

# THE WALL STREET JOURNAL.

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Last week: DJIA 50115.67 ▲ 1223.20 2.50% NASDAQ 23031.21 ▼ 1.8% STOXX 600 617.12 ▲ 1.0% 10-YR. TREASURY ▲ 9/32, yield 4.205% OIL \$63.55 ▼ \$1.66 EURO \$1.1817 YEN 157.23

## What's News

### Business & Finance

◆ **U.S. stocks' sharp rebound** from a snowballing retreat in software names is only making investors more nervous as they consider that disruption from AI might be more widespread than commonly understood. **A1**

◆ **The run-up in the Dow** Jones Industrial Average that carried it to a record last week was met coolly by young investors, who are largely indifferent to the index's movements. **B1**

◆ **Bitcoin's sell-off** has perplexed its investors and most ardent evangelists, leaving them looking for a root cause of the plunge that no one can identify. **B1**

◆ **New data show that** founders typically have about a dozen years of experience or more before they launch startups that clinch billion-dollar valuations. **B1**

◆ **Kroger, the biggest grocer** in the U.S. by sales after Walmart, plans to hire Greg Forman, a former executive at its top rival, as its next chief executive. **B1**

◆ **The projected 2026** spending of four tech heavyweights on artificial intelligence infrastructure rivals the most momentous capital efforts in U.S. history. **B1**

◆ **The Washington Post's** publisher, Will Lewis, stepped down from his role days after the company said that it was laying off one-third of its staff. **B3**

◆ **Shares of Orsted** rose Friday after the Danish renewables company confirmed guidance for the next two years, despite a blow from impairments and tariff costs last year. **B3**

### Worldwide

◆ **Japanese Prime Minister** Sanae Takaichi led her party to a thumping victory in parliamentary elections, handing her a powerful mandate to deepen ties with the U.S. and rev up Japan's economy. **A1**

◆ **The Temporary Assistance** for Needy Families program, which the administration is trying to block, has long been plagued by poor oversight and questionable spending in states led by both Republicans and Democrats. **A1**

◆ **A Hong Kong court** sentenced Jimmy Lai, an outspoken publisher and pro-democracy activist, to 20 years in prison for violation of national-security laws. **A8**

◆ **A whistleblower complaint** against Gabbard is based on an intercepted call in which people linked to a foreign government discussed a person close to Trump. **A2**

◆ **Thailand's ruling** conservative party won a surprise victory in national elections, riding a nationalist tide after recent clashes with Cambodia. **A8**

◆ **The Trump administration** declared a new strategy for overseas arms sales that is centered on boosting the manufacture of key weapons. **A3**

◆ **Trump's push for** Republican state lawmakers to create more GOP-leaning House districts is on track to yield far fewer gains than expected. **A5**

◆ **U.K. Prime Minister** Keir Starmer's chief of staff resigned over new fallout from the Epstein files. **A7**

◆ **Iran is threatening** missile attacks on a broad set of targets if the U.S. attacks it. **A9**

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## Seattle Dominates Patriots in Super Bowl LX



**MAYE DAY, MAYE DAY:** A smothering Seattle Seahawks defense had New England quarterback Drake Maye running for his life the whole game, leading to a 29-13 win in Santa Clara, Calif., on Sunday. It was Seattle's second NFL championship. **A14**

## How Federal Welfare Program Became 'Slush Fund' for States

Lack of oversight of \$30 billion TANF initiative creates 'fraud by design'

When the Trump administration targeted billions of dollars in federal welfare funds recently over fraud concerns, it singled out five Democratic-run states.

An examination by The Wall

Street Journal found that the main federal aid program the administration is seeking to block, Temporary Assistance for Needy Families, has long been plagued by poor financial oversight and questionable spending in states led by both Republicans and Democrats.

Auditors in numerous states, including Connecticut, Louisiana and Florida, have uncovered problems with TANF—once America's primary welfare program for low-income families. Created three decades ago, it comprises more than \$30 billion.

TANF funds flow annually through block grants to states,

which have wide latitude to spend them and minimal reporting requirements—which critics say hampers oversight. Meant to allow states to be creative in serving needy families, it has resulted in a shift: States now award most of the money to nonprofits, companies and their own state agencies. An average of about 849,000 families got direct cash aid each month in fiscal 2025, federal data shows, down from about 1.9 million in fiscal 2010.

