

This file photo shows a portion of the UnitedHealth Group Inc.'s campus in Minnetonka, Minnesota. (AP)



UnitedHealth ups forecast after strong start to year

UnitedHealth profits jumped about 44% in the first quarter and the nation's largest health insurer boosted its outlook for the year. The company said Thursday that the performance of its Optum division was particularly strong.

UnitedHealth raised its full year profit forecast to adjusted earnings of \$18.10 to \$18.60 per share, up from an outlook of \$17.75 to \$18.25 per share

that it debuted in December. The new range mostly tops the average analyst forecast of \$18.19 per share, according to FactSet.

That projection includes a potential downside per-share of \$1.80 due to the continuing influence of the pandemic. Insurers like UnitedHealthcare saw health care use rebound toward the end of 2020 after the COVID-19

pandemic kept people away from doctor offices and surgery centers when it first spread earlier last year. Plus the company's commercial health insurance enrollment also has been hit by high unemployment during the pandemic.

UnitedHealth Group Inc. posted quarterly earnings of \$4.86 billion, or \$5.08 per share. Earnings, adjusted

for amortization costs, were \$5.31 per share, easily topping Wall Street's per-share expectations of \$4.42, according to a survey by Zacks Investment Research.

The Minnetonka, Minnesota, company posted revenue of \$70.2 billion, and that topped projections.

Shares are up slightly before the opening bell Thursday. (AP)



Business BUZZ

Deal unprecedented in history of Tennessee economic projects: Nashville mayor

Oracle to bring 8,500 jobs, \$1.2b investment

NASHVILLE, Tennessee, April 15, (AP) — Oracle Corporation plans to bring 8,500 jobs and a \$1.2 billion investment to fast-growing Nashville, a deal Mayor John Cooper's office announced Wednesday as unprecedented in the history of Tennessee economic development projects.

Cooper's office said the Austin, Texas-based computer technology company requested a public hearing for its economic impact plan with the Metro Industrial Development Board. That board and the Metro Council would need to finalize the deal. According to documents provided by Cooper's office, the project would create 2,500 jobs in Nashville by the end of 2027, reaching the full 8,500 by the end of 2031, with an average salary of \$110,000.

Oracle's plans for a campus with 1.2 million square feet (nearly 111,500 square meters) of office space along the East Bank of the Cumberland River would surpass those of Amazon, which in 2018 announced it would bring 5,000 jobs through a \$230 million investment in a new operations hub in Nashville.

"We are thrilled that Oracle is ready to make a billion-dollar bet on Nashville," Cooper said in a news release. "Oracle will bring a record number of high-paying jobs to Nashville and they will pay upfront all the city's infrastructure costs. This is a huge win for our city."

Oracle plans to buy the land and offer \$175 million upfront for public infrastructure, including a pedestrian bridge over the Cumberland River, environmental cleanup, a sewer pump station and a riverfront park, the mayor's office said.

Half of Oracle's future property taxes - which the company estimates will be roughly \$18 million annually when

the project is fully built - would reimburse the company for the upfront investment, without interest payments, with the other half going into the city's general operating fund, Cooper's office said.

The company also expects the project to produce about \$8.8 million annually in local sales and use taxes, according to the mayor's office.

In a statement, Oracle said it's meeting demand for its cloud product by building "new digital hubs in cities with well-educated workforces and vibrant cultures that draw top-tier talent."

"We think Nashville has tremendous potential to be Oracle's next success, and we look forward to working with city and state officials as the process moves forward," the company said.

The city's proposal even drew praise from The Beacon Center of Tennessee, a free-market thinktank that has long scrutinized Nashville's approach to economic incentive deals.

"Based on initial reports of the deal's structure, we applaud the mayor for doing things differently and in a way that does not cost taxpayers money," Beacon Center CEO Justin Owen said in a statement.

State officials have not yet said how much they expect to contribute to the deal.

