to a date, which led to a kiss, and eventually sex, she told friends. The year after her internship, the billionaire had the fresh college graduate flown out to a resort in Sicily, before they ended things, according to documents reviewed by The Wall Street Journal.

Musk, who is more than 20 years her senior, attempted to restart their relationship but she rejected his advance. They remained close as she tried to establish herself in the new job.

He texted her often and invited her to come over to his Los Angeles mansion at night on multiple occasions. Sometimes she accepted his invitations, but friends said she told them at the time that his behavior made her job harder.

She eventually moved off Musk's executive team, according to friends she told and to people familiar with her time at SpaceX. The woman left the company in 2019.

Her lawyers, who also represent Musk, provided the Journal with two affidavits signed by the woman. The af-

fidavits disputed some aspects of the Journal's reporting but confirmed many others, including that she had a romantic relationship with Musk in the past. She said she invited him to dinner near the end of her summer internship and broke things off the following year.

She said at no point during employment at SpaceX from 2017 to 2019 was there any "romantic relationship" with Musk. "Nothing that Elon Musk did towards me during either of my periods of em-

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EU Targets China EVs For Tariffs Despite Opposition

By William Boston and Kim Mackrael

The European Union plans to impose tariffs on imported Chinese electric vehicles, marking an early victory for officials who view the imports as a threat to the region's powerful car sector despite deep divisions in Europe over the issue.

The baseline level of tariffs, calculated at 21%, would come on top of the EU's existing 10% tariff on cars, the bloc said Wednesday. While some individual companies would face lower or higher tariffs—up to a total of 48.1% for Chinese company SAIC—they are still a fraction of the duties the U.S. announced recently, likely blunting how much they can disrupt the flow of Chinese EVs to the continent.

China was the source of nearly one in five European sales of fully electric vehicles last year and that proportion should grow, according to data from green lobby group Transport & Environment. Concerns have grown in Europe that China's low production costs and what European officials found are hefty state subsidies could soon price out European carmakers.

Brussels' pushback against China is controversial—and not

◆ **Chinese megaport poses** U.S. challenge..... **A7**
◆ **Heard on the Street: China** eyes new markets..... **B12**

Farewell to 'The Logo'



SUPERSTAR: Jerry West, an NBA legend and the inspiration for the league's logo, died Wednesday at age 86. **A14**

The College Scholarship Secret Hiding in Plain Sight

A weird last name might just be a golden ticket to a debt-free degree

By Melissa Korn

Derek Gatlin discovered the value of his last name during middle-school detention.

A teacher urged him to get serious about school so he could land a special college scholarship. He wouldn't need a 4.0 GPA, athletic accolades or a musical skill. He just needed to be a Gatlin. (Or, he later learned, a Gatling.)

Gatlin didn't know what the teacher was talking about, but he liked the idea of being the first in his family to go to college.

In 2001, as Gatlin entered his senior year, the scholar-

ship offer arrived. He received a letter from North Carolina State University, about 2,800 miles from home in Olivehurst, Calif., noting his strong SAT score—and his last name. It said if he was admitted, his tuition costs would be covered.

"It was the golden ticket, like in 'Charlie and the Chocolate Factory,'" Gatlin recalls. "Then I asked: Where is Raleigh, North Carolina?"

Quirky scholarship opportunities abound these days. Funds are set aside for golf caddies, tall children and even those with notable duck-calling abilities.

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McKinsey Boss's Next Big Project: Fixing McKinsey

By Chip Cutter

Soon after Bob Sternfels took the top job at the consulting giant McKinsey a few years ago, he embarked on an around-the-world tour to meet with the lowest rung of managers at the firm.

The conversations largely took place outside; Sternfels is prone to walking meetings and finds that a jaunt out of an office can elicit more candid feedback than staring at someone across a conference table. What many of the young managers discovered, though, is that a walk with Sternfels, a former Stanford water-polo player, is more often akin to a light jog. "Some end up a little

sweatier than others at the end of these things," he said.

It is with a similar level of intensity that the 54-year-old is approaching his next task: helping to "rewire" McKinsey. The firm, which advises many of the world's biggest companies and governments, has weathered a bruising period marked by a downturn in demand, layoffs and legal challenges tied to its past work with opioid makers.

Sternfels sat down with The Wall Street Journal for a long-ranging interview at a critical juncture for the century-old partnership.

McKinsey said in 2021 it would pay \$641 million in set-

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INSIDE



PERSONAL JOURNAL
A sunscreen ingredient is lurking in foods from pizza and candy to salsa and icing. **A12**



THE FUTURE OF EVERYTHING
THE ENERGY & CLIMATE ISSUE
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