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★★★★ \$5.00

DJIA 39134.76 **\(\)** 299.90 0.77%

NASDAQ 17721.59 ▼ 0.8%

STOXX 600 518.91 ▲ 0.9%

10-YR.TREAS. ▼ 9/32, yield 4.252%

OIL \$82.17 ▲ \$0.60

GOLD \$2,353.80 ▲ \$23.40

EURO \$1.0702 **YEN** 158.93

What's News

Business & Finance

- Instagram regularly recommends sexual videos to accounts for teenagers that appear interested in racy content, according to tests by The Wall Street Journal and an academic researcher. A1
- ◆ Honeywell has struck a roughly \$2 billion deal to buy aerospace and defense technology company CAES Systems from Advent International, B1
- **♦ Thousands of car dealers** around the U.S. lost access for the second straight day to software that helps underpin their operations. B1
- ◆ Kroger reported a slight rise in quarterly sales, as more shoppers visited its stores, with food prices leveling out. B2
- ♦ BP is taking full control of its Brazilian biofuels joint venture with the acquisition of its partner's 50% shareholding valued at \$1.4 billion. B3
- ◆ Eli Lilly is stepping up its campaign against fake and counterfeit weight-loss drugs with more lawsuits. **B3**
- ◆ Tate & Lyle agreed to buy nature-based ingredient provider CP Kelco from J.M. Huber for \$1.8 billion. B6
- ◆ Carlyle Group is expanding its energy exploration and production assets by acquiring operations in Italy, Egypt and Croatia from Energean for up to \$945 million. **B10**
- ♦ The S&P 500 declined 0.3% after surpassing 5500 intraday for the first time. The Nasdaq dropped 0.8%, snapping a seven-session streak of record closes. The Dow climbed 0.8%. B10
- **♦ The Bank of England** left its key interest rate at a 16year high of 5.25%. A5

World-Wide

- **◆ The Supreme Court** rejected a challenge from conservative activists to a onetime tax on certain foreign investments, but left unresolved questions about whether some leading Democratic revenue-raising ideas are constitutional. A1
- ◆ More American children than ever are qualifying for special education as a record 7.5 million got access to services in the 2022-23 school year, but schools are struggling to find enough teachers to meet their needs. A1
- ◆ Tropical storm Alberto lashed into Mexico's Gulf Coast, bringing heavy rain and flooding to parts of Mexico, where at least three died, and southern Texas. A3
- ◆ The Biden administration said it would ban sales in the U.S. of software built by Russian antivirus vendor Kaspersky Lab, citing national security threats. A3
- ◆ The IRS is planning to deny billions of dollars of what it says are improper claims for a popular pandemic-era tax credit. A3
- ◆ The Biden administration will rush the delivery of airdefense interceptors to Ukraine by halting delivery to allied nations. A5
- ◆ A rift between Netanyahu and Israel's military leadership is spilling increasingly into the open after the armed forces' top spokesman said the prime minister's aim of destroying Hamas in Gaza is unachievable. A6
- Died: Donald Sutherland, "M*A*S*H" and "Hunger Games" actor, 88. A4

Arts in Review. A10-11 Business News.. B3,5 Capital Account..... A2

Markets & Finance B10 Sports... Technology..... U.S. News. Heard on Street... B11 World News.....



Storm of Protest Sweeps Kenya Over Finance Bill $|J_{ustices}|$



CLASHES: A demonstrator holds an umbrella for protection as police fire water cannons and tear gas in Nairobi on Thursday. Thousands of mostly young people rallied across the country, demanding Parliament vote down proposed tax increases. A7

Instagram Points Young Teens To Sexual Videos, Tests Show

By Jeff Horwitz

Instagram regularly recommends sexual videos to accounts for teenagers that appear interested in racy content and does so within minutes of when they first log in, according to tests by The Wall Street Journal and an academic researcher.

The tests, run over seven months ended in June, show the social-media service continued pushing adult-oriented content to minors after parent Meta Platforms said in January that it was giving teens a more

age-appropriate experience by restricting what it calls sensitive content including sexually suggestive material.

Separate testing by the Journal and Laura Edelson, a computer-science professor at Northeastern University, used similar methodology, involving setting up new accounts with ages listed as 13. The accounts watched Instagram's curated video stream, known as Reels.

Instagram served a mix of videos that, from the start, included moderately racy content such as women dancing seductively or posing in positions that emphasized their and TikTok didn't produce the breasts. When the accounts skipped past other clips but watched those racy videos to completion, Reels recommended edgier content.

Adult sex-content creators began appearing in the feeds in as little as three minutes. After less than 20 minutes watching Reels, the test accounts' feeds were dominated by promotions for such creators, some offering to send nude photos to users who engaged with their posts.

Similar tests on the shortvideo products of Snapchat same sexualized content for underage users.

'All three platforms also say that there are differences in what content will be recommended to teens," Edelson said. "But even the adult experience on TikTok appears to have much less explicit content than the teen experience on Reels."

Meta dismissed the test findings as unrepresentative of teens' overall experience.

