

THE WALL STREET JOURNAL.

DOW JONES | News Corp *****

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WSJ.com

★★★★ \$5.00

DJIA 39112.16 ▼ 299.05 0.76%

NASDAQ 17717.65 ▲ 1.3%

STOXX 600 517.70 ▼ 0.2%

10-YR. TREAS. ▲ 3/32, yield 4.237%

OIL \$80.83 ▼ \$0.80

GOLD \$2,316.60 ▼ \$13.40

EURO \$1.0716

YEN 159.69

What's News

Business & Finance

◆ **A key tool** that businesses have counted on to keep a lid on employees' drug spending—filling workers' prescriptions by mail—is now driving up their costs. **A1**

◆ **The EU charged** Microsoft with antitrust violations over the bundling of its Teams collaboration tool with Office 365 and Microsoft 365. **B1**

◆ **Volkswagen is investing** \$1 billion in electric-pickup maker Rivian Automotive, with plans to spend up to \$5 billion as part of a software-development partnership. **B1**

◆ **Airbus lost** about \$12 billion in market value after the group lowered its commercial aircraft delivery goal and financial targets for the year. **B3**

◆ **Blockbuster obesity drug** Wegovy has been approved in China, opening the door for maker Novo Nordisk to begin selling it in the world's second-largest economy. **B3**

◆ **Tesla issued** two more recalls for more than 11,000 of its Cybertrucks over issues with the trunk and the windshield wiper, bringing the total recalls to four this year. **B4**

◆ **Investors are** committing \$80 million to take over Stability AI, an image-generation startup that took off with the AI boom but ran into business problems. **B4**

◆ **Interpublic Group** is in talks to sell prominent digital agency R/GA to India's Tata Consultancy Services, according to people familiar with the matter. **B5**

◆ **A bounce** in AI chip maker Nvidia's shares helped lift the tech-heavy Nasdaq 1.3%, while the S&P 500 rose 0.4%. The Dow fell 0.8%. **B12**

World-Wide

◆ **Israel's military** must begin drafting ultra-Orthodox Jewish students, the country's Supreme Court ruled, in a decision likely to put pressure on Netanyahu's right-wing coalition as Israel fights its war in Gaza. **A1**

◆ **Israel's military operation** in Rafah has exacerbated the hunger crisis in southern Gaza while a projected famine in the enclave's north remains a high risk, according to food-security experts. **A7**

◆ **Rep. Jamaal Bowman** of New York was defeated by George Latimer in the Democratic Party primary, and Rep. Lauren Boebert bested a crowded Republican field in Colorado to win the GOP nomination for a third term. **A6**

◆ **The U.S. surgeon general** declared gun violence a public-health crisis, calling on policymakers to pass stronger laws to reduce deaths. **A3**

◆ **WikiLeaks founder** Julian Assange pleaded guilty to violating the Espionage Act and was allowed to walk free, ending a legal saga that has stretched for over a decade. **A3**

◆ **Oklahoma's highest court** blocked the opening of what would have been the nation's first religious charter school. **A6**

◆ **Hundreds of Kenyan** police officers arrived in Haiti as part of a long-awaited U.S.- and United Nations-backed mission to fight gangs and bring order in the Caribbean nation. **A9**

◆ **The International Criminal Court** issued arrest warrants for Russia's former defense minister and its army chief for war crimes committed during Moscow's invasion of Ukraine. **A9**

CONTENTS	Opinion..... A17-19
Arts in Review..... A15	Personal Journal A13-14
Business News..... B3	Property Report... B6
Crossword..... A16	Sports..... A16
Equities..... B8	Technology..... B4
Heard on Street... B13	U.S. News..... A2-4,6
Markets & Finance B12	World News..... A7,9



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Tax Protest Turns Deadly at Kenyan Parliament



BLOODSHED: Protesters in Nairobi try to help injured people on Tuesday after police opened fire on demonstrators as crowds stormed Parliament, where lawmakers had been debating tax increases aimed at stemming Kenya's debilitating debt crisis. **A9**

Citigroup CEO Fraser Races To Turn Around Sluggish Bank

By JUSTIN BAER

Jane Fraser has hit the midpoint of what the chief executive has called a critical year in her plan to fix Citigroup.

If she's successful, Citi might be the biggest turnaround story in recent Wall Street history. But skeptics are everywhere, in the auditorium at the bank's recent investor conference and upstairs in the offices of its headquarters. She's made progress, but more is needed. And soon.

"Yes, there is still a lot

more to do," she said at the conference. "We have simply come too far to let up now."

Two decades of half-measures, strategic missteps and chronic underinvestment have led Citi, once the world's largest financial-services company, to this: a network that operates in 160 countries but badly lags behind its U.S. rivals in profitability and stock performance. A firm famed for its ties to foreign central banks that can't stay out of the Federal Reserve's doghouse for weaknesses in its internal controls. A glittering

roster of clients who too often turn elsewhere for their most-important needs.

Fraser is pursuing everything, all at once, in her quest to change Citi's direction. Her priority is grappling with regulators' demands to fix the troubled bank's internal systems. She's also slashing costs, simplifying the organization and seeking to jump-start growth at key businesses. And she's trying to revive a stock that's been stuck more than 80% below its high for 15 years.

