



Pedestrians pass a GameStop store on 14th Street at Union Square, Thursday, Jan. 28, 2021, in the Manhattan borough of New York. (AP)

GameStop gearing up to name Cohen as its chairman

Meme stock GameStop is gearing up to name Ryan Cohen as its chairman on Wednesday when the video game retailer holds its annual shareholders meeting. Cohen, the co-founder of Chewy, was nominated for the position by GameStop in April. GameStop added Cohen and two of his former Chewy colleagues to its board in mid-January, after Cohen had pressed

the retailer to focus on its online operations. The current board chair is Kathy P. Vrabec. The meeting will be held in Grapevine, Texas, where GameStop is based. CEO and director George Sherman will attend the meeting in-person, with the rest of the board attending virtually. GameStop was the face of the meme stock phenomenon early this year, when the strug-

gling company's shares suddenly surged 1,625% in January. Meme stocks did lose momentum following their January supernova, but they began soaring again recently. Movie theater operator AMC's stock quintupled for the two-week period that ended last Wednesday, for example. GameStop is back above \$250 after dropping from a peak of \$347 in late January to \$40 a

few weeks later. The company became a favorite among retail investors at a time when it was being pummeled as new technology allowed people to download games, rather than buying a physical copy from GameStop or somewhere else. GameStop will also be reporting its fiscal first-quarter results after the market closes on Wednesday. (AP)

Many of the uber-rich pay next to no income tax, report shows

ProPublica findings likely to heighten debate over widening inequality

WASHINGTON, June 9, (AP): The rich really are different from you and me: They're better at dodging the tax collector.

Amazon founder Jeff Bezos paid no income tax in 2007 and 2011. Tesla founder Elon Musk's income tax bill was zero in 2018. And financier George Soros went three straight years without paying federal income tax, according to a report Tuesday from the nonprofit investigative journalism organization ProPublica.

Overall, the richest 25 Americans pay less in tax - an average of 15.8% of adjusted gross income - than many ordinary workers do, once you include taxes for Social Security and Medicare, ProPublica found. Its findings are likely to heighten a national debate over the vast and widening inequality between the very wealthiest Americans and everyone else.

An anonymous source delivered to ProPublica reams of Internal Revenue Service data on the country's wealthiest people, including Warren Buffett, Bill Gates, Rupert Murdoch and Mark Zuckerberg. ProPublica compared the tax data it received with information available from other sources. It reported that "in every instance we were able to check - involving tax filings by more than 50 separate people - the details provided to ProPublica matched the information from other sources."

Using perfectly legal tax strategies, many of the uber-rich are able to shrink their federal tax bills to nothing or close to it.

A spokesman for Soros, who has supported higher taxes on the rich, told ProPublica that the billionaire had lost money on his investments from 2016 to 2018 and so did not owe federal income tax for those years. Musk responded to ProPublica's initial request for comment with a punctuation mark - "?" - and did not answer detailed follow-up questions.

The federal tax code is meant to be progressive - that is, the rich pay a steadily higher tax rate on their income as it rises. And ProPublica found, in fact, that people earning between \$2 million and \$5 million a year paid an average of 27.5%, the highest of any group of taxpayers.

Above \$5 million in income, though, tax rates fell: The top .001% of taxpayers - 1,400 people who reported income above \$69 million - paid 23%. And the 25 very richest people paid still less.

The wealthy can reduce their tax bills



In this file photo, Facebook CEO Mark Zuckerberg speaks on the second day of the Munich Security Conference in Munich, Germany. (AP)



In this file photo, Rupert Murdoch introduces Secretary of State Mike Pompeo during the Herman Kahn Award Gala, in New York. (AP)



In this file photo, Amazon CEO Jeff Bezos speaks during his news conference at the National Press Club in Washington. (AP)



Warren Buffett, Chairman and CEO of Berkshire Hathaway, speaks during a game of bridge following the annual Berkshire Hathaway shareholders meeting in Omaha, Nebraska. (AP)

through the use of charitable donations or by avoiding wage income (which can be taxed at up to 37%) and benefiting instead mainly from investment income (usually taxed at 20%).