The announcement shows the Democratic-leaning capital city remains in high demand for companies, even as Republicans leading the state continue to move bills on divisive social issues that have faced corporate opposition, including ones that target the LGBT community.

In recent years, a number of high-profile companies, including Amazon, have penned letters of opposition to Tennessee bills that center on LGBT people. Some ultimately became law, including this year's ban on transgender athletes in public middle school and high school sports.

Joe Woolley, CEO of Nashville's LGBT Chamber of Commerce, said his group looks forward to working with Oracle on diversity and inclusion initiatives, noting the company's perfect score on the Human Rights Campaign Equality Index.



In this file photo, Nashville Mayor John Cooper delivers the State of Metro Address from the Council Chambers at the Metro Courthouse in Nashville, Tennessee. (AP)

Push for \$2.3tn 'infra' plan

Biden tells execs US needs to 'invest' and lead in chips

WASHINGTON, April 15, (AP) — President Joe Biden used a virtual meeting with corporate leaders about a global shortage of semiconductors to push for his \$2.3 trillion infrastructure plan, telling them that the U.S. should be the world's computer chip leader.

"We need to build the infrastructure of today, not repair the one of yesterday," he told the group of 19 executives from the technology, chip and automotive industries. "China and the rest of the world is not waiting and there's no reason why Americans should wait."

He said the country hasn't made big investments to stay ahead of global competitors, and it needs to step up its game.

Biden made an appearance at the meeting between administration officials and company leaders held to discuss developing a stronger U.S. computer chip supply chain. The meeting came as the global chip shortage continued to plague a wide array of industries.

CEOs of AT&T, Dell, Ford, General Motors, Stellantis (formerly Fiat Chrysler), Intel, Northrop Grumman, and others were scheduled to attend.

But industry experts say there's little they can do to stem the shortage, which has delayed a new iPhone and forced automakers to temporarily shut factories because they're running short of the multiple computers needed to run engines, transmissions, brakes and other essential features.

Instead, Biden brought up developing a U.S. chip supply chain since most are made in Asia and shipped to the U.S. In February he ordered a review of the supply chain and pledged to work with international partners to ensure stable supplies.

Wedbush analyst Daniel Ives said there's little that can be done immediately to end the current problem. "This could change things over the next three to five years, but for right now, there's no structural changes that could alleviate the shortage," he said.

The shortage already has made it harder for schools to buy enough laptops for students forced to learn from home, delayed the release of popular products and created mad scrambles to find the latest video game consoles.

But things have worsened in recent weeks, particularly



President Joe Biden pulls a note card from his pocket as he speaks from the Treaty Room in the White House. (AP)

in the auto industry, where factories are shutting down because there aren't enough chips to finish building vehicles that are becoming rolling computers.

The coronavirus pandemic touched off a cascade of events that led to the problems. Chip factories had to shut down early last year, particularly overseas where most processors are made. By the time they reopened, they had a backlog that was worsened by unforeseen demand. Personal computer demand, for instance, spiked as government lockdowns forced millions of office employees and students to work or attend class remotely.

High demand for consumer electronics squeezed the auto industry. Chip makers compounded the pressure by rejiggering factory lines to better serve the consumer-electronics market, which generates far more revenue for them than autos.

After eight weeks of pandemic-induced shutdown in the spring, automakers started reopening factories earlier than expected. But they found out that chip makers weren't able to flip a switch quickly and make the more robust processors needed for cars. Industry executives say the shortage should start to end by the third quarter of this year.

It's merely a symptom of a larger problem of the U.S. relying too much on Asia for critical parts such as semiconductors, said Ives said, who called the meeting long overdue. "I think now it's just exposing the structural issues as well as some of the potential national security issues the U.S. faces, given our reliance on Asia," he said.

The U.S. has only 12% of the world's semiconductor factory capacity, down from 37% in 1990, according to the Semiconductor Industry Association.

Not surprisingly, the major players in the chip industry welcomed the opportunity to gain even more support from the Biden administration to help subsidize the efforts to expand the supply and distribution of processors likely to play an integral role in the economy for decades to come.

