Hacker's Pearl Harbor / Rise of the Female Jihadi

Newsweek

11.11.2016

TRUMP'S MISSING EMAILS

HIS COMPANIES HAVE REGULARLY DESTROYED OR HIDDEN DOCUMENTS, DEFYING COURT ORDERS

$8.99
46
08321
0 733618 8

The state's largest business advocacy organization working to keep Georgia the best place in the nation to do business.

★ ★ ★ ★ ★

www.gachamber.com

Newsweek

11.11.2016 / VOL.167 / NO.17

SARAH BLESENER

+

PAYING THE BILLS: Nastya, 26, regularly heads to the front lines of combat in Ukraine to support her two children. She is not affiliated with any government organization or army.

FEATURES

COVER CREDIT: PHOTOGRAPH BY NIGEL PERRY/CPI

Newsweek (ISSN0028-9604) is published weekly except one week in January, July, August and October. Newsweek is published by Newsweek LLC, 7 Hanover Square, 5th Floor, New York, NY 10004. Periodical postage is paid at New York, NY and additional mailing offices. POSTMASTER: Send change of address to Newsweek, 7 Hanover Square, 5th Floor, New York, NY 10004.

For Article Reprints, Permissions and Licensing **www.IBTreprints.com/Newsweek**
PARS International (212) 221-9595 x210 **Newsweek@parsintl.com**

DEPARTMENTS

FOR MORE HEADLINES, GO TO **NEWSWEEK.COM**

Newsweek

EDITOR-IN-CHIEF
Jim Impoco

DEPUTY EDITOR
Bob Roe

OPINION EDITOR
Nicholas Wapshott

MANAGING EDITOR
Kenneth Li

CONTRIBUTING DESIGN DIRECTOR
Priest + Grace

INTERNATIONAL EDITOR
Claudia Parsons

EUROPEAN EDITOR
Matt McAllester

EXECUTIVE EDITOR, DIGITAL
Margarita Noriega

EDITORIAL

SENIOR EDITOR **R.M. Schneiderman**
NATIONAL EDITOR **John Seeley**
POLITICS EDITOR **Matt Cooper**
SCIENCE, HEALTH, TECH EDITOR **Paul Raeburn**
CULTURE EDITOR **Joe Veix**
EXECUTIVE EDITOR, TV, FILM AND DIGITAL **Teri Wagner Flynn**
CONTRIBUTING EDITOR **Owen Matthews**
COPY CHIEF **Elizabeth Rhodes**
PRODUCTION EDITOR **Jeff Perlah**
COPY EDITORS **Joe Westerfield**
Bruce Janicke

DIGITAL

WEEKEND EDITOR **Nicholas Loffredo**
DIGITAL STRATEGY EDITOR **Joanna Brenner**
VICE PRESIDENT, VIDEO PRODUCTION AND STRATEGY **Eric Gonon**
EXECUTIVE PRODUCER, VIDEO **Barclay Palmer**

ART + PHOTO

ART DIRECTOR **Michael Friel**
ASSOCIATE ART DIRECTOR **Dwayne Bernard**
DESIGNER **Jessica Fitzgerald**
PHOTO DIRECTOR **Shaminder Dulai**
PHOTO EDITOR **Jen Tse**
CONTRIBUTING DIGITAL IMAGING SPECIALIST **Katy Lyness**

WRITERS

Ryan Bort
Nina Burleigh
Janine Di Giovanni
Kurt Eichenwald
Sean Elder*
Jessica Firger
Michele Gorman
Elizabeth Isaacson*
Abigail Jones
Max Kutner
Douglas Main
Kevin Maney*
Leah McGrath Goodman
Alexander Nazaryan
Bill Powell
Winston Ross*
Josh Saul
Roberto Saviano*
Zoë Schlanger
Zach Schonfeld
David Sirota
Jeff Stein
John Walters
Lucy Westcott
Stav Ziv

*Contributing

PUBLISHED BY
Newsweek LLC,
A DIVISION OF
IBT Media Inc.

CHAIRMAN
Etienne Uzac

CHIEF EXECUTIVE OFFICER
Dev Pragad

CHIEF CONTENT OFFICER
Johnathan Davis

CHIEF OPERATING OFFICER
Alvaro Palacios

CHIEF MARKETING OFFICER
Mitchell Caplan

VICE PRESIDENT OF SALES
Madelin Bosakewich

ADVERTISING + MARKETING

SALES DIRECTOR
Marta Leja

VICE PRESIDENT, MARKETING
Dan Goodman

A NATION OF WHISKY LOVERS

SCOTTISH WHISKY expert Charles MacLean said in a recent interview that Taiwan has more whisky connoisseurs than anywhere else in the world.

That may be surprising to drinkers in the US, France and Singapore, who make up the top three whisky markets by value according to the Scotch Whisky Association.

Yet Taiwan's hard liquor culture dates back to pre second world war times and the local tradition of long, business dinners extending late into the night.

The Scottish writer and commentator also described Taiwan's Kavalan whisky as "consistently excellent," and said the nation was slowly gaining a reputation for becoming one of the top whisky regions in the world.

Family-owned Kavalan is Taiwan's first whiskymaker. Its distillery doors opened to the public in 2008, and the brand takes its name from the old name of Yilan county in northeastern Taiwan where the distillery is based.

Back in 2010, Maclean was one of the judges at the high-stakes British blind tasting that first propelled the Taiwanese brand to world whisky prominence. That weekend, Kavalan beat four Scotches and one English whisky.

Since then, Kavalan has grown in reputation, golds and distillery capacity, with more than 210 gold awards or above collected from the world's toughest competitions.

In 2015, Kavalan won the "World's Best Single Malt Whisky" for its Solist Vinho Barrique from the prestigious World Whiskies Awards. The same year, Master Blender Ian Chang was also named Icons of Whisky's "Master Distiller of the year." This year Kavalan claimed the "World's Best Single Cask Single Malt Whisky" from the same competition for its Solist Amontillado.

Meanwhile, the distillery's expansion drive to satisfy demand will see Kavalan's capacity double in 2017 from 10 to 20 copper stills, reaching a production of 10 million bottles (9 million litres of pure alcohol) per year.

This puts the Taiwanese distillery's annual production on a par with some other veteran brands.

A second warehouse completed recently means Kavalan can now mature 120,000 casks in its two five-storey warehouses.

Temperatures on the top floors can reach 42 degrees centigrade in summer and its predominantly American oak casks are lashed together four by four as an earthquake precaution. After all, Taiwan is volcanic and located on the Pacific Rim of Fire.

While many experts initially dismissed the idea that good whisky could be produced in such heat and high humidity, Kavalan has successfully proven its skeptics wrong.

"We have managed to turn Taiwan's climate to our advantage," said Kavalan founder Mr Yu-Ting Lee, who commissioned Scottish whisky expert Dr Jim Swan to help him find a way in the early 2000s to produce world-class whisky on the island.

Taiwan's heat speeds up maturation, meaning Kavalan can be produced in a shorter time than whisky in colder production regions.

Dr Swan adapted the traditional distillation and maturation processes to include placing integralcooling jackets within Kavalan's double-skinned stainless steel fermenters.

Kavalan master blender Ian Chang, who has worked closely with Dr Swan since inception said that the distillery continues to follow his exact instructions for whisky production.

Under Mr Lee's direction, Chang and his team have been busy over the past few years expanding the brand globally from its South East Asian stronghold of Taiwan, China, Singapore, Hong Kong and Malaysia out to the newer markets of the US, Europe, Australia and even Russia.

Thanks to their efforts, Kavalan now exports to 40 markets, with Myanmar the very latest country where fans can obtain a bottle of the Taiwanese-made whisky.

Kavalan hopes the US will become one of its largest markets with the EU being the biggest one currently.

The Taiwanese whisky said it was slowly increasing the number of shops and venues selling Kavalan to meet a growing demand as its brand gains recognition among Americans.

Starting small hasn't deterred Kavalan from its goal before. And it is unlikely to do so again as this Asian whiskymaker takes its first steps into the expansive US market. ■

BIG SHOTS

IRAQ

Escape From Mosul

Qayyarah, Iraq—As Iraqi and Kurdish forces marched toward Mosul, Iraq, for a showdown with the Islamic State militant group, civilians faced a harrowing choice: stay or flee. Aid workers fear hundreds of thousands will be displaced, like this group of Iraqis near the town of Qayyarah on October 24. Those who flee risk running into snipers, kidnappers and roadside bombs. Most will face a grim life in refugee camps. But those who remain could face a worse fate. United Nations investigators say ISIS is executing civilians who refuse to join its ranks. Others are being used as human shields, the investigators say.

BULENT KILIC

BULENT KILIC/AFP/GETTY

FRANCE

Fire in the Jungle

Calais, France—They are Europe's tired, poor and huddled masses, migrants and refugees fleeing war and poverty in places like Sudan and Syria. Now they are leaving home once again. On October 24, France began clearing out the Jungle, a sprawling refugee center in the northern city of Calais. Some protested the move, while others were eager to say goodbye. The next day, fires erupted at the camp, like the one shown here, burning much of it to the ground. France is hoping to relocate the thousands of people to towns across the country, despite protests from residents. They will live there for several months as they apply for asylum. Many appear to be eligible, but some will surely be expelled.

PETE KIEHART

PETE KIEHART


GUARDIA
NACIONAL
BOLIVARIANA

CARLOS EDUARDO RAMIREZ/REUTERS

VENEZUELA

Polling Places

San Cristóbal, Venezuela—Dozens of people were injured and a policeman was shot and killed as hundreds of thousands of people protested on October 26 in hope of ousting leftist President Nicolás Maduro. "This government is going to fall!" protesters shouted, many wearing white and waving the country's flag as they gathered at dozens of locations, according to Reuters.

CARLOS EDUARDO

USA

Ladies, First

Winston-Salem, North Carolina—Democratic presidential nominee Hillary Clinton embraces first lady Michelle Obama at an October 27 event, the first time the former and current first ladies have appeared together on the campaign trail. Obama has campaigned hard for Clinton, with blistering attacks against Republican nominee Donald Trump. And with FBI Director James Comey announcing new emails relevant to the agency's earlier probe of Clinton's private server—throwing the election into disarray and emboldening Trump—Clinton needs all the help she can get.

LOGAN CYRUS

LOGAN CYRUS/AFP/GETTY

THE HACKER'S PEARL HARBOR

The recent internet attack is just a taste of how ugly the hack war will be and how much worse it's going to get

ONE WEEK before the recent massive hack attack shut off access to Twitter, PayPal, Airbnb and dozens of other major websites, I was at an off-the-record conference with leaders of some of the country's biggest companies, discussing cyberthreats. Like soldiers in one of the landing crafts approaching the beach on D-Day, the CEOs seemed resigned to their grim fate. A destructive attack was inevitably going to rip through some, if not all, of them. They felt sorry for themselves and one another.

And most weren't even imagining how bad it's going to get. IBM CEO Ginni Rometty has said cybercrime is today's greatest threat to global business, apparently putting it ahead of nuclear war, climate change or an alien invasion.

We're in an age of world-changing technological wonders—self-driving cars, artificial intelligence, digital currencies, virtual reality, speech recognition that's more accurate than humans. We're putting chips and software into everything and connecting it all to a global network, creating a giant hive of people, places and things. These advances can make life easier, safer and more prosperous for most people. But technology doesn't have morals, and bad people with evil intentions can hijack any invention. Your cool new electronic-connected toilet? Just wait until a hacker turns it against you.

As the world grows ever more digital, hacking is at the same time becoming ever more profitable, ever more destructive. Yet no one knows how to stop the increasingly sophisticated hacking. No research lab is on the brink of a breakthrough. No security company makes software that's impenetrable. Meanwhile, cybercrime is turning into a booming industry. Enterprising assholes have even created hacking-as-a-service. Pretty much anyone with a credit card and a surfeit of bile can head online and configure hacking tools to go after any entity. "You really have to have an hour-by-hour sense of paranoia now," Mike Campbell, CEO of financial software company International Decision Systems, told me earlier this year.

BY
KEVIN MANEY
@kmaney

ISAAC BREKKEN/AP

NOT INSULATED: Jay Radcliffe hacked his insulin pump to control it remotely. Hackers with less-admirable goals shut down large parts of the internet by connecting small wireless devices.

The October 21 attack against DynDNS gave us all a taste of a doomsday scenario. A hacker deployed tiny pieces of software called Mirai bots to find millions of vulnerable devices connected to the internet, including web cameras, baby monitors and DVRs. The software then hijacked the devices and told them to incessantly ping the Dyn servers, which act as a kind of switchboard for many popular websites. By overwhelming the switchboard, the hack essentially shut down access to the sites Dyn served.

Starting at 7:10 a.m., most of the East Coast could not use PayPal, Amazon.com, Reddit, GitHub, *The New York Times*, Twitter, Netflix, Spotify and a long list of other sites that have become enmeshed in our lives. Two more waves of the same attack rendered most of the sites useless until late afternoon.

It was a weird feeling to be on the other end of that day's attacks. I realized something was wrong early that morning when I tried to go on PayPal to send money owed to a friend and got a blank screen. I then tried to open Twitter and got the same blank. I typed in a couple of other sites, and they worked. I clicked on Spotify to play some background music, and it froze, cut off from its servers in the cloud. I'd stopped buying downloadable music years ago, so if I couldn't stream, how was I going to listen to the Fitz and the Tantrums song stuck in my head? I suddenly realized how much I relied on these web services. It wasn't a big leap to sense the panic I'd feel if, say, the Russians disagreed with our election outcome and launched a gargantuan attack that knocked out all of the web for days. Like millions of others, I'd be frozen out of work and play. I think I'd curl up in a ball and watch my cat sleep.

Companies afflicted by the Dyn attack must have lost millions of dollars in business. I've not been able to find any official tally yet, but cyberattacks cost companies $400 billion a year, insurer Lloyd's of London estimates—and that doesn't even start to measure the damage from losing customers' confidence and the rocketing costs to companies now in the arms race to protect their systems from hackers.