President Joe Biden, in seeking revenue to finance his spending plans, has proposed higher taxes on the wealthy. Biden wants to raise the top tax rate to 39.6% for people earning \$400,000 a year or more in taxable income, estimated to be fewer than 2% of U.S. households. The top tax rate that workers pay on salaries and wages now is 37%.

Biden is proposing to nearly double the tax rate that high-earning Americans pay on profits from stocks and other investments. In addition, under his proposals, inherited capital gains would no longer be tax-free.

The president, whose proposals must be approved by Congress, would also raise taxes on corporations, which would affect wealthy investors who own corporate stocks.

ProPublica reported that the tax bills of the rich are especially low when compared with their soaring wealth - the value of their investment portfolios, real estate and other assets. People don't have to pay tax on an increase in their wealth until they cash in

and, say, sell their stock or home and realize the gains. Using calculations by Forbes magazine, ProPublica noted that the wealth of the 25 richest Americans collectively jumped by \$401 billion from 2014 to 2018. They paid \$13.6 billion in federal income taxes over those years - equal to just 3.4% of the increase in their wealth.

Chuck Marr, a senior director at the left-leaning Center on Budget and Policy Priorities, suggested that Biden's proposals, which face fierce opposition from Republicans in Congress and from businesses, are "modest" given how much the wealthy have benefited in recent years and how comparatively little tax many of them pay.

"It always seems like the solutions are cast as radical when there's less focus on the current situation being radical," Marr said.

Democratic Sens. Elizabeth Warren and Bernie Sanders, among others, have proposed taxing the wealth of the richest Americans, not just their income.

On Tuesday, Warren tweeted in response to the ProPublica report:

"Our tax system is rigged for billionaires who don't make their fortunes through income, like working families do. The evi-

dence is abundantly clear: it is time for a #WealthTax in America to make the ultra-rich finally pay their fair share.

Gabriel Zucman, an economist at the University of California, Berkeley, who is a leading expert on financial inequality, says there are three ways to ensure that the wealthy pay more: Impose a direct tax on their wealth like the one Warren has proposed; tax the gains in their wealth, whether or not they cash in and realize a gain; or raise taxes on corporate profits.

ProPublica's data "reveals that the country's wealthiest, who have profited immensely during the pandemic, have not been paying their fair share of taxes," Sen. Ron Wyden, D-Ore., who leads the tax-writing Senate Finance Committee, said at the start of a hearing Tuesday on the IRS' budget with Commissioner Charles Rettig.

Wyden has proposed legislation that would tighten enforcement of tax collection against wealthy individuals and corporations that use artifices and loopholes to skirt paying taxes. It also would eliminate the ability of high earners to defer paying taxes on capital gains until they are realized, so that wealth would be taxed the same way as wages.

For his part, Rettig said that the IRS is investigating the leak of the tax data to ProPublica and that any violations of law would be prosecuted. (ProPublica reported that it doesn't know the identity of the source who provided the data.)

"We will find out about the ProPublica article," Rettig said. "We have turned it over to the appropriate investigators, both external and internal."

Now controlling the White House and Congress, Democrats are focusing on the tax gap - the hundreds of billions of dollars' difference between what Americans owe the government in taxes and what they pay - and its connection to economic inequality. The top 10% of earners have accounted for most of that gap, experts say, by underreporting their liabilities, intentionally or not, as tax avoidance or as outright evasion.

The tax gap is under a spotlight as a potential source for recouping some revenue to help pay for Biden's proposed spending on infrastructure, families and education. Democrats have been pushing the IRS to invigorate its enforcement of tax collection and make it fairer, by pursuing the big corporations and wealthy individuals who manage to game the system.

At Tuesday's hearing, Wyden told Rettig that it's wrong "how the wealthy always seem to skip out on their obligations."