Interviews with more than

three dozen current and former Citigroup executives, board members, clients, competitors and investors reveal that doubters are easy to find. Regulators and shareholders want her to accelerate. Some clients think she's moving too fast, including a top investment manager that bristled at the abrupt changes to Citi staff and services.

There isn't a day that goes by without Fraser catching grief from one corner or another. The calls for change are relentless, and often contra-

Please turn to page A12

Mail-Order Markups Raise Drug Costs for Employers

By JARED S. HOPKINS

A key tool that businesses have counted on to keep a lid on employees' drug spending—filling workers' prescriptions by mail—is now driving up their costs.

Unity Care NW, a nonprofit health clinic in Washington state, forecasts the cost of medical and drug benefits for its 365 employees and their family members will increase this year by 25% to more than \$3 million. A big reason: Drugs delivered by mail are costing multiples more than those picked up at a store counter.

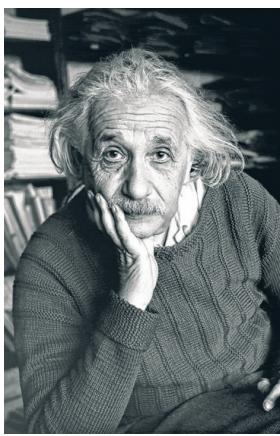
Markups were as much as 35 times higher than what other pharmacies charged, according to a recent analysis of millions of prescriptions in Washington state. "It's absolutely not fair, and it's not saving us money," said Lisa Nelson, Unity Care's chief pharmacy officer.

At the urging of firms that manage their drug benefits, employers have turned to mail-order pharmacies to save money on prescriptions. The pharmacies promised to sell medicines to employees at lower prices than their bricks-and-mortar rivals by buying larger quantities from drug-makers and providing 90-day supplies. Instead, the opposite is happening. Drugs ordered through the mail-order pharmacies are costing more, raising employers' spending.

That is partly because of price markups on prescriptions filled by mail-order pharmacies—especially those owned by the pharmacy-benefit managers, or PBMs, themselves—according to employers and con-

Please turn to page A2

INSIDE



U.S. NEWS

A warning letter from Einstein to FDR about the atomic bomb is set to be auctioned. **A3**



PERSONAL JOURNAL

Restaurants' smashed burgers give classic patties some competition. **A14**

Even Your Plumber Wants To Meet on Zoom Now

For \$3 a minute, experts will coach you

by phone on how to do home repairs yourself

By TE-PING CHEN

Every now and then, Allyson Saling will be helping a client install a ceiling fan, when she finds herself falling to the ground.

That would be a hazard for most electricians, but not Saling, who shows up to work via video calls. When homeowners knock their phone off a ladder, Saling, in Texarkana, Texas, just waits for them to pick it up so she can walk them through what to do next.

"It's like, whoops, you dropped me," she says.

The cost of home-repair service visits has risen in recent years, just as more Americans have grown accustomed to video calls. Enter virtual plumbers and electricians: a small but growing crop of

tradespeople offering their services to those interested in DIY fixes at cheaper rates. It's a new take on an old craft—one with perks, including less physical strain—as well as some of the same Zoom hiccups familiar to any white-collar worker.

A technician for home-maintenance company Frontdoor, Saling enjoys the work-life balance afforded by the remote role, especially living in a rural area with a young son and five cats and dogs. She previously endured a 90-minute commute to her electrician job at the Dallas-Fort Worth airport.

Customers occasionally dial in with complex tasks: Saling once helped someone install a service panel for a Jacuzzi

Please turn to page A12

U.S. Walks Tightrope Over Sanctioning Oil

The Biden administration wants to keep gas prices stable ahead of the election by encouraging oil to flow into global markets. The effort has

By Anna Hirtenstein,
Joe Wallace, Ian Talley
and Costas Paris

run square into another priority: being tough on adversaries Russia, Iran and Venezuela.

The policy has led to softer-than-expected sanctions on major oil producers, according to diplomats, former government officials, and energy-industry players briefed by current officials.

A case in point arrived on Tuesday, when the U.S. levied fresh sanctions against Iran. The measures affect a fraction of the country's oil exports and are unlikely to gum up global markets, analysts said.

Administration officials said the moves are finely balanced to keep prices low, but throw sand in the gears of Russia and Iran's oil export machines, meaning they earn less from each barrel of oil they sell.

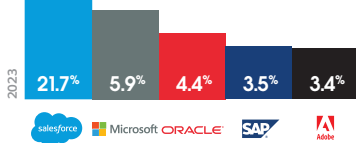
"The president has wanted to do everything that he could to make sure that American consumers have the lowest price possible at the pump, as it aff-

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Salesforce.

#1 CRM.

Ranked #1 for CRM
Applications based on
IDC 2023 Revenue
Market Share Worldwide.



Source: IDC, Worldwide Semiannual Software Tracker, April 2024.



salesforce.com/number1CRM

CRM market includes the following IDC-defined functional markets: Sales Force Productivity and Management, Marketing Campaign Management, Customer Service, Contact Center, Advertising, and Digital Commerce Applications. © 2024 Salesforce, Inc. All rights reserved. Various trademarks held by their respective owners.