Attacks like the one on Dyn are by no means the only kind of cybervillain activity. Hackers broke into Yahoo and stole names, passwords, birth dates and other personal info from 200 million users, allegedly to be sold to identity thieves. Target, Home Depot and P.F. Chang's all had their systems raided to steal credit card numbers. North Korean hackers, lacking any sense of irony, broke into Sony and released executives' emails to try to extort the company out of releasing *The Interview* because the movie portrays that country's dictator, Kim Jong Un, as goofy and incompetent.

GOING AGAINST TYPE: A bomb hidden in a laptop seems old-fashioned compared with what hackers are able to do now with a few keystrokes.

ADAM VOORHES/GALLERY STOCK

North Korea, Russia and China seem to be at the forefront of state-sponsored hacking. The Russians broke into the computers of the Hillary Clinton campaign in hopes of influencing the election. Eccentric security pioneer John McAfee believes the uptick in DNS attacks is a way for a foreign hacking corps to probe the U.S. internet for weaknesses, hoping to learn how to take down the whole thing at once. "They will analyze this attack and come back later with a more serious attack," he told *Newsweek* in October. "Anticipate that these will be exploited in a big way."

The most menacing new hacker trend may be the rise of ransomware. A hacker inserts code into a company's system that then holds the company's data hostage. The company is told to pay a ransom or the data will be destroyed. The FBI has said more than $1 billion was paid to ransomware hackers last year.

Kidnapping data will soon come to seem like petty antics. The more we connect critical devices, machinery and robots to the internet, the more dangerous ransomware starts to look.

At my table at the conference I mentioned at the top of this article were executives from one of the big car-rental companies. Someone raised the point that within a half-dozen years, most of the cars in its fleet will be connected—in

which case, they'll be vulnerable to hacks that could, as has already been proved, take control of a car. What if a sophisticated hacker group took command of all of one company's rental cars—many of them at that moment on a highway somewhere—and demanded $1 billion or it would crash them all? The executives looked on numbly. They hadn't thought of that.

In the past year, Johnson & Johnson warned that its insulin pumps could be hacked, and a cybersecurity company found that a St. Jude Medical pacemaker could be vulnerable. If a bad actor found a way to plant software time bombs in vast numbers of these at once, it could demand ransom by threatening to kill people.

On top of all this, here comes artificial intelligence—software that can learn. One of the creepiest scenarios that concern security experts is the idea that AI-based hacking could learn to be you. Let's say an AI bot could get into your email, calendar, search history, Facebook page and music service. It could learn enough about you to mimic you—maybe autonomously concoct an email or chat conversation with your boss or your mother. We already know about identity theft. This possibility is far more personal and terrifying. It is stealing the self. It's one thing to steal our credit card numbers. It's a much deeper psychic blow when an intruder can threaten to destroy our relationships.

A persona-stealing hacker might demand ransom to not ruin your marriage. Or such a hacker might be looking to impersonate someone important to go after a bigger prize. A truism of cybersecurity is that the weakest link is always people. Security software can put locks and barriers around computer systems—enough to make it challenging and costly for hackers to break in. Hackers hate that. But if just one person can be fooled into giving up a password or authentication code, a hacker can walk into a system through a wide-open door. If an AI bot can mimic a person, chances are, it can use that to fool someone into giving up the keys to a system. ("Hey, Mary. Had a great time with you at the Ronda Rousey fight last night, but the five martinis afterward wiped out too many brain cells, and I forgot the missile-launching code. Can you help?" said the bot.)

All these new hacks make the age-old cybersecurity worries about someone shutting down the electric grid or opening a dam seem quaint.

While the amped-up sophistication of hackers poses a threat to our way of life, it also doesn't mean we're inevitably doomed—just as the invention of the nuclear bomb hasn't brought civilization to an end. Companies and governments spend around $150 billion a year on security software and tactics, doing everything they can to stay ahead of hackers or find the bad guys and prosecute them after a breach. Scientists at big companies like IBM and Microsoft and small companies like Darktrace and Jask are constantly working on new ways to defeat intruders. The coolest new security technology relies on AI to learn about normal activity in a system so it can instantly recognize anything strange and shut it down. Companies are protecting themselves by, for instance, never storing all their data in one place. Any large company or government agency will tell you its systems get hit by hackers thousands or even millions of times every single day, and almost all of them get stopped, or the damage stays limited, thanks to cyberdefenses.

Yet that's not enough. Any break-in can do enormous damage, and the most dangerous hackers always seem to be a step ahead of the defenses. No definitive solution is in sight. The October Dyn attack showed that hackers will always find the most vulnerable point and exploit it. Companies spent billions locking down their giant data centers, but hackers slipped splinters of software into networked DVRs and baby monitors and plunged a large chunk of the internet into darkness. The more things we connect, the more vulnerabilities we create.

> PRETTY MUCH ANYONE WITH A CREDIT CARD AND A SURFEIT OF BILE CAN CONFIGURE HACKING TOOLS TO GO AFTER ANY ENTITY.

To state the obvious: The worst hasn't happened yet.

And seriously, don't buy a connected toilet.

GANGSTA GOP

Republican dirty trickster Roger Stone talks about Donald Trump's future...and who's killing his dogs

AS DONALD TRUMP'S presidential campaign staggers toward what looks to be a catastrophic loss, politicos in both parties are snickering that the careers of his advisers and strategists have been trashed. But at least one of them, legendary Republican dirty trickster Roger Stone, has big plans for life after Trump, including writing a book about the Donald.

There are vicious fighters like Stone, who has honed his black arts for 40 years, in both political parties. Some are well-known public figures who clean up their language for TV; others steer clear of the limelight. Off-camera, their favorite word is "rat-fuck," and their favorite feeling is the satisfaction of revenge. A notorious dandy (bespoke suits and two-tone suede spectator shoes), the 64-year-old is as proud of his vast tie collection as he is of his hair plugs and bodybuilder physique. He also possesses something that gave me a moderately unprofessional and completely juvenile reason for wishing to meet him. I badly wanted him to remove his shirt so I could photograph the tattoo on his back of Richard Nixon.

I caught up with Stone in early November at a posh Manhattan club, where he was signing copies of his book *The Clintons' War on Women,* which argues that Bill is a rapist and Hillary is a murderer. The standing-room-only gathering of well-heeled Gotham conservatives lapped up Stone's conspiracy theories as eagerly as the Orange County rabble at a Trump rally. Since he was being mobbed by fans, I asked if we could meet later. He agreed to lunch the next day and later texted me to meet him at his apartment. Score! On Instagram, I had already posted a photo of his head in front of the posh club's archaic floral wallpaper, and I was certain it wasn't going to be long now before I could share the other, more fascinating view of Stone with my followers.

The half-Hungarian, half-Italian Stone is a Catholic well-driller's son who grew up close enough to wealthy New Canaan, Connecticut, to know what he was missing. When he was 12, Stone says, someone gave him a book by Barry Goldwater, and he was doing dirty tricks for Nixon in the 1972 presidential campaign, before he was old enough to legally drink the martinis he prefers.

Among his greatest hits: Stone takes credit for bringing down former New York Governor Eliot Spitzer by parlaying intel he got from an off-duty prostitute Stone met in a sex club into an FBI tip. Before that, he organized the so-called Brooks Brothers riot in the Miami-Dade County clerk's office that stopped the 2000 election recount and arguably gave America the presidency of George W. Bush.

Stone and Trump first met in 1979, when the former came to New York from D.C. to set up a campaign office for Ronald Reagan in what was then country club Republican territory. Trump found him some cheap office space. Stone later worked for Trump's casinos as a lobbyist in

BY
NINA BURLEIGH
@ninaburleigh

CARL JUSTE/MIAMI HERALD/MCT/GETTY

TRICKY DICK OBSESSED: Stone has multiple posters of Nixon in his apartment and a tattoo of the former president on his back.

New Jersey. They fell out after Stone threatened Spitzer's father (a New York real estate baron Trump considers a friend) and then took credit for bringing down the governor. Trump called him "a Stone cold liar," and the two men didn't speak for two years.

They patched things up, and Stone was a chief conductor on the Trump train as it left the station last year. He officially worked for the campaign for only three months and disputes the circumstances of his departure: "When I resigned, [Trump] went out and said he was firing me. As with women, nobody leaves Donald; he leaves you." Stone says he quit when Trump insisted he agree not to speak to reporters for a year, a demand Stone likens to "asking me to agree to not eat for a year."

Stone "ate" plenty, threatening to release the hotel room numbers of anti-Trump delegates at the Republican National Convention and firing off long memos to the Donald once or twice a week. Trump often ignored his advice, leading Stone to label him with a disparaging adjective he asked to keep off the record. "I would like him to win," he says. "I've given 400 speeches on his behalf. I've defended him in every forum possible, even when he's sometimes difficult."

I met Stone at his fourth-floor walk-up on the Upper East Side, one of two homes he maintains (the other is in Florida). The living room walls are covered with framed vintage posters of Goldwater, Nixon and Reagan, and there were copies of Stone's Clinton book on many pieces of furniture, open to the signing page. While I waited, he went around the room signing them. When he made a move to change for lunch, I asked for the money shot of his tatt. He immediately obliged and even suggested a better background and lighting.

He then ushered me into his bedroom to show off his massive collection of ties, which hung from a rail that traversed one wall above the unmade bed. His white-and-brown suede shoes—"spectator shoes," he corrected me—lined another wall. It was disconcerting to be standing in the evil genius's bedroom, especially given the revelations about his candidate's charming ways with women. But Stone was a gentleman. He is married to his second wife, who was in Florida, and he claims to be too old now for action in the sex clubs he once frequented. He boasted that the tattoo is a hit with the ladies. "You'll never meet another man with a dick in the front and a Dick in the back," he said as we descended the stairs.

Over a lunch of bacon-tomato grilled cheese and cold poached salmon, Stone talked about Trump's future. He thinks Trump Media, a project Trump's son-in-law, Jared Kushner, reportedly broached with investors earlier this month, is a good idea, but he's not sure Trump will follow through with it. There's certainly an opening for a shiny, new right-wing propaganda factory, with Roger Ailes–free Fox "turning into CNN," as he puts it, but Stone believes Trump is probably "too cheap" to finance such a venture. And the Donald might not have enough staff left to build it. "Everybody involved may have had their fill of Trump's unmanageability," he explains.

> "I FIGURED IT WAS TIME TO LEAVE WHEN THE CAMPAIGN DIRECTOR OPENED HIS DOOR AND GOT SHOT IN THE FACE."

He won't predict what Trump will do post-election, but he does believe this won't be his last act in American politics or media. "The campaign is spending a fortune on targeted analytics that it doesn't have the money to utilize, so those

lists are being built for some future purpose," he says, referring to Trump pouring $11 million into Giles-Parscale, a Texas-based political data analytics company run by the candidate's digital director, Brad Parscale. "The campaign is very aggressively fundraising at the low-dollar level, but where is the television? Where's this money going? I don't see any visible campaign for them. Donald is nothing if not cheap, and given his experience in the primaries winning handily without running ads, his attitude is 'Why do I need to run ads?'"

Stone intends to write a Trump book, and he could certainly bring content to Trump Media. He has a radio show, *The Stone Cold Truth,* and a blog of the same name. The BBC will be using him on election night, but he lost his regular gigs as a Trump surrogate on the big U.S. cable talk shows when MSNBC and CNN banished him earlier this year for offensive tweets, such as "This nigga got Nixon tatted on him" and "Would @BenCarson2016 HQ be called Uncle Tom's cabin?"

Stone says he probably posted those tweets "after one too many martinis" and insists he's not a racist; in fact, he claims he told Trump his yearslong Barack Obama "birther" gambit was a bad idea. But he's also regular on *Infowars*, run by Alex Jones, who has never met a conspiracy theory too outlandish to broadcast.

Stone knows how to plot a conspiracy or two himself and has a lot of enemies ("Roger was always a little rat," his former Reagan administration colleague Ed Rollins has said). "I'm not a conspiracy theorist; I'm a conspiracy-ologist," he says. He thinks people who find it implausible that Ted Cruz's dad, Rafael, was involved in John F. Kennedy's assassination, or that Hillary Clinton had Vince Foster killed, are naïve or misinformed.

Naturally, he's on board with Trump's prediction of a rigged election this November. "Voter fraud?" he says. "Child's play!"

As we lunched, Stone was on guard for a call from the feds. New York Representative Jerry Nadler and other Democratic congressmen have called on the FBI to investigate some of Trump's advisers for ties to Russia. "Troubling new evidence appears to show that the Trump campaign not only was aware of cyberattacks against Secretary Clinton's campaign chairman [John Podesta], but was openly bragging about it as far back as August," wrote the congressmen.

That refers to Stone. Several weeks before "the Podesta emails" came pouring out of WikiLeaks, Stone seemed to have predicted the email dump when he tweeted that the Clinton campaign chairman's "time in the barrel" was coming.

He insists that was just savvy political prognostication. "I'm not working for a Russian company! I've never had a Russian client, and I've never even talked to anyone on the phone in Russia."

But in the 1980s and early '90s, he was a partner at Stone, Manafort, Black and Atwater, a D.C. consulting firm whose clients are some of the world's most notorious dictators and shady characters. Unlike his former partner Paul Manafort, whose connections to various Russians forced him out of the Trump campaign in August, Stone says he put in only one stint in that part of the world, running a parliamentary candidate in Ukraine. "I figured it was time to leave when the campaign director opened his door and got shot in the face," he says.

He does have a "back-channel" contact who keeps him abreast of the doings at WikiLeaks but insists his source didn't tip him about Podesta—and wouldn't have known. He also disputes the notion that WikiLeaks favors Trump or is linked to Vladimir Putin. "Julian Assange is not a Republican! And he's not working for the Russians!"

> STONE SAYS TRUMP'S DEMAND THAT HE NOT TALK TO REPORTERS FOR A YEAR WAS LIKE "ASKING ME TO NOT EAT FOR A YEAR."