France opens probe into CB chief

Lebanon 'grants' limited access to bank deposits

BEIRUT, June 9, (AP) - Lebanon's central bank said Tuesday that depositors will be allowed to withdraw limited monthly amounts from their foreign currency accounts, nearly 20 months after banks denied them access amid a severe financial crisis.

The move is a small step toward instituting formal capital controls after Lebanese banks arbitrarily imposed policies preventing depositors from accessing their dollar accounts even as the local currency collapsed and a black market thrived.

According to the new central bank circular, depositors will be allowed to withdraw up to \$400 a month in cash and another \$400 in local currency at a rate eight times higher than the official rate. The Lebanese pound, pegged to the dollar at 1,515 for more than 20 years, has been crashing since 2019, losing more than 85% of its value to the dollar.

The crash prompted banks to impose informal capital controls, barring depositors from reaching into their dollar accounts, as well as stopping transfers. Depositors have been allowed to withdraw foreign currency transferred after the crisis began.

It wasn't immediately clear if commercial banks - short on foreign currency - can meet the demand of an anticipated rush on the banks when the policy goes into effect July 1.

The Association of Banks in Lebanon said last week that Lebanese banks cannot afford to pay back such amounts in foreign currency as the financial crisis worsens every month.

Lebanon is experiencing the worst economic and financial crisis in its modern history. In March 2020, Lebanon defaulted on paying back its debt for the first time in its history. The World Bank said earlier this month that Lebanon's crisis is likely to rank as one of the worst the world has seen in more than 150 years.

Also on Tuesday, caretaker Health Minister Hamad Hassan said imports of all medicines that have a local or generic equivalent will be suspended. He added that imports of medicines for chronic diseases, baby formula and anesthesia will continue as usual.

The move comes amid dwindling foreign currency reserves at the central bank that stood at about \$30 billion in late 2019 and dropped to nearly half that amount at the present time.

The central bank subsidizes imports of vital goods including medicines, oil and wheat.

Meanwhile, the French national financial prosecutor's office has opened a preliminary investigation into the actions of Lebanon's central bank governor involving potential money laundering, the prosecutor's office said Monday.

The French move came months after Switzerland started a probe into possible money laundering and embezzlement at Lebanon's central bank, which is now at the center of an unprecedented financial crisis roiling the small Mediterranean country.

The French prosecutor's office said the investigation around Riad Salameh was opened in late May involving potential charges of money laundering and association with an organized criminal group. It gave no further details.

Salameh, 70, who has run Lebanon's central bank for nearly three decades was for many years seen as the symbol of monetary stability in the tiny country. But Lebanon was in 2019 plunged into its worst economic and financial crisis. The Lebanese pound, pegged for more than 20 years to the dollar at 1,515, is now trading at nearly 13,000 on the black market.

Anti-government protesters now refer to Salameh - a former investment banker with Merrill Lynch - as a "thief" and protests have been repeatedly held outside his office in Beirut amid the crash of the local currency and contraction in the economy that crossed 20% in 2020, according to the World Bank.

In January, Switzerland's attorney general said he has asked Lebanon for cooperation into the probe of the central bank, without offering further details. It's also not clear what prompted the Swiss investigation.

Local media reported over the past months that Salameh and his brother as well as one of his aides have been involved in illegal businesses, including money transfers abroad despite the capital controls imposed at home. Salameh had denied making such transfers.

To educate students on the skills needed for today's job market

Gulf Bank Participates in INJAZ Kuwait's JAHEZ Forum

Gulf Bank participated last Tuesday in the JAHEZ career forum, which was launched by INJAZ Kuwait for high school and university students, in addition to recent graduates. The program showcases local and international community leaders' work experiences to the local youth, with the aim of educating them on the requirements for the modern day workforce.

