

THE WALL STREET JOURNAL.

What's News

Business & Finance

- ◆ **Retailers foresee U.S.** price increases ebbing as more of them feel the sting of shoppers pulling back on purchases of discretionary items in response to tighter household budgets. **A1**
- ◆ **U.S. stocks ended** mixed, with the S&P 500 rising 0.1% and the Nasdaq gaining slightly less than that. The Dow industrials fell about 0.1%. **B11**
- ◆ **UAW employees at** General Motors approved a new 4½ year labor contract, ending a tumultuous months-long bargaining process by a slim margin of votes. **B1**
- ◆ **Inflation is falling** faster than expected across advanced economies, marking a turning point in central banks' two-year battle against surging prices. **A2**
- ◆ **Alibaba said it scrapped** its plan to spin off and list its cloud-computing division, citing the impact of U.S. curbs on the export of high-performance chips to China. **B1**
- ◆ **Hyundai said it would** sell cars on Amazon.com when that option becomes available next year, allowing buyers to bypass dealerships. **B1**
- ◆ **Thousands of** unionized Starbucks workers went on strike on a busy sales day for the coffee chain in a bid to bring the company back to the negotiating table. **B3**
- ◆ **Morgan Stanley agreed** to pay a fine of \$6.5 million over the financial-services provider compromising millions of customers' personal information. **B10**
- ◆ **Apple plans to support** a standard that will improve messaging with Android phones and enable new features. **B4**

World-Wide

- ◆ **The Israeli military** released footage of a tunnel opening from within the largest hospital in Gaza, the first evidence to support its claims that Hamas's vast tunnel network runs underneath the medical facility. **A1**
- ◆ **The House Ethics Committee** said it found substantial evidence that Rep. George Santos stole money from his campaign and committed other misdeeds, igniting new calls for his immediate expulsion by colleagues and prompting the embattled lawmaker to say he won't run for re-election. **A1**
- ◆ **Xi Jinping sought to** enlist American corporations' help in easing bilateral tensions, emphasizing the room for the U.S. and China to work together. **A8**
- ◆ **An investigating prosecutor's** report is expected to criticize Biden's handling of classified documents but the probe likely won't result in a criminal case, people familiar with the matter said. **A4**
- ◆ **More Americans are** filing for bankruptcy to get rid of their student debt and the Justice Department expects the number to continue to rise as more lawyers and borrowers become aware of the option. **A4**
- ◆ **California authorities** arrested a 50-year-old man in connection with the death of Jewish protester Paul Kessler during simultaneous pro-Israel and pro-Palestinian rallies earlier this month. **A3**
- ◆ **A jury in Canada** convicted a man of murder and attempted murder for ramming a Muslim family with a truck in what authorities described as a hate crime and terrorist act. **A7**

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Driven From Myanmar, Refugees Turn to Indonesia



ESCAPE: A boat with about 250 Rohingya, persecuted in Myanmar, waits off the coast of Aceh province, Indonesia, on Thursday, as some came ashore for water and food. Local officials said nearly 600 refugees have arrived in Aceh this week.

FDIC Chair, Known for Temper, Ignored Bad Behavior at Agency

By REBECCA BALLHAUS

The FDIC's No. 2 legal official left a ranting, cursing voicemail for an employee criticizing her work in 2019. The federal bank regulator paid that employee a \$100,000 settlement because of it, former officials said.

The legal official kept his job. Last year, Chairman Martin Gruenberg promoted him to become the federal agency's general counsel.

Now, Gruenberg is under fire for his leadership at the Federal

Deposit Insurance Corp. after a Wall Street Journal investigation found a longtime toxic atmosphere with few consequences for bad behavior prompted women to quit.

He was grilled in Congress in response to the investigation. "What the hell is going on at the FDIC?" asked Louisiana Republican Sen. John Kennedy.

Gruenberg said harassment and discrimination are "completely unacceptable" and said the agency doesn't tolerate it.

Yet Gruenberg and deputies

have been involved in decisions over high-level examples of alleged sexism, harassment and racial discrimination in which the agency didn't take a hard line with individuals accused of misconduct, according to current and former FDIC officials.