Stone wouldn't say it, but his loyalty to Trump has cost him. In addition to fending off charges of treason, Stone believes someone might be poisoning his dogs. Halfway through lunch, his phone rang. He stepped outside to take it and then returned to report that another of his five Yorkshire terriers had died after a sudden illness. "I'm down to one," he says. "This dog, like the previous one, has been poisoned." (He says a medical examiner found antifreeze in its system.) "I am definitely being watched. I'm not paranoid. I understand how the world works. I recognize the *Alice in Wonderland* quality of the last few days."

BARBADOS

Cover Picture: **Anton Ivanov (shutterstock)**

THE JEWEL IN THE CARIBBEAN'S CROWN

"Discover more about Barbados' booming economy and bright future in Voices of Leaders' interactive ebook."

SCAN THE QR CODE to access the ebook

For centuries Barbados was the vital trade and production point of sugar, the prized commodity that was once the main commercial enterprise of the British Empire. This small island nation on the eastern most fringe of the Caribbean helped to develop the economy of Britain, a country that now asserts its place as an indomitable world power.

Quick to diversify its economic assets, Barbados made a swift change from plantocracy to high-end tourism following independence from Britain and the decline in the sugar industry. Barbados became the haunt of the wealthy British elite and the only tourism destination for the upmarket Concorde. However, passing decades saw increasing competition on the tourism front, and the financial crisis confirmed the need to diversify once again.

PUBLIC & PRIVATE INNOVATION

Concerted efforts by both the public and the private sectors to use innovative practices to catalyze economic growth are currently bearing fruit. With an incredible 85% of patients coming from outside Barbados, the Barbados Fertility Centre is one of the primary inroads to establishing the island as a destination for innovative medical tourism. Dr. Juliet Skinner, medical director of the center, explains that their success rates, significantly higher than the U.K. and U.S. average, are due to the cutting edge fertility treatments that are combined with holistic therapies.

Complementing the innovation drive are various transport and logistics companies. Rubis Caribbean opened in the region only five years ago and is now the biggest retail fuel brand in the Caribbean. On an island where the price of fuel is among the highest in the world, Rubis Caribbean offers a product welcomed by both companies and individuals. Rubis Caribbean uses technology in its fuel that make the brand more cost-effective, giving motorists cleaner engines – and more mileage.

Ensuring that Barbados' roots as an agribusiness capital are not forgotten, CEO of Barbados Agricultural Development and Marketing Corporation, Shawn Tudor, comments on how they are supplementing the economy to ensure food security and a marketable and exportable Bajan product: "In just twelve months, food innovation has emerged as a critical brand differentiator for us as a public sector agency – and a promising source of competitive advantage for Barbados."

TURNING A CORNER

Following a visit in May 2016, the IMF noted that the economy appeared to have "turned a corner" thanks largely to efforts made by the growing private sector and 2015's 14% rise in tourism arrivals. In addition to the lure of paradisiac surroundings and warm welcomes, Barbados is also perfectly placed in the middle of the Americas to be an international business center, acting as a stepping stone between North America and the burgeoning market in South America. Yet, despite accounting for one tenth of GDP, the international business sector, priding itself on discretion, is still largely overlooked.

Liza Harridyal Sodha, principal of Harridyal Sodha & Associates, one of the island's leading legal firms, understands that Barbados needs to promote itself to develop the international business sector further: "Barbados has never really focused on promoting international business, as there has never been a need for it as it has relied heavily on its relationships and double-taxation treaties with countries such as Canada." Barbados has a long history with Canada, and is in fact the second biggest recipient of Canadian FDI, second only to the United States. With identical legislative framework, Barbados is an obvious choice for many Canadian companies looking to take advantage of the low taxation on offer and springboard into neighboring markets.

The Barbados Stock Exchange (BSE) is at the forefront of the island's plans to think bigger and reap the benefits from companies operating within the island - as so often the domestic economy does not see the returns when being used as a gateway to other markets. CEO of the BSE, Marlon Yarde outlines the company's strategy: "We launched an International Securities Market (ISM) in March 2016 to take advantage of the international market and the companies that are domiciled in Barbados." The ISM trades international securities and as a result of its competitive pricing, stands to make the island a center of international wealth management in the not too distant future.

Many financial domiciles were adversely affected by the furore that surrounded the Panama Papers. De-risking became the buzzword that echoed in boardrooms around the world as fewer people wished to be associated with so-called tax havens. Derrick Cummins, CEO of J&T Bank and Trust, believes Barbados can use this to its advantage as it offers a low tax system and vehemently does not define itself as a tax haven: "Investors want stability and they know their assets are secure here. Our clients know we are compliant with the highest standards and we have no issues with disclosure."

So transparency is key - particularly for the foreign businesses operating in the country. CIBC First Caribbean International Bank, a subsidiary of CIBC - the strongest bank in North America according to Bloomberg - defines itself as a customer-orientated bank and is one of the most popular banks in Barbados. Gary Brown, CEO of CIBC First Caribbean, took the post in January 2016, shortly before the Panama Papers story broke, and he says: "Barbados is neither a conduit nor a tax domicile, but the legal framework in place makes it a very attractive destination for international business and investors." Thus, the transparency and regulation that Barbados boasts are essential to its establishing itself as the international business destination of choice in the Caribbean.

VOICES OF LEADERS, Journalist Pauline M Thomas produced this report.

In collaboration with **Newsweek**

THE GLEEFUL ASSASSIN

Gawker-killer Charles Harder is now fighting against all those 'irresponsible journalists' of the internet. That's not blood on his hands; it's ink

CHARLES HARDER does not want to be recorded, one of the very few interview subjects I've ever had make that demand. The military commanders at Guantánamo Bay were fine with it; the convicted murderer in a New York prison was fine with it; countless politicians and government officials were fine with it. But not this Beverly Hills lawyer to the stars, which means that as we sit down for lunch, I am forced to eat with one hand and scrawl notes with the other. I don't want to give the idea, however, that Harder was torturing me because he likes to torture journalists, though that accusation has been made. A client list that includes Jude Law and Amber Heard means, to borrow from Falstaff, that discretion is the better part of disclosure.

My notes from that meal are sparse, because in addition to not wanting to be recorded, Harder frequently goes off the record. Having become somewhat famous for defending the obscenely famous, Harder has a deceptively casual manner that disguises a master gardener's impulse for pruning media curiosity into the kind of flowery coverage that reflects well on his practice and clients. He will not so much as acknowledge that he works for Roger Ailes, the deposed Fox News chairman, though Harder's name appears on a threatening letter to *New York* magazine. Nor will he say how Melania Trump came to be his client in a lawsuit against the *Daily Mail*, which alleged, in an article since removed, that the wife of the Republican presidential nominee worked for an escort service in the 1990s. Nor will he talk—on the record or off—about his politics. Or his family. "I have the most boring life in the world," he says—on the record.

Harder will gladly talk about one recent case, the one that led to him being called "Hollywood's favourite lawyer" (*Financial Times*) and "arguably the highest-profile media lawyer in America" (*The Hollywood Reporter*). That case is *Bollea v. Gawker*, in which Terry Gene Bollea, better known as the professional wrestler Hulk Hogan, won a $140 million civil judgment in a Florida court against Gawker, the Manhattan-based gossip website that in 2012 posted a brief excerpt of a covertly made recording in which Bollea was seen having sex with the wife of a friend. Bollea's victory drove both Gawker Media and its founder, Nick Denton, to declare bankruptcy.

Some see in Bollea's victory a setback for the very notion of a free press that, presumably, should have the right to publish even excerpts of a sex tape, if that sex tape is determined to have news value. Harder disagrees, painting Gawker as a uniquely bad actor with a destructive impulse. When I ask him what doomed Gawker, he answers with a single word: "Gawker." And

BY
ALEXANDER NAZARYAN
@alexnazaryan

CLIENT TELL: Harder represented Hogan, far right, in his suit against Gawker, but his real client was Thiel.

GERARDO MORA/GETTY

though much of the Manhattan media establishment mourned Gawker's demise as one might have the fall of Rome, Harder shows no contrition. "If it has a chilling effect on irresponsible journalism? Awesome!"

BOLD-FACED FACES

A man of aquiline features that are as controlled as his speech, Harder looks like he may have walked out of the Brooks Brothers on Rodeo Drive a fully formed creature of Beverly Hills, spending his 46 years on Earth without a single hair ever out of place. He was, in fact, born and raised in the San Fernando Valley, in a ranch-style house where his parents (his father was a financial consultant, his mother a homemaker) live to this day. He went off to college at the University of California, Santa Cruz, and biked across the country during one summer vacation. He recalls being particularly enamored of Kansas. "I really liked Kansas," he says. "The friendliest people I have met on planet Earth."

Long before he ever sued a journalist, he briefly

THIEL WANTED TO BRING DOWN GAWKER WITHOUT HIS INVOLVEMENT REVEALED.

became one, serving as the managing editor of the short-lived *Santa Cruz Independent*, a weekly "on the boring side" that was to serve as a counterbalance to more liberal publications on an exceedingly liberal campus. After earning his law degree, Harder clerked for A. Andrew Hauk, the Central District judge perhaps most notable for social views that today would likely get him tossed from the bench. For example, Hauk dismissed a case of DDT contamination against Monsanto, calling environmentalists "do-gooders and pointy-heads running around snooping." Harder worked on that case and had once considered going into

environmental law, only to conclude that the field "seemed a little boring."

He eventually came to work for Lavely & Singer, an entertainment law firm whose defining figure was Martin Singer, the Brooklyn-born son of a Holocaust survivor. Hollywood requires several species of lawyer: the ruthless litigator, the capable deal-maker, the doyen of divorce. Singer turned what *The New York Times* called the "niche practice" of "shielding stars and their adjuncts from annoyance" into a major firm.

Harder flourished. He usually won his cases via settlement, and he did it quietly, without exposing his famous clients to undue publicity. Most often, those clients were seeking redress from a vendor who'd used a famous face in an advertisement. Harder made them stop and pay for it: a furniture company that named pieces after Clint Eastwood; a similar case involving a couch named after Humphrey Bogart; a Canadian fireplace-maker that sold its wares by using a picture of Jude Law.

In 2008, Harder left Singer's practice for Wolf, Rifkin, Shapiro, Schulman & Rabkin LLP, a bigger Los Angeles firm that may have given the still-young lawyer an easier route to making partner. He seemed well on his way, in 2009 winning arbitrated cases over domain names for Sandra Bullock, Cameron Diaz, Kate Hudson and Sigourney Weaver. Two years later, he won $18 million for Cecchi Gori Pictures in a dispute over movie rights.

Then, in the fall of 2012, came a call from the office of Peter Thiel.

EXECUTION BY SURROGATE

Harder bristles at being called Thiel's peon, though one could have a worse patron than the billionaire founder of PayPal. "How is what Peter Thiel did different than what public interest organizations do?" he wonders. That's a fair comparison, though not an entirely accurate one. When, for example, the Sierra Club sues the California Coastal Commission, it does so openly and, presumably, for the public interest. Thiel's desire to sue Gawker out of existence stemmed from his need to exact revenge over a 2007 post that outed him. That post may have been of questionable journalistic value, but it passed legal muster, so Thiel waited for Gawker to make another mistake.

That mistake took place on October 4, 2012, when a writer for Gawker named A.J. Daulerio published a post titled "Even for a Minute, Watching Hulk Hogan Have Sex in a Canopy Bed Is Not Safe for Work but Watch It Anyway." The post excerpted about two minutes of a 30-minute recording, surreptitiously made, of Bollea having sex with Heather Clem, the wife of his close friend Bubba "the Love Sponge" Clem. Bollea's lawyer, David Houston, sent Gawker a letter demanding that the video be taken down, but Gawker refused.

It's not known how Thiel recruited Harder, though it has been reported that a representative of Thiel simply called Harder and asked him to take the case. The former wrestler's own coarse sensibilities could not have mattered much to the Stanford-educated Silicon Valley titan. He wanted only to bring down Gawker, and to do it without his own involvement revealed.

Harder filed suit against Gawker on October 15, 2012, charging that the post was "a shameful and outrageous violation of Mr. Bollea's right of privacy by a group of loathsome Defendants who have no regard for human dignity and care only about maximizing revenues and profits at the expense of all others." Shortly thereafter, Harder left Wolf, Rifkin, taking the lucrative case with him and starting a new firm, Harder Mirell & Abrams LLP.

This led to some grousing, as *Forbes* has reported, that the firm "has made lawsuits against Gawker its 'bread and butter,'" with Harder taking on two other cases against Gawker, also at Thiel's behest.

After more than two tortuous years involving pretrial injunctions over the post (the video was eventually removed from the site), *Bollea v. Gawker* finally went to trial last spring in a state court in St. Petersburg, Florida. As late as last March, however, a settlement appeared to be close. Yet none

FIENDS IN HIGH PLACES: Harder, who has long toiled for boldface names, is now battling the press on behalf of Roger Ailes and Melania Trump.

VICTOR J. BLUE/BLOOMBERG/GETTY

took place, even though a trial promised the worst kind of publicity for Bollea. "Why would Hogan reject what must have been multi-million dollar offers?" wrote the legal blogger Dan Abrams. It's now clear that Bollea didn't settle because Bollea was merely a soldier in Thiel's war.

The trial lasted 10 days. Harder spent much of his time inside the courtroom sitting quietly by his client. "At least initially, Harder's presence was a mystery to me," says Anna Phillips, who covered the trial for the *Tampa Bay Times*. "Although he handled some of the pretrial matters, he played almost no role in the actual trial—most of that work was shouldered by the Tampa attorneys. He seemed to be supervising rather than participating in the proceedings, but it only became clear later on why that was."

Much of the day-to-day courtroom work was done by Tampa litigators Kenneth Turkel and Shane Vogt, of Bajo, Cuva, Cohen, Turkel. It was Turkel who selected the jury that eventually awarded his client $40 million more than what the lawsuit demanded; it was Vogt who gave the opening statement; Turkel cross-examined Denton, making him read the salacious post accompanying the Bollea sex tape; Vogt cross-examined the author of that post, Daulerio, who conceded that showing Bollea's penis lacked "news value," thus throwing Gawker's entire defense into question; Turkel delivered the closing argument, in which he charged Denton with "playing God over Bollea's right to privacy."