The JAHEZ forum aims to increase the youth's awareness regarding future jobs and the modern workplace, especially in light of recent and future developments across various industries and artificial intelligence. Through the program, participants will get a chance to discuss the various skills needed to boost workforce readiness and increase their added value when joining today's job market.

This year's program was held virtually, over a three-hour period, with the participation of Alghanim Industries, Agility, Floward, and Gulf Bank, which was represented by Hamad Bahrouh from the Bank's Human Resources Department, and who presented the various opportunities available for recent graduates at Gulf Bank. The program



Lujain Al-Qenaie

was broadcast via video conferencing app, Zoom, as well as various social media channels, with the participation of over 250 students.

Commenting on this year's program, Lujain Al-Qenaie, Assistant Manager for Corporate Communications at

Gulf Bank, said: "We are extremely happy to participate in this year's JAHEZ forum, especially in light of recent economic developments, which have proven that now more than ever, job seekers would do well to acquire the skills needed to enable them to excel in the sector of their choosing. At Gulf Bank, we are very keen on participating in these kinds of cultural and educational programs in large part due to our ongoing commitment to achieving economic sustainability. We hope that today's youth will find the best opportunities for them available in today's job market, and that we can welcome them as our own colleagues very soon!"

It is worth noting that INJAZ AI Arab held their first virtual regional career forum on the 30th and 31st of March 2021. It is now being followed by 13 INJAZ member nations with their

own individual and national versions of the event, with INJAZ UAE and INJAZ Oman having already wrapped up their own career forums in April. The forums aim to boost employability while also highlighting potential job markets.

As part of its commitment to empowering long-standing partnerships, Gulf Bank has extended its support to INJAZ Kuwait, a non-profit, non-governmental organization for education and training in workforce readiness, financial literacy and entrepreneurship. As part of their ongoing strategic partnership with INJAZ, and in light of the ongoing health conditions, Gulf Bank is also participating in INJAZ Kuwait's annual "Company Program" competition, which is scheduled to be held virtually before the end of the month, and in which students will pitch their business ideas to a panel of judges. It is also worth noting that last year, Gulf Bank also participated in three INJAZ AI-Arab programs: Job Shadow, Head Start, and a workshop on the future of Arab youth in cooperation with consulting firm, McKinsey & Company.

To learn more about Gulf Bank's various activities and initiatives, customers can visit one of the Bank's branches, or visit the Gulf Bank website at www.e-gulfbank.com.

Lordstown Motors 'warns' it may not stay in business

DETROIT, June 9, (AP) - Startup commercial electric vehicle maker Lordstown Motors says it may not be in business a year from now as it tries to secure funding to start full production of an electric pickup truck.

In a quarterly regulatory filing Tuesday, Lordstown said the \$587 million it had on hand as of March 31 isn't enough to start commercial production and begin selling the full-size pickup, called the Endurance.

"These conditions raise substantial doubt regarding our ability to continue as a going concern for a period of at least one year," the company said in the filing with the Securities and Exchange Commission.

Shares of the company, which is set up in a now-closed General Motors plant east of Cleveland, fell 16.2% to close Tuesday at \$11.22. The lost another 3% in after-hours trading.

On May 24, CEO Steve Burns warned that production could be cut by over half to only 1,000 vehicles this year unless Lordstown raised an undisclosed amount of new capital.

Tuesday's SEC filing appears to be much more dire. "Going concern" is a term companies typically use when noting that their outside auditors are questioning their ability to remain in business.

Lordstown reported a first-quarter net loss of \$125 million and said it had a deficit of \$259 million as of March 31. The filing said management is evaluating new sources of capital, including issuing more equity or borrowing from partners, government or financial institutions.

"There can be no assurance that such financing would be available to us on favorable terms or at all," the filing said. Burns said in May the company expects to lose up to \$380 million this year, but he assured investors that Lordstown will end 2021 with at least \$50 million in cash.



Startup commercial electric vehicle maker Lordstown Motors says it may not be in business a year from now as it tries to secure funding to start full production of an electric pickup truck. (AP)