Gruenberg himself has built a reputation for bullying and for having an explosive temper, the officials said. Over nearly two decades at the FDIC—including leading the agency from 2011 to 2018 and becoming chairman a second time last year—Gruenberg

has berated and cross-examined staffers, questioned their loyalty and accused them of keeping information from him, they said.

The FDIC hired an external investigator to look into Gruenberg's behavior in 2008, when he was vice chairman, after he allegedly lost his temper with a senior female FDIC official and castigated her.

Gruenberg is known as a micromanager and has a temperament that made employees re-

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Santos Hit With New Calls for Expulsion After Probe

By KATY STECH FERREK

WASHINGTON—The House Ethics Committee said Thursday that it found substantial evidence that Rep. George Santos stole money from his campaign and committed other misdeeds, igniting new calls for his immediate expulsion by colleagues and prompting the embattled lawmaker to say he won't run for re-election.

"Representative Santos sought to fraudulently exploit every aspect of his House candidacy for his own personal financial profit" and "blatantly stole from his campaign," the committee's report said. The committee said Santos's conduct "warrants public condemnation, is beneath the dignity of the office, and has brought severe discredit upon the House."

The Ethics Committee, led by Chairman Michael Guest (R., Miss.) and ranking member Susan Wild (D., Pa.), said it concluded that there was substantial evidence that Santos (R., N.Y.) knowingly caused his campaign committee to file false reports with the Federal Election Commission; used campaign funds for personal purposes; engaged in fraudulent conduct in connection with Santos-linked campaign company RedStone Strategies LLC; and filed false financial disclosure statements.

While the committee was unsparing in its descriptions of Santos's "grave" actions and urged lawmakers to take appropriate action, it stopped short of directly calling for

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Bonds Get A Lift

Weak investor appetite for long-term U.S. debt has pushed the Treasury to get more flexible with how it borrows, and Wall Street likes the new approach. The government cut back this month on expected increases in long-term bonds, favoring more short-term debt. **B10**

Retailers See Price Increases Ebbing

By SARAH NASSAUER AND SUZANNE KAPNER

The era of price hikes for consumer goods is waning. Sellers of everything from cargo pants to patio furniture resorted to raising prices on items to cover higher operating costs early in the pandemic. In many cases, they were able to boost profits by doing it.

More recently retailers have been stung by the pull back in purchases of discretionary items as shoppers' budgets have been stretched and

prices remain elevated for essentials such as food. Now, inflation has cooled in many categories, which could further pressure their sales growth.

"We may be managing through a period of deflation in the months to come, and while that would put more unit pressure on us, we welcome it, because it's better for our customers," said Walmart Chief Executive Doug McMillon.

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◆ **Heard on the Street: A high bar at Walmart.....** B12

Feud Disrupts Billionaire's Puerto Rico Bet

By CAITLIN MCCABE

John Paulson made a fortune on Wall Street betting the housing market would collapse. His reinvention as a property tycoon opening Puerto Rico to the wealthy is proving trickier.

The 67-year-old has spent hundreds of millions of dollars over a decade buying and developing luxury resorts, condos and high-rise offices in the U.S. territory. The island's government has introduced tax breaks to attract rich home buyers and busi-

nesses, and Paulson has said the opportunity is akin to Miami before its epic boom in the 1980s.

This is a significant wager for Paulson, who has a mixed investment record since the financial crisis. But any progress has been overshadowed

lately by a split with a business partner who recently served as Paulson's point man in Puerto Rico, Pakistan-born Fahad Ghaffar.

The dispute erupted into public view in September, when the 39-year-old business-

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If You Haven't Checked Your Mail In Weeks, You're Not Alone

Americans say they like old-fashioned mail but aren't in much of a rush to get it

By TE-PING CHEN

When Raleigh, N.C.-based tech worker Brittany Sharnetz Turner, 29, got an irritated text message from her building management, she knew she deserved it.

The text message notified all residents that if they didn't pick up their mail in a timely fashion, man-

agement would return it to the post office. "It was all in caps," says Turner, who'd been checking hers only every few months. "I knew I was one of the people they were yelling at."

Turner felt sheepish, but also relieved: "I was like, it's not just me."

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You've got mail

INSIDE



BUSINESS & FINANCE
As inflation cools, prices for holiday feasts look more manageable this year. **B1**



MANSION
Inside Katy Perry's legal battle over a \$15 million California estate. **M1**