Although he acknowledges the work by Turkel and Vogt, Harder makes plain that he was the mastermind behind Gawker's demise and touts the trial as an important reminder that First Amendment freedoms have limits. "Think twice before you invade someone's privacy or violate their rights," he wrote in a victory-lap op-ed for *The Hollywood Reporter*.

DEFAMATION R US

Despite the enormous award, Terry Bollea is unlikely to soon see a $140 million bump in his checking account. With both Gawker and Denton having filed for bankruptcy, the appeals process has come to a stop. The generous award by the jury could stand, or shrink, or be the subject of an even-longer court battle, one that could potentially reach the Supreme Court and thus become a landmark ruling on newsworthiness in the digital age.

"Courts are struggling to draw the line right now," explains Amy Gajda, a media law expert at Tulane Law School, with the standards of print media being challenged by online sources where a single person can be the publisher, editor, author and ombudsman of a news site visited by millions. Rules made for *The Saturday Evening Post* don't work in a world ruled by TMZ and Matt Drudge.

Harder has been eager to paint *Bollea v. Gawker* as a precedent-setter, one that is likely to brush back the kind of online journalism practiced by Gawker. But his primary mission was not to amend First Amendment case law but, rather, to be Thiel's hit man.

Gawker made Harder famous. Shortly after that case ended, he became notorious. He did this by taking on the case of Melania Trump over the summer. Harder sued the *Daily Mail*, asking for damages of $150 million (the blogger and conspiracy theorist Webster Tarpley was also named in the suit). The *Daily Mail* took down the article, but the suit continues. Harder puts the matter plainly: "A publication cannot say you were a prostitute in the 1990s if you were not a prostitute in the 1990s."

> DAULERIO CONCEDED THAT SHOWING HULK HOGAN'S PENIS LACKED "NEWS VALUE."

Just weeks after taking on Trump as a client, Harder added disgraced Fox News founder Roger Ailes to his client list. Ailes's target is likely to be Gabriel Sherman of *New York* magazine, who wrote a book about Ailes and has more recently chronicled in great detail his history of alleged sexual harassment against female employees at Fox News. He won't talk about the case, but Lauren Starke, a spokeswoman for the magazine, has acknowledged that a letter from Harder possibly suggested a forthcoming defamation lawsuit.

"Harder really has assembled in one place the most committed enemies of liberal democracy," Denton tells me in a text, citing his work on behalf of Ailes and Trump. "I'm not sure how much journalism would be left if Harder had his way." N

SISTERS IN HARM

In Europe, a growing number of women are carrying out violent attacks in the name of ISIS

IT WAS EARLY on a Sunday morning in September when French police discovered a Peugeot parked near the Notre Dame Cathedral in Paris; hazard lights flashing, license plates removed. The car carried seven gas cylinders and three cans of diesel. The perpetrators had perhaps intended to blow it up with a lit cigarette and a fuel-soaked blanket, but the vehicle failed to detonate. Three weeks later, police arrested two teenage suspects accused of planning a violent attack in Nice, the details of which haven't been made public.

At the center of both plots: women allegedly inspired or directed by the Islamic State militant group. All had been in contact with a prominent French recruiter for ISIS, Rachid Kassim, who is believed to be in Syria. Roughly a year after the ISIS attacks in Paris that killed 130, France remains in a state of emergency, thanks in part to later assaults inspired by the militant group in Nice and the northern town of Rouen. Now, however, a new threat is emerging: women who want to wage violent jihad just like men.

As ISIS continues to lose territory in its self-declared caliphate, French security services are anticipating the return of hundreds of foreign fighters. Authorities have long scrutinized male ISIS operatives, but female jihadis (some of whom have traveled to Iraq and Syria of their own accord) are providing the group with greater, more covert potential for violence—worrying Western security officials, who are already overstretched.

It's not clear if senior ISIS leadership is driving this strategy, since the group does not recognize women as equal participants in war. While ISIS refers to its male jihadi attackers as "soldiers" or "fighters," so far it has claimed only one woman as its soldier: Tashfeen Malik, who led an attack in December 2015 in San Bernardino, California. Other women who have killed in the group's name are referred to merely as "supporters."

Yet radicalized women in France are increasingly willing to give their lives for the cause, says Matthieu Suc, author of *Femmes de Djihadistes*—or *Wives of Jihadis*. "In different jihadist records, you can see, you can hear, women—often young—regretting not to be able to commit terrorist attacks," he says. "Theoretically, women want—just like men—to take part in the jihad. That's the way it goes. That's the order of things."

The threat is growing—24 women and three girls under the age of 18 are in custody in France for alleged extremism offenses, according to the Paris prosecutor's office. Some 40 percent of French recruits who have joined ISIS in Syria are female, according to the French Interior Ministry, and French authorities said at least 220 women had made the journey to Iraq and Syria to join ISIS as of December 2015. In early September, Paris prosecutor François Molins estimated that as ISIS continues to lose territory to Kurdish and Iraqi forces, "hundreds" of these radicalized women would return to France in the next few months.

BY
JACK MOORE
@JFXM

Officials have said they underestimated the threat of female militants in Europe, particularly since returnees are not necessarily just "jihadi brides" who stayed at home while their husbands were on the front lines. Instead, they have long been immersed in the internal workings of a deadly extremist group.

Malik set the precedent for female ISIS attackers in the West when she and her husband shot and killed 14 people in San Bernardino. Although ISIS did not direct the couple, the group inspired them and later praised their actions in its English-language magazine.

But women have been carrying out attacks long before ISIS. In the early 2000s, Chechnya's "Black Widows"—Islamist female suicide bombers—targeted civilians as part of their drive for an independent state. Around the same time, women conducted suicide bombings during the second Palestinian intifada against Israel. In 2005, Sajida al-Rishawi attempted an attack on a wedding in the Jordanian capital of Amman. And more recently, Nigerian militant group Boko Haram—now an ISIS affiliate—has directed dozens of women to target mosques, civilian camps and Nigerian authorities in suicide bombings.

U.S. CUSTOMS AND BORDER PROTECTION/AP

GENDER EQUALITY: Malik, left, and her husband, Syed Farook, died in a gun battle in San Bernardino, California, several hours after launching an attack they claimed was inspired by ISIS.

Earlier incarnations of ISIS had also approved of women's roles in attacks if men encountered difficulties, says Cole Bunzel, a Ph.D. candidate at Princeton University. ISIS's former leader Abu Umar al-Baghdadi said in 2007 that women could fight "in special circumstances where [the targets] are difficult for men." A year later, the Islamic State in Iraq's minister of war, Abu Hamza al-Muhajir, said women could commit suicide attacks "in circumstances where men cannot."

FRENCH FEMALE JIHADIS ARE PROVIDING ISIS WITH GREATER, MORE COVERT POTENTIAL FOR VIOLENCE.

Now Europe's crackdown on jihadi networks has provided ISIS with a similar justification, since intelligence agencies are likely to pay closer attention to male extremists. Women often connect people, passing along key information while remaining undetected, says Nikita Malik, a researcher at the U.K.-based anti-extremism think tank Quilliam. That makes them crucial players in the formation of militant networks and in the deadly attacks these groups carry out.

One of France's most influential ISIS recruiters is directing women to carry out attacks. A 29-year-old amateur rapper from Roanne in central France, Kassim communicated with the Notre Dame suspects through the encrypted messaging app Telegram, a source in the Paris prosecutor's office tells *Newsweek*. (A source close to the investigation told Agence-France Presse that Kassim was in contact with the Nice suspects too.)

Kassim has shamed men on Telegram for not taking part in similar assaults. "Where are our brothers?" he wrote. "You have to understand that if these women went into action, it's because so few men are doing anything. Why are you waiting so long to the point the women are overtaking you in terms of honor?"

Even without official endorsement at the highest levels of ISIS leadership, European security officials worry this new trend has the potential to spread beyond France. And French security services, which have failed seven times in less than two years, are already dealing with a complex web of threats. If radicalized women are now as dangerous as radicalized men, they may soon succeed where the Notre Dame attackers failed.

THIS WAY LIES DECEIT

BY
KURT
EICHENWALD

DONALD TRUMP HAS A LONG, TROUBLING HISTORY OF DESTROYING AND HIDING IMPORTANT DOCUMENTS IN LAWSUITS, BUT HE THINKS HILLARY CLINTON'S THE ONE WHO SHOULD BE GOING TO JAIL

VER THE COURSE of decades, Donald Trump's companies have systematically destroyed or hidden thousands of emails, digital records and paper documents demanded in official proceedings, often in defiance of court orders. These tactics—exposed by a *Newsweek* review of thousands of pages of court filings, judicial orders and affidavits from an array of court cases—have enraged judges, prosecutors, opposing lawyers and the many ordinary citizens entangled in litigation with Trump. In each instance, Trump and entities he controlled also erected numerous hurdles that made lawsuits drag on for years, forcing courtroom opponents to spend huge sums of money in legal fees as they struggled—sometimes in vain—to obtain records.

This behavior is of particular import given Trump's frequent condemnations of Hillary Clinton, his Democratic opponent, for having deleted more than 30,000 emails from a server she used during her time as secretary of state. While Clinton and her lawyers have said that all of those emails were personal, Trump has suggested repeatedly on the campaign trail that they were government documents Clinton was trying to hide and that destroying them constituted a crime. The allegation—which the FBI concluded was not supported by any evidence—is a crowd-pleaser at Trump rallies, often greeted by supporters chanting, "Lock her up!"

TRUMP'S USE of deception and untruthful affidavits, as well as the hiding or improper destruction of documents, dates back to at least 1973, when the Republican nominee, his father and their real estate company battled the federal government over civil charges that they refused to rent apartments to African-Americans. The Trump strategy was simple: deny, impede and delay, while destroying documents the court had ordered them to hand over.

Shortly after the government filed its case in October of that year, Trump attacked: He falsely declared to reporters that the feds had no evidence he and his father discriminated against minorities, but instead were attempting to force them to lease to welfare recipients who couldn't pay their rent.

The family's attempts to slow down the federal case were at times nonsensical. Trump submitted an affidavit contending that the government had engaged in some unspecified wrongdoing by releasing statements to the press on the day it brought the case without first having any "formal communications" with him; he contended that he'd learned of the complaint only while listening to his car radio that morning. But Trump's sworn statement was a lie. Court records show that the government had filed its complaint at 10 a.m. and phoned him almost immediately afterward. The government later notified the media with a press release.

Prosecutors responded to Trump's affidavit by showing he had fudged his claim by using the term "formal communication"—an acknowledgment, they said, that he had received what *only he* would characterize as an informal notification—which they described as an intentional effort to mislead the court and the public. But the allegation slowed the case; it required government lawyers to appear in court to shoot down Trump's false charge.

The Trumps had more delaying tactics. Donald Trump announced in a press conference that his family and their company were bringing a $100 million countersuit against the government for libel; anonymous tenants and community leaders, he said, had been calling and writing letters expressing shock at the government's "outrageous lies." Once again, motions, replies and hearings followed. Once again, the court threw out the Trump allegations.

For months, the Trumps ignored the government's discovery demands, even though court procedure in a civil or criminal case requires each side to produce relevant documents in a timely manner. This allows for the plaintiffs or prosecutors to develop more evidence in support of their claims, as well as for the defense to gather proof to fight the case against them. When litigation is filed or even contemplated, scrupulous lawyers and corporations immediately impose document-retention programs or require that any shredding or disposing of records be halted. Courts have handed down severe sanctions or even criminal charges of obstruction of justice

BRAD TRENT; PREVIOUS SPREAD: LUCAS JACKSON/REUTERS

THE TRUMP STRATEGY WAS SIMPLE: DENY, IMPEDE AND DELAY, WHILE DESTROYING DOCUMENTS THE COURT HAD ORDERED THEM TO HAND OVER.

against executives and companies that destroyed records because they knew they were going to be sued.

Yet when the government filed its standard discovery requests, the Trumps reacted as though seeking that information was outrageous. They argued in court that prosecutors had no case and wanted to riffle through corporate files on a fishing expedition. Once again, this led to more delays, more replies, more hearings...and another specious argument thrown out of court.

Six months after the original filing, the case was nowhere because the Trumps had repeatedly ignored the deadlines to produce records and answers to questions, known as interrogatories. When a government attorney finally telephoned a Trump lawyer to find out why, he was told the Trumps had not even begun preparing their answers and had no plans to do so. The Trumps also postponed and blocked depositions, refused to provide a description of their records, as required, and would not turn over any documents.

Finally, under subpoena, Donald Trump appeared for a short deposition. When asked about the missing documents, he made a shocking admission: The Trumps had been destroying their corporate records for the previous six months and had no document-retention program. They had conducted no inspections to determine which files might have been sought in the discovery requests or might otherwise be related to the case. Instead, in order to "save space," Trump testified, officials with his company had been tossing documents into the shredder and garbage.

The government dashed to court, seeking

UNPLUGGED: After Trump sued to get into a Florida casino deal, his companies deleted years of possibly relevant records and lied about having access to them on computer servers.

sanctions against the Trumps. Prosecutors asked the judge to allow them to search through the corporate files or simply declare the Trumps in default and enter a judgment against them. The judge opted to allow the government access to the company offices so they could find the records themselves.

In three letters and three phone calls, the government notified the Trumps that this inspection would take place on June 12, 1974. When they arrived at the Trump offices, Trump was there, but he and everyone else were "surprised" that prosecutors had come and refused to allow them access to documents without their defense lawyers present. A prosecutor called those lawyers, but they were not in their offices. The frustrated prosecutors then gave up and headed back to court.