"We appreciate the White House meeting with industry leaders about the importance of ensuring a strong and resilient semiconductor supply chain," said the semiconductor association, a trade group whose board of directors includes three CEOs who participated in Monday's discussions.

The association's other members include three major chip players outside the U.S., Samsung, Taiwan Semiconductor Manufacturing Co. and NXP, who sent executives to the meeting.

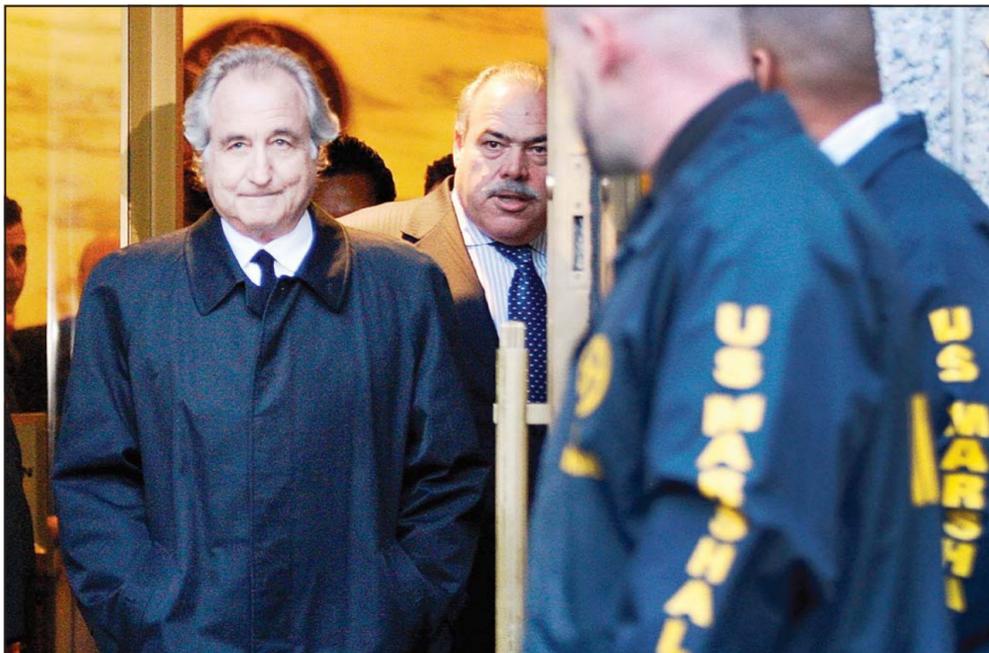
Intel CEO Pat Gelsinger warned a future shortage of chips "could have a devastating economic impact, or worse, compromise our national defense."

The trade group representing Ford, General Motors and Stellantis thanked the administration for pressing chip makers to fill automakers' orders. "It is imperative that all efforts are made to ensure our auto industry remains indispensable to the U.S. economy and American jobs," Matt Blunt, president of the American Automotive Policy Council, said in a statement.

The shortage comes just as the auto industry is accelerating plans to shift away from internal combustion vehicles, shifting more toward those powered by batteries.

'The scandal exacted a personal toll on his family'

Ponzi schemer Madoff dies in prison



Disgraced financier Bernard Madoff leaves U.S. District Court in Manhattan after a bail hearing in New York, Monday, Jan. 5, 2009. Madoff, the financier who pleaded guilty to orchestrating the largest Ponzi scheme in history, died early Wednesday, April 14, 2021, in a federal prison, a person familiar with the matter told The Associated Press. (AP)

By Michael Balsamo and Tom Hays

Bernie Madoff, the financier who pleaded guilty to orchestrating a massive Ponzi scheme, died in a federal prison early Wednesday, a person familiar with the matter told The Associated Press. He was 82.

Madoff died at the Federal Medical Center in Butner, North Carolina, apparently from natural causes, the person said. The person was not authorized to speak publicly and spoke to the AP on the condition of anonymity.