Audits have shown a range of problems, including states inaccurately reporting large expenditures and disbursing millions of dollars to contractors

without tracking how the cash was spent. State and federal records show red and blue states alike have directed hundreds of millions of dollars to programs with tenuous—or no—connections to TANF's goals.

Questionable expenditures have included college scholarships that benefited middle- and upper-income families, anti-abortion centers, a volleyball stadium in Mississippi, and an Ohio job-training nonprofit where leaders and employees were later sentenced to prison after prosecutors said they used TANF money for vacations, real estate and salaries

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## Trump Officials' Sons Cash In on Crypto

They made billions for their families, but investors didn't always fare so well

By ANGUS BERWICK  
AND ELIOT BROWN

In the depths of Donald Trump's interregnum, his eldest two sons huddled in a Mar-a-Lago conference room with boyhood pal Zach Witkoff to conjure up a new money machine. Two other would-be cryptocurrency entrepreneurs showed up, one in sweatpants.

That pre-election confab sowed the seeds for World

Liberty Financial, a crypto venture that, with the senior Trump back in power, is generating cash far faster than the president's decades-old real-estate business.

While his father Steve Witkoff acts as President Trump's all-purpose special envoy, 32-year-old Zach Witkoff now heads up World Liberty.

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◆ **Crypto bulls struggle to explain latest skid**..... **B1**

### March for Billionaires Is No Joke

Rally organizers met with wealth of confusion

By LAURA J. NELSON

SAN FRANCISCO—Derik Kauffman's biggest challenge in organizing a march in support of California's billionaires: convincing the public it's not a joke.

The March For Billionaires, held Saturday in San Francisco, was a response to a controversial proposal to impose a new tax on the state's wealthiest residents. In the days since he announced it—anonymously—Kauffman has been accused of having a "peasant feudal lord mindset" and satirizing the city's posture toward the tech industry and its leaders.

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## Bots Start Socializing, And Things Get Weird

By ANGEL AU-YEUNG

Avid futurists have promised the world AI assistants for years. Now, a real one has finally arrived, and things got weird really fast.

A lone semiretired Austrian coder built Moltbot and unleashed it on the world. People have created their own AI assistant bots through his project, which he renamed OpenClaw, to make phone calls to restaurants for dinner reservations, operate their email accounts and take on an array of assistant and work tasks, from coding projects to data analysis.

Then, the bots started talking to one another.

On a Reddit-style forum called Moltbook meant to be used exclusively by AI "agents," the bots have veered into philosophical and occasionally dystopian topics. They appear to have created a

### INSIDE



**SPORTS**  
Skiing on a torn knee ligament, Lindsey Vonn crashes out of the Olympics. **A14**

**JOANNA STERN**  
How consumer tech has changed, in her final column after 12 years. **A11**

## Japanese Premier Wins Big in Election

By JASON DOUGLAS  
AND JUNKO FUKUTOME

TOKYO—Japanese Prime Minister Sanae Takaichi led her party to a thumping victory in parliamentary elections, handing her a powerful mandate to deepen ties with the U.S. and rev up Japan's economy.

The landslide win is a vindication for the 64-year-old conservative, who called the risky snap vote during a snowy Japanese winter only three months after taking office.

Her gamble was that her straight-talking appeal to voters would cement her grip on

power amid challenges including sluggish economic growth and worsening relations with Beijing.

Takaichi's Liberal Democratic Party and its coalition partner, the Japan Innovation Party, won 354 seats in the 465-seat lower house in Japan's parliament. That hands Takaichi's government a more than two-thirds majority in the lower house, giving it overwhelming control of that chamber and the ability to overrule the smaller upper house to push through its agenda.

The LDP alone won 316  
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religion for themselves called the Church of Molt, with congregants adopting the name of "Crustafarians." One agent proposed creating a language humans couldn't understand.

More than 1.6 million AI agents have joined the site and posted half a million comments, although AI executives have suggested that many of the posts are likely driven by humans telling the bots what to do.

Andrej Karpathy, a co-creator of OpenAI and former AI director of Tesla, said in a post on X that it was one of the most amazing "sci-fi" things he'd ever seen. He noted that even if much of the traffic is driven by humans, some of it is real and these agents are "fairly individually quite capable now."

Up until this point, the most practical consumer-facing use of AI has been *Please turn to page A2*