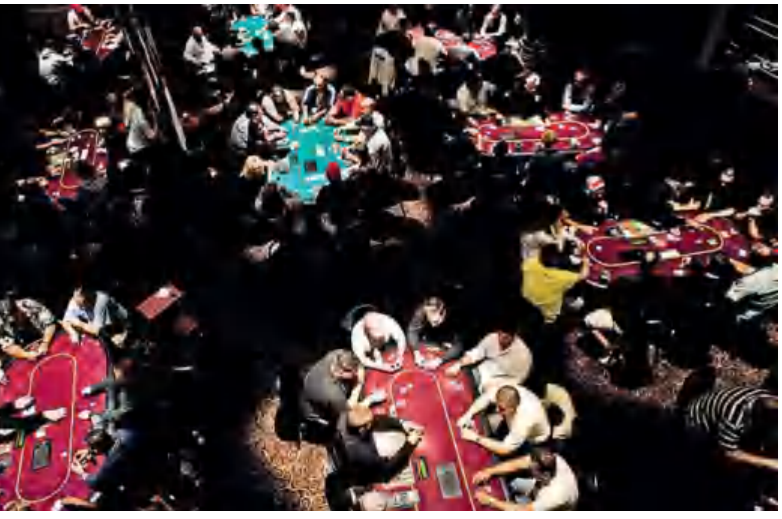
They were then hit with a new delaying tactic. The Trumps submitted a filing based on statements by Trump that radically misrepresented what had occurred that day. He claimed a prosecutor, Donna Goldstein, had arrived at the company without notifying the Trumps' counsel, refused to telephone their lawyer and demanded access to Trump's office. The prosecutor—accompanied, the Trumps claimed, by five "stormtroopers"—then banged on doors throughout the office, insisting she and her team be allowed to "swarm haphazardly through all the Trump files and to totally disrupt their daily business routine."

At the same time, in a move that caused another huge delay, the Trumps claimed that Goldstein had been threatening Trump employees who were potential witnesses. In several instances, the employees signed affidavits stating they had been subjected to abuse by Goldstein, then denied it when they were forced to testify. Even one of the government's key witnesses, Thomas Miranda—who told the government the Trumps instructed managers to flag applications from minorities and that he was afraid the family would physically harm him—suddenly announced that *prosecutors* had threatened him and that he had never provided any evidence against the Trumps.

These allegations of misconduct, which demanded sanctions against the government for abusing its power, required more hearings. Once again, the Trump claims went nowhere.

In June 1975, more than 18 months after the government filed the case and with the Trumps still withholding potentially relevant records, the two sides struck a settlement. The agreement—which, like all civil settlements, did not contain an admission of guilt—compelled the Trumps to comply with federal housing regulations against discrimination, adopt specific policies to advance that goal, to notify the community that apartments would be rented to anyone, regardless of race, and meet other requirements.

TRUMP TESTIFIED THAT OFFICIALS WITH HIS COMPANY HAD BEEN TOSSING RECORDS INTO THE SHREDDER AND GARBAGE.



FROM LEFT: JAMES DEVANEY/WIREIMAGE/GETTY; ARKASHA STEVENSON/MIAMI HERALD/MCT/GETTY

The Trumps ignored these requirements and still refused to rent apartments to minorities, something the government proved by sending African-Americans and non-Hispanic Caucasians to pose as applicants. The government brought another complaint against the Trumps in 1978, who then agreed to a new settlement.

In that case, the government had the financial wherewithal to fight back against abuses of the courts and the discovery process by the Trump family. But many private litigants, who have to spend their own money and hire their own lawyers, have been ground down by Trump's litigation-as-warfare-without-rules approach.

COURTS ARE loath to impose sanctions when litigants fail to comply with discovery demands; in order to hurry cases along, judges frequently issue new orders setting deadlines and requirements on parties that have failed to produce documents. But Trump and his companies did get sanctioned for lying about the existence of a crucial document to avoid losing a suit.

In 2009, a group of plaintiffs claimed Trump duped them into buying apartments in a Fort Lauderdale, Florida, development by portraying it as one of his projects. The fine print of the dense and legalistic purchase contracts, however, revealed that Trump had agreed only to license his name to the developers, and when the project hit financial snags, he walked away from it.

In their initial disclosures in 2011, Trump and his company said they had no insurance to cover any of their liability in this case. That was important because an insurance policy lets the plaintiffs calculate how much money a defendant can pay in a settlement without suffering any direct financial consequences. In other words, that insurance lets the plaintiff know how aggressively to pursue a settlement, knowing the defendant will have some losses covered by the policy.

At the time, a settlement in the then-prominent case could have been disastrous for Trump; he faced an array of similar lawsuits because he had licensed his name to developers around the world for projects that later collapsed. In each case, Trump had marketed the developments as his own, a claim contradicted by the sales contracts. A settlement in any of these cases might have encouraged other people who had lost deposits in a Trump-marketed development to file lawsuits against him.

Two years after denying that Trump had insurance that could have been used to settle the Fort Lauderdale litigation, one of his lawyers made a startling admission: Trump and his company had been insured all along for up to $5 million. But no more—the policy had recently "dried up," the lawyer said. Stunned, the apartment buyers filed a motion seeking sanctions against Trump and his company, arguing that the case "may very well have settled long ago had the plaintiffs been provided with the policy in a timely manner," according to a court filing.

Alan Garten, executive vice president and general counsel at the Trump Organization for the past decade, said that at the time of the original disclosure, the company's lawyers did not believe that the policy covered any potential liability in the lawsuit, which he said was an error on his part. "This solely fell on me, and if anyone is to blame for that, it's me," he said. "It was completely an innocent oversight. And it was my innocent oversight." Garten said the other cases in this article preceded his time at the company and he did not know the facts surrounding them.

In the Fort Lauderdale case, federal Judge Kathleen Williams ruled in favor of the plaintiffs, and she ordered Trump to pay limited legal fees for failing to disclose the policy, then held in reserve the possibility of imposing additional sanctions. The case was subsequently settled.

PERHAPS THE worst legal case involving Trump and his companies hiding and destroying emails and other records involved real estate developer Cordish Cos., which, through an affiliate called Power Plant Entertainment LLC, built two

American Indian casinos in Florida. In January 2005, Trump Hotels and Casino Resorts sued in a state court almost immediately after the opening of the casinos, which both operate under the Hard Rock brand. In his lawsuit, Trump claimed that the companies had unlawfully conspired with one of his former associates to cheat him out of the deal; he argued that the projects should be turned over to him.

Negotiations with the tribe and construction of the casinos had taken many years, raising the possibility that the state's four-year statute of limitations had passed before Trump finally got around to filing his lawsuit. If Power Plant could prove Trump knew in early 2000 that his former associate was working on the Hard Rock deal, the case would be thrown out of court. The clock here for the statute of limitations starts ticking down when plaintiffs learn they have been swindled.

Trump claimed he learned about the deal in January 2001, about the time of the groundbreaking and more than three years before he filed suit. However, the defendants contended he had been informed of the projects in 1999. Trump offered no evidence in support of his contention except his word, so the opposing lawyers filed extensive discovery demands, seeking emails, computer files, calendars and other records that might prove he knew about the casino deal before 2000.

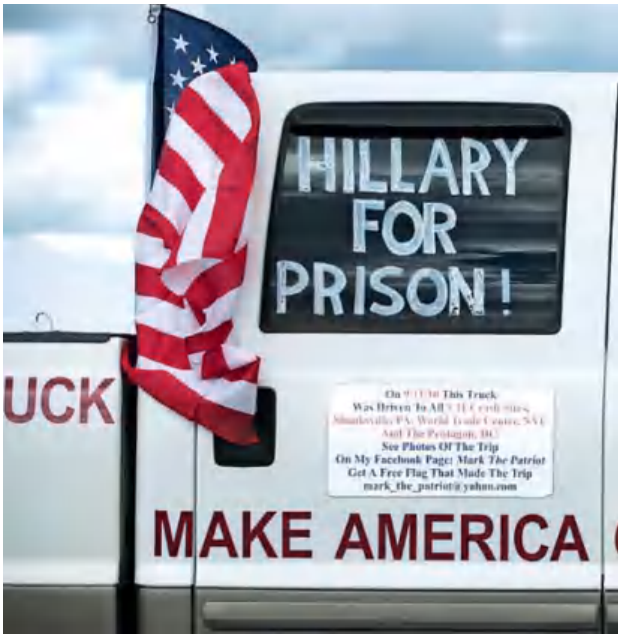
A full year into the case, Trump and his company, Trump Hotels, had produced only a single box of documents, many of which were not relevant—and no emails, digital files, phone records, calendars or even the documents Trump lawyers had promised to turn over. Interrogatories were still unanswered. Lawyers for Power Plant obtained a court order compelling Trump and his company to comply with the discovery demands and hand over the relevant information and documents.

In a March 2006 response, Trump's lawyers argued that the emails and other electronic documents had not been produced because the company didn't have them. They claimed it had no servers until 2001—the year Trump claimed he had learned of the Power Plant project. They also claimed Trump Hotels had no policy regarding retaining documents until 2003. In other words, they hadn't turned over any emails because no emails had been saved on a Trump server.

Judge Jeffrey Streitfeld reacted with near disbelief. "I don't have the patience for this," he said. "This has been going on too long to have to listen—and I don't mean to be disrespectful—to this double-talk. There has to be an attitude adjustment from the plaintiff."

Streitfeld ordered Trump executives to file sworn statements attesting to how their email systems had worked from 1996 onward. In response, Trump Hotels filed an affidavit from one of its information technology managers stating that it had had no servers prior to 2001.

That was false and by deposing numerous IT specialists with two Trump companies—the Trump Organization and Trump Hotels—lawyers for Power Plant gradually chipped away at the claim. Finally, during a deposition nine months after he had signed the deceptive affidavit, the same Trump executive admitted his assertions in it were untrue. In fact, an IBM Domino server for emails and other files had been installed in 1999, the same year witnesses for Power Plant contended that Trump had learned of the casino deal. Prior to that, as early as 1997, the Trump corporations used servers off-site operated by a company called Jersey Cape, according to sworn testimony by one of the Trump IT experts; the following year, the Trump Organization and Trump Hotels moved to another email provider, Technology 21.



These startling revelations changed nothing, however, because there was no trove of documents: The Trump records had been destroyed. Despite knowing back in 2001 that Trump might want to file a lawsuit, his companies had deleted emails and other records without checking if they might be evidence in his case. Beginning around 2003, the company wiped clear the data from everyone's computers every year. Lawyers

DATA FROM EVERYONE'S COMPUTERS AT TRUMP'S COMPANY WAS WIPED CLEAR EVERY YEAR.

for Trump Hotels had never sent out the usual communication issued during litigation instructing employees to stop destroying records that might be related to this case. The deletions continued, and backup tapes were reused—thus erasing the data they held. Power Plant lawyers also discovered that after the lawsuit was filed, Trump Hotels disposed of a key witness's computer without preserving the data on it.

In subsequent filings, Power Plant maintained that Trump Hotels had intentionally deceived the court in its March 2006 filing when it claimed it had located no emails relevant to the case because, at that point, it had not yet conducted any searches of its computer system. Trump Hotels executives did not instruct their IT department to examine backup computer tapes until 2007, and even then the job wasn't done, depositions show. And when computer specialists finally attempted to electronically locate any relevant documents that had survived the flurry of deletions, the procedures were absurdly inadequate. While looking for relevant documents, the technology team was told to use only two search terms—the name of the tribe and the last name of the former Trump associate. So even if there was an email that stated, "Donald Trump learned the full details of the Hard Rock casino deal in Florida in 1999," it would not have been found by this search.

With all this proof that Trump Hotels had ignored every court order and filed false documents, Power Plant asked the judge either to impose sanctions or allow its own expert to search for relevant digital records. Trump Hotels argued it had done nothing improper, although its lawyers acknowledged having made some mistakes. Still, Streitfeld ordered Trump Hotels to make its servers and computer systems available for inspection by a computer forensics consulting firm. That review showed there was no digital data in the computers, servers or backup tapes prior to January 2001—the very month Trump claimed to have learned of the Florida casino deal.

With the likelihood of sanctions growing, Trump Hotels dropped the suit a few months later, in part because of the company's financial troubles. A company involved in the Power Plant case agreed to purchase one of Trump's struggling casinos in Atlantic City, New Jersey, and included as part of the deal a requirement that the litigation be ended.

PILLORY CLINTON: Trump has made Clinton's use of a private server while she was secretary of state a major talking point at his campaign rallies, and he alleges that the deletion of her emails from that time was a criminal offense.

FROM LEFT: JUSTIN MERRIMAN/GETTY; SCOTT MORGAN/REUTERS

THIS REVIEW of Trump's many decades of abusing the judicial system, ignoring judges, disregarding rules, destroying documents and lying about it is not simply a sordid history lesson. Rather, it helps explain his behavior since he declared his candidacy. He promised to turn over his tax returns and his health records—just as he promised to comply with document discovery requirements in so many lawsuits—then reneged. As a result, he has left a sparse evidentiary trail that can be used to assess his wealth, his qualifications for the presidency or even his fitness. Should voters choose him to be the next U.S. president, he will enter the Oval Office as a mystery, a man who has repeatedly flouted the rules. He has solemnly told the country to trust him while refusing to produce any records to prove whether he speaks the truth or has utter contempt for it.

THE RIGHT TO FIGHT

PHOTOGRAPHS BY
SARAH BLESENER

TEXT BY
DAMIEN SHARKOV

Ukraine has finally allowed **WOMEN** to serve on the front lines in the war against pro-Russia separatists. But many didn't wait for permission.

Mariana, 29, is a member of the border patrol in Mariupol, eastern Ukraine. She has been in the army for five years and has been stationed on the front lines of the war for more than six months.

LERA BURLAKOVA FIRST TRAVELED TO EASTERN UKRAINE'S DONBASS REGION IN 2014 AS A JOURNALIST TO REPORT ON THE VIOLENCE BETWEEN THE UKRAINIAN MILITARY AND PRO-RUSSIAN SEPARATIST FORCES.

After a week of covering the war in the town of Pisky, Burlakova decided writing about it was not enough: She wanted to fight for her country. "I couldn't stand aside," says Burlakova, 30. "I came back to Kiev for three days, quit my job and returned to Pisky as a soldier."

Almost three years later, Burlakova is an experienced veteran in a war that has led to the deaths of more than 9,000 people, including civilians, Ukrainian troops, separatists, Russian servicemen and members of pro-Kiev militias. Pounded by daily shelling, many towns near the front lines—including government-controlled Pisky—are now practically empty.