Last year, Madoff's lawyers filed court papers to try to get him released from prison in the coronavirus pandemic, saying he had suffered from end-stage renal disease and other chronic medical conditions. The request was denied.

Madoff admitted swindling thousands of clients out of billions of dollars in investments over decades.

A court-appointed trustee has recovered more than \$13 billion of an estimated \$17.5 billion that investors put into Madoff's business. At the time of Madoff's arrest, fake account statements were telling clients they had holdings worth \$60 billion.

For decades, Madoff enjoyed an image as a self-made financial guru whose Midas touch defied market fluctuations. A former chairman of the Nasdaq stock market, he attracted a devoted legion of investment clients - from Florida retirees to celebrities such as famed film director Steven Spielberg, actor Kevin Bacon and Hall of Fame pitcher Sandy Koufax.

But his investment advisory business was exposed in 2008 as a multibillion-dollar Ponzi scheme that wiped out people's fortunes and ruined charities and foundations. He became so hated he had to wear a bulletproof vest to court.

Madoff pleaded guilty in March 2009 to securities fraud and other charges, saying he was "deeply sorry and ashamed."

After several months living under house arrest at his \$7 million Manhattan penthouse apartment, he was led off to jail in handcuffs to scattered applause from angry investors in the courtroom.

"He stole from the rich. He stole from the

poor. He stole from the in between. He had no values," former investor Tom Fitzmaurice told the judge at the sentencing. "He cheated his victims out of their money so he and his wife ... could live a life of luxury beyond belief."

U.S. District Judge Denny Chin showed no mercy, sentencing Madoff to the maximum 150 years in prison.

"Here, the message must be sent that Mr. Madoff's crimes were extraordinarily evil and that this kind of irresponsible manipulation of the system is not merely a bloodless financial crime that takes place just on paper, but it is instead ... one that takes a staggering human toll," Chin said.

The Madoffs also took a severe financial hit: A judge issued a \$171 billion forfeiture order in June 2009 stripping Madoff of all his personal property, including real estate, investments, and \$80 million in assets his wife, Ruth, had claimed were hers. The order left her with \$2.5 million.

The scandal also exacted a personal toll on the family: One of his sons, Mark, killed himself on the second anniversary of his father's arrest in 2010. And Madoff's brother, Peter, who helped run the business, was sentenced to 10 years in prison in 2012, despite claims he was in the dark about his brother's misdeeds.

Madoff's other son, Andrew, died from cancer at age 48, Ruth is still living.

Madoff was sent to do what amounted to a life sentence at Butner Federal Correctional Complex, about 45 miles northwest of Raleigh, N.C. A federal prison website listed his probable release date as Nov. 11, 2139.

Madoff was born in 1938 in a lower-middle-class Jewish neighborhood in Queens. In the financial world, the story of his rise to prominence - how he left for Wall Street with Peter in 1960 with a few thousand dollars saved from working as a lifeguard and installing sprinklers - became legend.

"They were two struggling kids from Queens. They worked hard," said Thomas Morling, who worked closely with the Madoff brothers in the mid-1980s setting up and running computers that made their firm

a trusted leader in off-floor trading.

"When Peter or Bernie said something that they were going to do, their word was their bond," Morling said in a 2008 interview.

In the 1980s, Bernard L. Madoff Investment Securities occupied three floors of a midtown Manhattan high-rise. There, with his brother and later two sons, he ran a legitimate business as middlemen between the buyers and sellers of stock.

Madoff raised his profile by using the expertise to help launch Nasdaq, the first electronic stock exchange, and became so respected that he advised the Securities and Exchange Commission on the system. But what the SEC never found out was that behind the scenes, in a separate office kept under lock and key, Madoff was secretly spinning a web of phantom wealth by using cash from new investors to pay returns to old ones.

Authorities say that over the years, at least \$13 billion was invested with Madoff. An old IBM computer cranked out monthly statements showing steady double-digit returns, even during market downturns. As of late 2008, the statements claimed investor accounts totaled \$65 billion.