'This was an artificial experiment that doesn't match the reality of how teens use Please turn to page A4

Uphold Tax on Foreign Earnings

Ruling ends suit that some observers said would 'blow up' how U.S. raises revenue

By Jess Bravin AND RICHARD RUBIN

WASHINGTON—The Supreme Court rejected a challenge from conservative activists to a one-time tax on certain foreign investments, but left unresolved questions about whether some leading Democratic revenue-raising ideas are constitutional.

The decision on Thursday keeps intact a tax on accumulated foreign profits that Congress created in 2017 as part of then-President Donald Trump's tax law, and it spares lawmakers the complications that could have arisen from a decision invalidating aspects of congressional taxing power.

The court, in an opinion by Justice Brett Kavanaugh, said the tax aligned with longstanding precedents and congressional practices by attributing income realized by an India-based corporation to its U.S. shareholders, the same "pass-through" approach used since 1962 for U.S.-controlled foreign companies.

"This Court has long upheld taxes of that kind, and we do the same today," Kavanaugh wrote, joined by Chief Justice John Roberts and Justices Sonia Sotomayor, Elena Kagan and Ketanji Brown Jackson. But he added that related questions about the scope of federal taxing power, including the legality of proposals to tax wealth and unrealized capital gains, were "potential issues for another day."

Tax lawyers and policymak-Please turn to page A2

Special Education Outgrows Resources

By Sara Randazzo AND MATT BARNUM

More U.S. children than ever are qualifying for special education, but schools are struggling to find enough teachers to meet their needs.

As of 2022-23, a record 7.5 million students got access to special-education services in U.S. schools, including children with autism, speech impairments and attention-deficit hyperactivity disorder. That is 15.2% of the public-school student population, up from less than 13% a decade earlier, the most recent federal data show.

Several factors are driving the increase. Pandemic disruptions left kids with lingering learning and behavioral challenges. Parents have become more assertive about asking for services, as the stigma around

By Sebastian Herrera

around the world.

barked on a nearly

yearlong journey span-

ning Asia, Africa, Eu-

rope and South Amer-

ica. It included flights

through mountainous

terrains and violent rainstorms. For his

first trip, he purposely flew

into Madeira Airport in Portu-

Austin Heath is terrified of

air travel. So he decided to fly

Last summer, Heath em-

special education has lessened. Autism diagnoses have also risen in recent decades, and the state of Texas has seen a boom in special education since changing an approach that had limited access.

Students with disabilities benefit from services such as speech therapy, specialized reading lessons or personal classroom aides. Yet many schools report being understaffed in special education. And now, with federal Covid relief aid set to expire this fall. districts face growing pressure on their budgets.

hills and the ocean.

land anywhere."

Wine, Reiki, the Middle Seat:

The Secrets of Jittery Fliers

Community of flight-anxious trade tips,

from lifting feet to...pilot lessons?

Buckle down

"We are in a situation right now that is not sustainable," said Kevin Rubenstein, who oversees special education for an 8,000-student suburban Chicago district. "We continue to struggle to make sure Please turn to page A4



MANSION

A couple tackles a 400year-old fixer-upper on a sprawling English country estate. M1

BUSINESS & FINANCE

Companies that once championed diversity programs are now tiptoeing away. **B1**

Judge's Girlfriend Profited in His Federal Court

Law firms enlisted a local Texas attorney who lived with the judge

An unsigned, one-page bombshell of a letter made the rounds at Kirkland & Ellis, the world's largest law

> Bv Alexander Gladstone, Andrew Scurria and Akiko Matsuda

firm by revenue. It threatened havoc for the firm and others that did business before the most powerful bankruptcy judge in the U.S.

The letter alleged that U.S. Bankruptcy Judge David

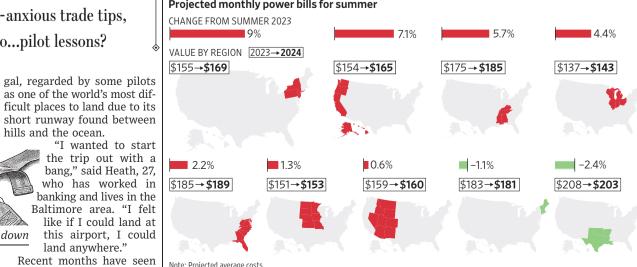
R. Jones, chief of the bankruptcy court in Houston, was in a romantic relationship with Elizabeth Freeman, a Texas attorney who as Kirkland's co-counsel helped the firm shepherd multibilliondollar cases in Jones's courtroom.

The intimate relationship was the reason Freeman and her law firm, Jackson Walker, were often brought in to represent large corporations, knowing they would likely have "the judge in Please turn to page A9

Record Temperatures Heat Up Utility Bills

The average monthly home power bill is expected to rise 3% to \$173 this summer, with the biggest increases along the Pacific Ocean and in New York, New Jersey and Pennsylvania. A3

Projected monthly power bills for summer



Note: Projected average costs Source: Energy Information Administration Please turn to page A6

Ashley Cai/THE WALL STREET JOURNAL