Burlakova, a commander of a five-person artillery mortar unit, did not begin her military career in the Ukrainian army. For much of the war, which began in spring 2014, official government forces did not permit women to fight on the front lines; the 17,000 women who served in the military were allowed to work in only supporting roles, such as medics, engineers and administrators. The hundreds of women who were desperate to fight instead joined nationalist paramilitary groups, which did offer women combat roles.

Two officers of the Ukrainian armed forces walk through the corridor of a shelled-out school in the village of Shyrokyne in Mariupol.

Natalya, a member of the Right Sector militia, holds hands with her husband, Vlad. Natalya and Vlad met at the start of the revolution and were married a year later. Together, they are stationed on the front lines in the city of Bakhmut.

For the past year, Burlakova has fought alongside volunteers from the Right Sector, one of the most far-right pro-Ukrainian volunteer groups that clashed violently with Ukrainian law enforcement last summer. The militia has denounced LGBT groups and has co-opted symbols from the World War II–era Ukrainian opposition to the Soviet Union, factions of which joined forces with Nazi Germany before resorting to fighting both the Soviets and the Nazis.

Burlakova says that while the Right Sector may attract people from the far right, she does not support such ideas; her priority was simply to find a group that would let her fight. "For many people," she says, "joining the Right Sector or volunteer groups was the easiest way to go to war."

In September, American photographer Sarah Blesener spent two weeks embedded with the Right Sector and other Ukrainian troops. "The first thing I noticed was how many girls and young women were there," she says. "They all do the same things as the men, and they all seemed incredibly brave."

Blesener, however, was disturbed by the Right Sector's darker side, noticing that some members had swastika tattoos. (The Right Sector did not reply to *Newsweek*'s repeated requests for comment.) "It is shocking that a unit can at the same time embody virtues that I respect—such as allowing women to fight on the front line of combat—yet, on the other hand, be known for nationalistic rhetoric, Russophobia and hate speech," she says. "It's a tragedy to see that nationalism is now on the rise again in a country that suffered so much from it in World War II."

At the height of the current war, the Right Sector was one of more than 40 pro-Ukrainian battalions fighting in the conflict—although few of the others were as extreme. Despite their success on the battlefield, some militias had a tendency to violently enforce the law or oppose the government. These groups were not the norm, but Kiev worried they

Soldiers from the Right Sector take a break at a base near the front lines of Debaltseve in the Donbass region. The far-right nationalist militia is now part of the 54th Brigade, which belongs to the Ukrainian army.

A female soldier from the Right Sector in her room at the Ukrainian army base on the front lines of Bakhmut.

might ultimately undermine its authority.

After an armed standoff between a Right Sector group and Ukrainian police officers in July 2015, President Petro Poroshenko ordered the militias to officially join the army or disband. Many of the Right Sector's troops joined the army's 54th Brigade. Most other groups joined different units of the military.

The integration of the militias meant that female fighters suddenly found themselves in an official army that did not permit them to fight. To get around this restriction, many registered on paper as paramedics or support personnel to avoid being sent home. But they would still fight as they had before. "I was technically and officially a medic [when deployed at] Butovka mine," Burlakova says, referring to her previous station in the Donetsk region. "But really I had nothing to do with medicine. I was a regular soldier on the front lines with the same duties as everyone else."

In June, the Ukrainian military amended its rules, and women like Burlakova were finally allowed to fight on the battlefield, serving as snipers, intelligence officers or operators of heavy military hardware.

Burlakova is now registered as a soldier and paid more than support staff. She will also receive full army benefits if she is wounded or killed in the line of duty. "Nobody cared about these things in the beginning of the war," she says. "But as time goes on, they become really important. If we needed money in the beginning, our friends could cover us. But they can't cover us for years."

Blesener found that many women who joined the Right Sector came with a partner, while others met boyfriends or husbands in the battalion; many of these couples will not survive the war. Burlakova's fiancé was killed in January when he stepped on a land mine near one of the most dangerous checkpoints in the east. Burlakova is devastated by his death but says it will keep her fighting until the war is over.

"I won't leave Donbass on my own will because every meter of the ground here is filled with the blood of our guys," she says, adding that lots of her fellow soldiers are from nearby towns overrun by rebels. "I am not going home until they get a chance to come home as well."

Nika, 24, a sniper for the Ukrainian army, on the Bakhmut front lines in eastern Ukraine.

GOOD SCIENCE

THE COW DEFENSE

Antibodies produced in livestock might help humans fight infectious diseases

+ **NEW TOOL: Cows are being engineered to produce quantities of human antibodies useful for treating serious infectious diseases.**

ADAM VOORHES/GALLERYSTOCK

BY **JESSICA FIRGER**
@jessfirger

A SMALL biotech company has engineered cows to produce large quantities of human antibodies to fight infectious disease. The technology, which won't be available for three to five years, could help fight influenza, Ebola, Zika and Middle East respiratory syndrome (MERS).

The technology, devised by SAB Biotherapeutics, a privately held company in Sioux Falls, South Dakota, follows a principle used during the Ebola outbreak. Physicians took plasma from convalescent patients and gave it to sick patients. That worked well in a few cases, but a few patients can't provide enough plasma to counter a widespread outbreak.

Cows might offer a solution: A cow can produce 30 to 60 liters of antibodies per month. Humans, on the other hand, are not as industrious—a patient can produce 4 liters per month, enough to treat only three people.

The researchers first replace the cows' antibody genes with human genes. Then they inject the cows with the virus they're interested in targeting. That prompts the cows to produce antibodies against the virus, says Eddie Sullivan, president and CEO of SAB Biotherapeutics. At that point, the researchers are able to use these antibodies to treat a sick patient.

The company is testing the antibodies as a potential treatment for MERS, a respiratory disease identified in Saudi Arabia in 2012. MERS kills more than 30 percent of people who fall ill. There is no treatment.

Scientists have attempted to use antibodies derived directly from animals before these trials. The problem is that the human body recognizes animal antibodies as foreign, causing what's known as "serum sickness." This can lead to a potentially severe allergic reaction. Sullivan says that won't happen with SAB's antibodies, because they're derived from humans. The cows are used merely to increase production.

SAB says it is currently the only company producing antibodies from large mammals. In July, the World Health Organization recognized SAB's technology as a potentially effective way to address the emergence of infectious diseases.

DISRUPTIVE

TECH FEELS YOUR PAIN

It's possible Silicon Valley may be developing a social conscience

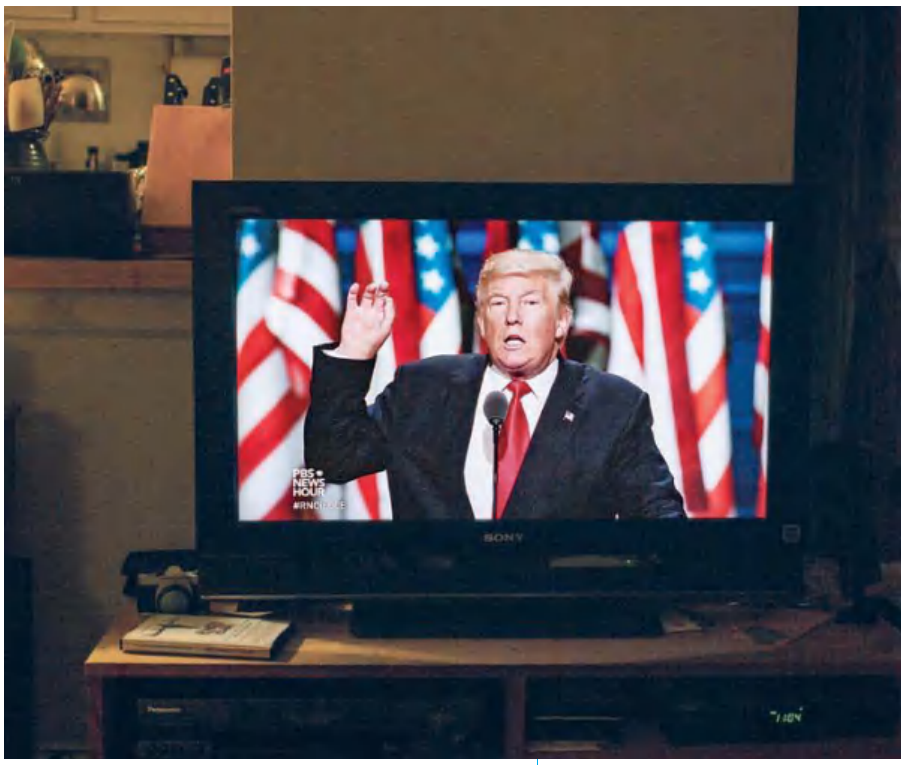
NOW WE KNOW why technologists are racing to develop virtual reality: so they could live there if Donald Trump gets elected president.

But here's a better idea: The tech industry should take ownership of the role it played in creating Trumpism. If the industry did a better job helping society deal with all the disruption that technology throws at it, Trump might have fewer fans than the Tennessee Titans.

Tech leaders tend to like politics about as much as cats like baths. But this year, they jumped into the presidential melee. A letter signed by nearly 150 tech leaders proclaimed, "We stand against Donald Trump's divisive candidacy and want a candidate who embraces the ideals that built America's technology industry." That may sound like civic pluck, but it also smells like guilt.

Technology has always been aimed at efficiency and automation, but for at least two decades its big prize has been disruption. Don't just make something work better—instead, blow up the old way and replace it with something completely different and digital. Software eats the world, as Marc Andreessen put it. But software also eats the jobs of people who can't adapt. We saw a lot of those people on TV at Trump rallies.

I have almost never heard tech leaders seriously consider the whole societal picture as they bulldoze ahead with their disruptivity. There is nothing in Google's or Amazon's credo about creating as many jobs as it destroys, the way a lumber company has to plant as many trees as it cuts. Uber's vision is to operate fleets of self-driving cars and trucks, potentially upending millions of workers' lives. Haven't heard any hint of a program to help those people. Tech companies tend to do their thing and figure society will take care of itself—and if society can't deal with job losses this time, well, the



BY
KEVIN MANEY
@kmaney

techies say, let's install a basic income and pay people to not complain about not working.

Of course, tech innovation has benefited us all in endless ways. You can bet that no anti-immigration, anti-trade, anti-progress Trump voter wants to give up his or her iPhone or Facebook account, or go back to taking pictures with a Kodak Instamatic just to preserve thousands of film factory jobs in Rochester, New York. History shows that innovation and automation always lead to better standards of living. Yet progress can also hurt, and some people never catch up. Tech folks generally think the fallout is not their problem, but Trump made it their problem.

Technology also bears responsibility for the divisiveness of this election. Over the past 20 years, technology has disrupted—or more likely obliterated—the way we'd long talked to each other about national politics. Back when most everyone tuned in to or read mass-market media, those media felt a responsibility for fairness—both a civic and a business responsibility, since pissing off half your audience is bad for business. So the broad population got exposed to all sides of a story, whether they liked it or not.

But technology disrupted media and splintered it into narrow factions. Niche outlets have more incentive to appeal only to their audiences—today, that's good business. So now everyone peels off into silos of information, exacerbating the nation's divides. Facebook makes it much worse by herding us into individual echo chambers. Its algorithm is optimized for engagement and page views (i.e., making money), not for fairness or equal time or civility. The more Facebook's algorithm chooses what news we see, the more we see news that fits our likes.

The result? For the first time in its surveys since 1992, the Pew Research Center found that majorities in both political parties "express not just unfavorable but *very* unfavorable views of the other party." In fact, 81 percent in a recent Pew survey said that supporters of Trump and Hillary Clinton didn't just disagree over plans and policies, they disagreed over "basic facts." Technology has led to such polluted discourse that, for the first time in history, provable facts have been downgraded to partisan beliefs.

Even if the tech industry worked to defeat Trump, the underlying sentiments he stirred up aren't going to disappear. And if tech doesn't address such concerns, the situation is only going to get fouler as we become more digital and do more stuff online and surrender to even more software. Workers are staring into the headlights of artificial intelligence, wondering when they'll turn into roadkill. Another Pew survey found that one in five of those with a high school diploma or less believes they're in danger of being replaced by software. That's not just insecurity—that's fear.

There are signs tech is starting to get it. IBM, Microsoft, Google, Amazon and Facebook recently formed an organization called Partnership on AI, vowing to show some sense of duty. "We recognize we have to take the field forward in a thoughtful and positive and implicitly ethical way," said Mustafa Suleyman, the group's co-chair and co-founder of Google DeepMind. Hopefully, these companies will follow through.

Some in tech are saying Facebook and others need to be accountable for the dynamics they set in motion. "What algorithms aren't optimized for is doing the *right* thing or for displaying any amount of transparency," writes Hemant Taneja of General Catalyst Partners, a venture capital firm. (Full disclosure: I'm working on a book with Taneja.) "This has to change, and these companies themselves must take the lead in creating algorithmic accountability in their services."

> FOR THE FIRST TIME IN HISTORY, PROVABLE FACTS HAVE BEEN DOWNGRADED TO PARTISAN BELIEFS.

In mid-October, President Barack Obama addressed this topic at a White House Frontiers Conference. He told the tech and science audience that they need to get involved in the issues technology raises, suggesting it will be good for business. "I don't want this audience of people who are accustomed to things happening faster and smoother in their narrow fields to somehow get discouraged and say, 'I'm just not going to deal with government,'" Obama said. "Because, at the end of the day, if you're not willing to...just get in the arena and wrestle with this stuff, and argue with people who may not agree with you, and tolerate sometimes not perfect outcomes but better outcomes, then the space to continue scientific progress isn't going to be there."

In other words, if tech can't or won't tackle the problems it creates, it will wind up with the anti-tech Trump, or some anti-tech Second Coming of Trump later. So the industry needs to step up.

It's either that or double down on VR. N

+ **PROBLEMS AT WORK: The issue of jobs being lost to tech has been a big one for Trump on the campaign trail.**

ROBERT NICKELSBERG/GETTY

WHY SOME MEN HARASS WOMEN

It's not just about sex. It's about women, work and other men

MANY AMERICAN men watching the video clip of Donald Trump bragging about grabbing women's genitals were quick to separate themselves from his vulgar chest-thumping. Some boasted on social media that they would never treat or talk about women that way. The implicit message was: I'm better than him.