The ugly truth: No securities were ever bought or sold. Madoff's chief financial officer, Frank DiPascali, said in a guilty plea in 2009 that the statements detailing trades were "all fake."

His clients, many Jews like Madoff and Jewish charities, said they didn't know. Among them was Nobel Peace Prize winner and Holocaust survivor Elie Wiesel, who recalled meeting Madoff years earlier at a dinner where they talked about history, education and Jewish philosophy - not money.

Madoff "made a very good impression," Wiesel said during a 2009 panel discussion on the scandal. Wiesel admitted that he bought into "a myth that he created around him that everything was so special, so unique, that it had to be secret."

Like many of his clients, Madoff and his wife enjoyed a lavish lifestyle. They had a \$7 million Manhattan apartment, an \$11

million estate in Palm Beach, Florida and a \$4 million home on the tip of Long Island. There was yet another home in the south of France, private jets and a yacht.

It all came crashing down in the winter of 2008 with a dramatic confession at Madoff's 12th-floor apartment on the Upper East Side. In a meeting with his sons, he confessed that his business was "all just one big lie."

After the meeting, a lawyer for the family contacted regulators, who alerted the federal prosecutors and the FBI. Madoff was in a bathrobe when two FBI agents arrived at his door unannounced on a December morning. He invited them in, then confessed after being asked "if there's an innocent explanation," a criminal complaint said.

Madoff responded: "There is no innocent explanation."

As he had from the start, Madoff insisted in his plea that he acted alone - something the FBI never believed. As agents scoured records for evidence of a broader conspiracy and cultivated DiPascali as a cooperator, the scandal turned Madoff into a pariah, evaporated life fortunes, wiped out charities and apparently pushed some investors to commit suicide.

A trustee was appointed to recover funds - sometimes by suing hedge funds and other large investors who came out ahead - and divvying up those proceeds to victims. The search for Madoff's assets "has unearthed a labyrinth of interrelated international funds, institutions and entities of almost unparalleled complexity and breadth," the trustee, Irving Picard, said in a 2009 report.

The report said the trustee has located assets and businesses "of interest" in 11 places: Great Britain, Ireland, France, Luxembourg, Switzerland, Spain, Gibraltar, Bermuda, the British Virgin Islands, the Cayman Islands, the Bahamas. More than 15,400 claims against Madoff were filed.

At Madoff's sentencing in June 2009, wrathful former clients stood to demand the maximum punishment. Madoff himself spoke in a monotone for about 10 minutes. At various times, he referred to his monumental fraud as a "problem," "an error of judgment" and "a tragic mistake."

He claimed he and his wife were tormented, saying she "cries herself to sleep every night, knowing all the pain and suffering I have caused."

"That's something I live with, as well," he said.

Afterward, Ruth Madoff - often a target of victims' scorn since her husband's arrest - broke her silence that same day by issuing a statement claiming that she, too, had been misled by her high school sweetheart.

"I am embarrassed and ashamed," she said. "Like everyone else, I feel betrayed and confused. The man who committed this horrible fraud is not the man whom I have known for all these years."

About a dozen Madoff employees and associates were charged in the federal case. Five went on trial in late 2013 and watched DiPascali take the witness stand as the government's star witness. (AP)

DiPascali recounted for jurors how just before the scheme was exposed, Madoff called him into his office.

"He'd been staring out the window the all day," DiPascali testified. "He turned to me and he said, 'I'm at the end of my rope. ... Don't you get it? The whole goddamn thing is a fraud.'"

In the end, that fraud brought fresh meaning to "Ponzi scheme," named after Charles Ponzi, who was convicted of mail fraud after bilking thousands of people out of a mere \$10 million between 1919 and 1920.

"Charles Ponzi is now a footnote," said Anthony Sabino, a defense lawyer specializing in white collar criminal defense. "They're now Madoff schemes." (AP)