The irony is that these self-satisfied viewers were engaging in a bit of chest-thumping themselves. So were some of the television pundits who couldn't condemn Trump loudly enough as they endlessly replayed the clip. They were all displaying a central feature of American masculinity: the need to dominate others, says C.J. Pascoe, a sociologist at the University of Oregon who studies masculinity.

The object of that domination can be women, employees, supervisors, other men or other countries. The Trump video showed not only his disrespect for women; it also showed how he dominated Billy Bush, the man he was talking to. Trump was more aggressive, more outrageous, more entitled. Bush was reduced to sputtering, "Sheesh, your girl's hot as shit." He'd been Trumped. This drive to dominate is what makes an American man a "man," says Pascoe.

Pascoe is talking exclusively about American men. Other societies have different conceptions of masculinity that don't require domination. "Look at Northern European socialist democra-

BY
PAUL RAEBURN
@praeburn

cies," says Pascoe. It's a softer masculinity, and it's evident in those societies. "They have parental leave for both parents, men and women are in leadership roles," and dominance over women or other countries "isn't part of their national identities to begin with," the way it is in the U.S.

American politics provides a near-perfect arena for clashes of masculinity. The 2004 presidential election was a good example. It pitted Democrat John Kerry, a formidable political figure, against George W. Bush. Kerry was portrayed by the Bush campaign as an elite, even an eccentric. He spoke French. He was wealthy. And he enjoyed windsurfing, footage of which gave the campaign an excellent way to illustrate its charge that his policy positions shifted with the wind. Bush was supposed to be the lightweight from Texas whose political career owed much to friends of his father, former President George H.W. Bush. Yet Bush proved to be the more "masculine" of the two candidates. "He was a real man. He was from Texas. He could shoot things; he was a man's man, a guy's guy," says Pascoe.

By any other reckoning, the portrayals might have flipped. Consider their military records. Kerry fought in Vietnam, where he was a hero, returning home with a Silver Star, a Bronze Star and three Purple Hearts. Bush served in the National Guard and never saw combat. With proper crafting, that alone could have been enough for Kerry to appear commandingly masculine. Instead, the cerebral senator couldn't compete with the Marlboro Man.

Threats to American men's masculinity can also distort their views of others. Christin Munsch of the University of Connecticut gave undergraduate male students a phony test that, she told them, would measure their masculinity. She told half of them they fell comfortably in the masculine range. The other half were told their scores put them on the feminine side of the spectrum—a clear threat to their masculinity.

The students were then shown several brief scenarios, including one in which a man and woman go to dinner and then back to her apartment, where he ignores her protests and sexually assaults her. Men who had been told they were on the feminine end of the spectrum "exonerated the perpetrator and blamed the victim," Munsch says. "They said, 'We don't like that woman.'" They sympathized with the man. Evidently, the threat to their masculinity prompted them to push back, teaming up with the (masculine) perpetrator against the (feminine) target of that harassment.

Men whose masculinity hadn't been threatened were generous. They were sympathetic toward the woman and less likely to defend the man, because they had little to prove. Their masculinity had been "certified" by Munsch's phony test. Other research has shown that men whose masculinity is threatened are, for example, more likely to send dirty jokes to women.

This distasteful head-butting might be less distressing were it not for the effect it has on so many women. In recent days, 11 women have publicly accused Trump of sexual misconduct. The incidents allegedly occurred years or even decades ago, which has prompted Trump allies and others to question their credibility. Trump has denied the sexual harassment accusations and said he's the victim of a conspiracy orchestrated by Hillary Clinton's campaign and the media. His denials do not, however, erase what we've all seen on the videotape.

Researchers say, perhaps with a bit of wishful thinking, that norms and expectations change over time. The outbursts that Trump characterized as locker-room talk "seems like something from a different time, a time we're not so proud of," says Christopher Uggen, a sociologist at the University of Minnesota. He doesn't claim the problem has been solved.

> THE OBJECT OF DOMINATION CAN BE WOMEN, EMPLOYEES, OTHER MEN OR OTHER COUNTRIES.

Some of Trump's supporters no doubt believe we're heading in the wrong direction. "Many white men feel aggrieved, says Pascoe. "Gains by women and minorities are often felt as losses by these men." The collapse of old norms has snatched from them the opportunity to use women as props in their masculinity clashes with each other. Some will feel deeply aggrieved if Trump is defeated—especially so, perhaps, because his opponent was a woman. N

TOMAZ LEVSTEK/GETTY

FREE TO NOT SPEAK

Cellphone-makers claim a First Amendment right not to say what the government tells them to

IN THE BACK of the Apple Store in Berkeley, California, at the end of the bar where those "geniuses" repair iPhones and MacBooks, is a placard with this warning: "If you carry or use your phone in a pants or shirt pocket or tucked into a bra when the phone is ON and connected to a wireless network, you may exceed the federal guidelines for exposure to RF radiation." Read the safety instructions in the manual, it tells consumers. Or else.

The Apple Store posted the notice to comply with a Berkeley city ordinance—the first in the nation—requiring retailers to alert consumers to federal guidelines for safe cellphone use. The warning drew little attention when I visited that Apple Store in October. But such notices drew the attention—and the ire—of CTIA, a trade association representing some of the nation's largest cellphone manufacturers and carriers. CTIA went to court, arguing that Berkeley's notice infringes on cellphone retailers' First Amendment rights. The ordinance, it said, forced retailers to "distribute its one-sided, innuendo-laden, highly misleading and scientifically unsupported opinion on a matter of public controversy." Berkeley maintains in court documents that the notice is "nothing but an arrow that points to the very manuals written by manufacturers."

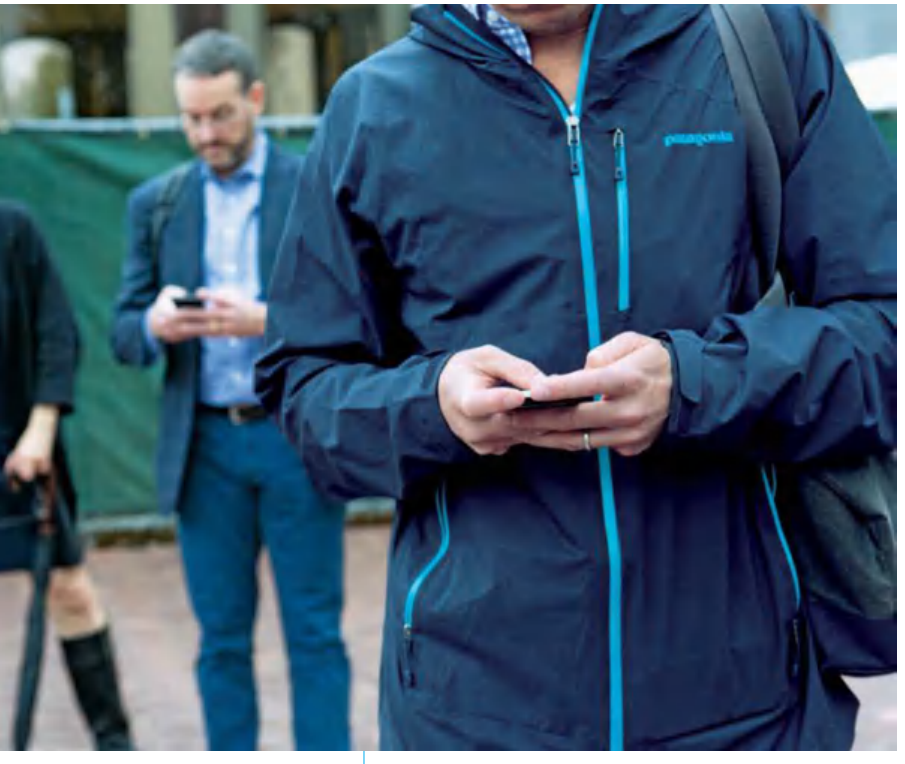
The so-called right-to-know ordinance has sparked an epic dispute between two of the nation's top legal titans. CTIA hired Theodore Olson, a former solicitor general who argued the case that put George W. Bush in the White House and is considered one of the nation's most effective U.S. Supreme Court advocates. Berkeley is represented by Lawrence Lessig, a Harvard law professor and cyberlaw expert who last year ran for president as a Democrat to push for an overhaul of campaign finance. The two are now jousting over the Berkeley ordinance in federal court.

Lessig, who helped craft the Berkeley ordinance in a way that he hoped would withstand a cellphone industry lawsuit, is not charging the city for his services. He volunteered because he believes corporations discourage governments from imposing regulations by filing First Amendment lawsuits that are prohibitively expensive to defend, he tells *Newsweek*. "I'm a constitutional scholar, and I am very concerned," he says.

U.S. District Judge Edward Chen of San Francisco allowed the Berkeley cellphone warning law to take effect in January. In a hearing last year, Chen read from an iPhone manual cautioning that the device could exceed federal radiation-exposure guidelines if carried closer than five-eighths of an inch from the body. "The mandated disclosure truthfully states that federal guidelines may be exceeded where spacing is not observed, just as the FDA accurately warns that 'tobacco smoke can harm your children,'" Chen wrote.

The wireless association appealed Chen's decision to the Ninth U.S. Circuit Court of Appeals in

BY
RONNIE COHEN
@ronnie_cohen



CHRISTOPHER KEISER FOR NEWSWEEK

San Francisco. In September, Olson and Lessig debated the matter before a three-judge panel. A ruling is expected in the next few months.

In determining whether Berkeley's required notice violates the First Amendment, the court must decide if the statements it makes are true, false or misleading. "These statements are absolutely true," Lessig told the judges. "The question is one of tone or interpretation," said Judge William Fletcher, one of the federal appeals court judges hearing the case. "I read that language and say, 'Uh-oh, I'm in trouble if I put it in my pocket,' when in fact I might not be in trouble at all."

Whether it's dangerous for Fletcher to carry a cellphone in his pocket is a scientific question. The Federal Communications Commission (FCC) set radio frequency radiation limits in 1996, Since then, scientists have vigorously debated the safety of cellphones. Both Olson and Lessig have insisted they would not engage in that debate. But both have done so.

Olson told the appellate court that "what the FCC says with respect to cellphones used in the United States is that they are safe.... Berkeley's message communicates: Watch out." Fletcher disagreed: "As you know, the science at this point is somewhat indeterminate."

Lessig argued that the FCC has never made a blanket statement that cellphones are safe in all circumstances, only when used as tested. "We are relying on a regulation of the FCC," he told the court. "We don't want to get into an argument about the science."

A simple disclosure of facts would not violate the First Amendment, but Olson argued that the Berkeley warning is not just a disclosure, because it misleads consumers. Again, Fletcher and Olson clashed.

"The message is if you don't be careful, you might exceed these guidelines," said Judge Morgan Christen. Fletcher agreed; Olson didn't. "If you do exceed the guidelines, the cellphone is still safe," Olson replied.

In a telephone survey, Berkeley found that 70 percent of registered voters were not familiar with FCC-mandated safety tests—which assumed people would carry phones at a short distance from their bodies. The survey convinced the City Council to require the warning notices.

The government has assumed that cellphone radio frequencies pose a potential danger only when held closely enough to human tissue to heat it. The only perceived problem was that a phone user might get burned. Recently, though, a $25 million U.S. government National Toxicology Program study found that male rats exposed to radio-frequency radiation like that emitted by cellphones developed low incidences of two types of tumors—malignant gliomas in the brain and schwannomas of the heart.

Christen asked Olson if cellphone-makers could agree to a compromise that would allow the warnings to stand but "add a sentence at the top that says the FCC has never found that cellphone usage is unsafe."

Olson stuck closely to the free-speech argument. "It forces a debate on a subject our client wishes not to get into," he replied.

All parties agree on one thing: Whether Berkeley has a right to mandate warnings about cellphone safety turns on a question of free speech, not science. Many others outside the courtroom would likely disagree. N

BERKELEY'S RIGHT-TO-KNOW ORDINANCE HAS SPARKED AN EPIC DISPUTE BETWEEN TWO OF THE NATION'S MOST FORMIDABLE LEGAL TITANS.

PESTICIDE PARADOX

Some widely used insecticides seem to make plants more vulnerable to other pests

IN 2005, New York City officials discovered Asian long-horned beetles in Central Park elms. To combat these pernicious pests, which can destroy entire forests, park personnel sprayed insecticides known as neonicotinoids on tens of thousands of trees infested by that beetle and another invasive pest, known as the emerald ash borer.

The treatment worked, but the spraying had an unforeseen effect: It led to an explosion of spider mites. These tiny arachnids, which weave small webs and puncture holes in plants to feed, sickened the trees, many of which began to drop their leaves.

This dilemma was the beginning of a long scientific quest for Texas A&M University agricultural entomologist Ada Szczepaniec. Why, she wondered, would neonicotinoid pesticides such as clothianidin and imidacloprid—which can kill a wide variety of insects—cause a boom in spider mites?

Szczepaniec began to seek the answer, in part because neonicotinoid pesticides, which were introduced on a large scale in the 1990s, are now nearly ubiquitous. She says that while they are considered to be safer than older insecticides, concerns about their unintended consequences have generally been downplayed, especially in the United States—though research shows the chemicals are relatively toxic to bees. For that reason, the European Union has banned several of them.

Her initial work led to a 2011 PLOS One study that showed elms treated with neonicotinoids—neonics for short—hosted smaller populations of creatures that attack spider mites. Her more important discovery: Mites that fed on treated elm leaves had 40 percent more offspring than those that fed on regular leaves. This suggested the insecticide was doing something unusual to the trees to make them more palatable to the mites.

Next, Szczepaniec turned her attention to agriculture, where she found similar results in corn, cotton and tomatoes. For all those crops, treated plants fostered larger populations of mites.

Her latest work, presented at the International Congress of Entomology in late September in Orlando, Florida, showed that when applied to corn, the neonic imidacloprid altered the activity of more than 600 genes involved in the production of cell walls and defense against pests. The activity of most of these genes was reduced. Szczepaniec suspects that reduced activity leads to more penetrable leaves and lower levels of pest-repelling hormones. No one knows that for sure, but it would explain why spider mites thrive in the presence of these pesticides.

Other researchers have made similar findings, showing that the use of neonics can lead to spider mite outbreaks in apple trees, elms and hemlock; ornamentals such as roses; and agricultural staples like soybeans. And a study in the *Journal of Economic Entomology* by Washington State University researchers found that spider mites laid more eggs when exposed to imidacloprid-treated bean plants.

BY
DOUGLAS MAIN
@Douglas_Main

STUART WILSON/SCIENCE SOURCE/GETTY

PIECE OF CAKE: Red velvet spider mites like this alluring specimen strike at vulnerabilities that arise when crops, trees and other plants are sprayed with neonicotinoid pesticides.

Meanwhile, in the past few years, Szczepaniec and Penn State's John Tooker have noticed increasing numbers of spider mite outbreaks in corn and soybeans throughout the country, although they haven't quantified that. "The general findings are interesting because they highlight an unintended negative consequence of insecticides and because spider mites are an important plant pest with a very broad host range," says Gregg Howe, a plant researcher at Michigan State University who wasn't involved in the research.

However, two studies led by Ralf Nauen from Bayer's CropScience division, which manufactures neonicotinoids (including imidacloprid), came to a different conclusion. These two papers, in the *Journal of Economic Entomology* and *Pest Management Science*, found that imidacloprid reduced the fertility of some strains of spider mites. Further research will be needed to resolve the conflicting findings.

Spider mites can be controlled with a few pesticides and miticides, but these can be expensive and difficult to apply. Resistance to these chemicals also appears to be growing.

Tooker says that besides mites, neonicotinoid application can have other unwanted side effects. His work has shown that use of the chemicals has also led to outbreaks of crop-munching slugs by inadvertently poisoning the creatures' major predator, ground beetles.

These incidents suggest that neonicotinoids should be used less widely, Tooker and Szczepaniec say. They are most alarmed at the use of neonics to coat seeds, which is meant to prevent infestations that are unlikely to occur. And this practice is rampant: Neonics are added to about 95 percent of corn seeds and about half of soybeans.

The vast majority of these seed coatings run off in water, ending up in local waterways. Work by Christian Krupke from Purdue University has shown that more than 90 percent of these insecticide coatings isn't absorbed by the plants.

The U.S. Environmental Protection Agency concluded in a 2014 memo that "these seed treatments provide little or no overall benefits to soybean production in most situations." Tooker says the same goes for corn.

Jeff Donald, a spokesman for Bayer CropScience, disagrees. "Modern neonicotinoid seed treatments offer a number of important benefits, including increasing yield for farmers, reducing the amount of insecticide in the environment and minimizing potential exposure to nontarget organisms, when used according to the specific label directions," he says.

> NEONICS ARE USED "TO PREVENT A PROBLEM THAT ISN'T LIKELY TO OCCUR. THAT'S HARD TO JUSTIFY."

Both Szczepaniec and Tooker urge farmers to adopt integrated pest management, a set of policies that lay out when farmers should use insecticides in response to observed levels of pests in the field, rather than, for example, using them pre-emptively on the majority of corn seeds. Too often, Tooker says, these chemicals are used "to prevent a problem that isn't likely to occur." With unforeseen impacts like mite outbreaks, he says, "that's hard to justify." N

BEER AND LOATHING

With its impending $100 billion merger, Budweiser is truly the King of Beers, but heavy is the head (of foam) that wears the crown

JOHN LUND/SAM DIEPHUIS/BLEND/GETTY

MUG SHOTS: Budweiser's parent company has become the world's biggest beer-maker, but its grip on the U.S. market is slowly slipping as craft beers spread across the land.

BY
LEAH MCGRATH GOODMAN
@truth_eater

AS A CHILD, I spent countless hours studying Budweiser beer cans. Their officious labels with the filigreed script filled me with the same wonder as the webbed mysticism of a dollar bill. Budweiser was my father's beer of choice, and, like most children, I assiduously studied everything my father held sacred. I knew nothing about alcohol, but I knew every word on the Budweiser can. I longed to visit St. Louis, where Budweiser is brewed. I dreamed of having my own blinkered Clydesdale horses, which still tour cities throughout the United States as "ambassadors" of the brand. But mainly, I pondered how one became the "King of Beers."

Apparently, you become king just by having your founder say it's so. German-born Adolphus Busch began manufacturing the Bohemian-style lager in Missouri with his father-in-law, Eberhard Anheuser, in 1876, over a decade after the Civil War. He gave Budweiser its name and royal title, which mimicked a Czech beer that was founded in 1245 by King Ottokar II of Bohemia—and called itself "Beer of Kings." As the legend goes, Ottokar became heir to the Bohemian throne when his beloved older brother died in 1247. Ottokar was so distressed he avoided politics and focused on other things, mainly hunting and drinking. Hence, the birth of the pale lager that became the progenitor of Budweiser.

Fast-forward several centuries or so, and the King of Beers is now truly worthy of the title. But world domination is never simple. In November, the company will finalize a $100 billion–plus merger with its nearest competitor, SABMiller, to become the world's top brewer in one of the biggest deals in corporate history—and the largest ever in the long history of beer. With this deal, the mega-brewer, now a Belgian company run

by a Brazilian CEO and called Anheuser-Busch InBev (AB InBev), will be anointed the world's No. 1 brewer for the second time in a decade.

The merger creates a company so sprawling that one U.S. trade publication dubbed it "Beer Voltron." A map of the new entity illustrating its global scale looks like a game of Risk where there's only one player. In its deal presentation, AB InBev proclaims itself the "first truly global beer company." Yet where the King of Beers stands to make the most—the U.S.—its crown is slipping.

"It's a quagmire that exists for them," says Brian Sudano, managing partner at New York–based Beverage Marketing Corp., a research consultancy tracking beverage companies. "Bud Light and Budweiser represent around half the company's business, but they've been losing around 1.5 percent to 2 percent a year [in beer volumes] for the last eight years. That's pretty hard to make up elsewhere." While those beers do sell globally, the loss Sudano describes is in the U.S., the company's highest-earning market.

While Bud Light remains the top-selling beer in the U.S., with more than $110 billion in sales a year, the burgeoning craft beer industry and a climbing demand for imports are eroding the brand's hegemony. "The problem is, as it loses its footing, it's losing its influence," Sudano says. "There are ripple effects. You're no longer the beer people have to have at their party."

The numbers, according to Eric Shepard at Beer Marketer's Insights, a company that monitors the beer industry, are undeniable. "Americans' alcohol consumption per capita hasn't changed much since the end of the Prohibition," he tells *Newsweek*. "But beer drinkers are trading up to more expensive premium beers." Annual beer volumes in the U.S. hovered at just above 205 million barrels over the past decade. Of that total, crafts and imports attracted the greatest growth, he says, with craft beers soaring from 6.9 million barrels in 2005 to 21.9 million barrels in 2015. Imports rose from 26.5 million to 31.3 million barrels during that period, led by Mexico, following U.S. demographic shifts.

What have mainstream beers done over the same time frame? "They've dropped from 172.8 million barrels in 2005 to 153.5 million barrels in 2015," Shepard says. Could Americans suddenly reverse course and demand more mainstream beer? "I would be surprised," he says. "You've seen this trading up in recent years across the consumer goods sector. You've seen it in coffee, in bread, in candy, in spirits and wine, and in beer. My question is, Do you go back to white bread? I don't think so."

The trend is expected to continue, says Bart Watson, chief economist for the Brewers Association, a craft beer trade association based in Boulder, Colorado, representing more than 3,400 small and independent U.S. brewers. "Small brewers have been growing in market share since the late '70s and early '80s, but for a long time they were too tiny to pose any threat to the bigger brands," he says. "Only in the past 10 years have they really made themselves known, with more than 20 percent of the market in dollar sales." By volume, their share also is going up, with craft beers representing 12.2 percent of the U.S. market in 2015, he says, and they will likely hit a peak this year.

Craft concoctions can do many things the big beers can't, like offer greater variety, fuller flavor and snappier names (Pepperation H, Apocalypse Cow and Citra Ass Down) or humorous mottos appealing to locals and tourists, like Utah's Polygamy Pale Ale ("Try one and you'll want another, and another, and another..."). Watson says craft brewers also tend to be deeply involved with their communities and are highly philanthropic, bolstering brand loyalty in a way the monster beer makers cannot.

> UTAH'S POLYGAMY PALE ALE: "TRY ONE AND YOU'LL WANT ANOTHER, AND ANOTHER, AND ANOTHER..."

The craft craze has been gaining momentum since 2007, says Tom Hogue, congressional liaison for the U.S. Alcohol and Tobacco Tax and Trade Bureau. He says growth has accelerated rapidly from 2011 on, and his staff can hardly keep up with the backlog of applications from new brewers around the country. "We've never seen growth like this before," he tells *Newsweek*.

"It's entirely unprecedented, and there's no sign of a slowdown."

More than 98 percent of all brewers are small businesses, each producing fewer than 2 million barrels annually. Data collected by the U.S. Census Bureau show the number of U.S. breweries more than doubled from 2007 to 2012, from 398 to 869. That number reached 5,766 by the end of 2015. "You are probably seeing it in your neighborhood with the increased numbers of brewers and distillers," Hogue notes. According to the Brewers Association, most Americans live within 10 miles of a craft brewer.

Yet heavy is the head that bears the foam—and in the world of beers, that's profit. The upsurge of small brewers has yet to topple the mainstream brands, but it's put them on the defensive. In the U.S., the most popular beers are Bud Light in the No. 1 spot, followed by Coors Light, Miller Lite and Budweiser—all multinationals fighting to stay relevant as drinkers increasingly favor high-end beers and millennials flock to non-beer potables such as wine, mixed drinks and champagne. "We're talking about a loss of about 23 million barrels for the biggest brands since 2008, and they're on track to lose more this year too," Watson says. "It's not about growth anymore for many of these brands. It's about defending what they have."

This year, some of the behemoths began to look a little anxious, with Budweiser and Bud

MATT CARDY/GETTY

WARM AND FUZZY BEER: Craft brewers like the Wild Beer Co. can offer customers beers with stories and intriguing names, like Hibernating Lemons and Bibble.

Light making, well, sophomoric stabs at tapping into the hysterical political climate ahead of the U.S. presidential election. Budweiser weathered a flurry of criticism for erasing its name from beer cans and renaming itself "America" until November's vote. And Bud Light held a concert series of "Bud Light Party Conventions" (featuring "super delegates" Flo Rida, Ludacris and others) alongside the presidential candidates' real conventions over the summer. In addition, it rolled out an ad campaign trumpeting socially conscious messages that will stretch into early November. For instance, the brand aired its first transgender ad, with actor Seth Rogen posing as a faux politician behind a podium proclaiming, "The Bud Light Party is going to address the issues that matter.... Beers should have labels, not people!"

In another, comedian Amy Schumer, dressed like a senator in navy blue and pearls, decries the lack of equal pay for women. "Bud Light proudly supports equal pay. That's why Bud Light costs the same, no matter if you're a dude or a lady!" (Never mind that the so-called "Bud Light Party Platform" has been more than a little schizo, pushing mostly liberal causes yet insisting it embraces Republicans and Democrats alike.)

Explaining the company's rationale for this exuberant flag-waving, Alex Lambrecht, marketing director for Bud Light, speaking in a thick Belgian accent, tells *Newsweek,* "We have become America's most popular beer by being part of America's popular culture. We're always looking for what is going to be the next big, relevant thing." Says Beverage Marketing Corp.'s Sudano, "They're desperately trying to stabilize their volume losses in the U.S. and turn it around. That's why you see them pushing the envelope."

THINGS GO BETTER WITH SUDS

There's a lot of beer money to be had for those who get it right. The U.S. market is expected to reap $113 billion in sales in 2016, accounting for 1.5 percent of U.S. gross domestic product, according to the Beer Institute, a Washington, D.C., trade group representing both large and small brewers, as well as importers and industry suppliers. The institute says the beer industry supports 1.75 million jobs (that includes the entire supply chain, down to the bartenders) and contributes roughly $252.6 billion to the nation's economy. Globally, the beer market is on course to generate an estimated $688.4 billion in sales by 2020, according to Allied Market Research, a consultancy in Portland, Oregon, with the bulk of the growth overseas. Chinese beers Snow and Tsingtao have already edged out Bud Light as the world's top beers by total volume (Bud Light is No. 3).

With the U.S. beer market effectively tapped out—even demand for craft beers seems to be plateauing, notes Beer Marketer's Insights Shepard—AB InBev's mega-merger will be focused not on the U.S. but on high-growth emerging markets like Africa, where SABMiller has extensive operations. "This merger really fills out the company's global footprint," says Watson. "The company has struggled in the developed world for years, so developing a presence in emerging markets where it can capture growth is a smart strategy."

In the company's deal presentation, it predicted 16 percent global volume growth in the beer market between now and 2025, with African growth nearly triple that rate at 44 percent. The merger will also build on the company's presence in Latin America, Southeast Asia and Australia. "The strategy is to be the No. 1 or No. 2 market leader basically everywhere," Watson says.

Does that mean it's game over for the King of Beers in the U.S.? "Game over may be a little much," says Shepard. "The U.S. is the largest profit pool in the entire world for beer. If this newly formed company is able to maintain 43 percent of the U.S. beer market, which is where we had it at in 2015, I think they'll say, 'Thank you very much. We'll bank it.'"

> MOST AMERICANS LIVE WITHIN 10 MILES OF A CRAFT BREWER.

The merged company is now so mammoth that international regulators, antitrust laws and the laws of physics likely will prevent it from much further expansion into beer, he says. But that won't stop it from making a play for a different kind of beverage giant. "This is not the last deal they're going to do—they're supreme deal-makers," Shephard says. "And post-merger, they will have the size to make a run for a company like Coca-Cola."

Noma For the Rest of Us

One of the world's most famous restaurants now has a more casual (and more affordable) baby brother

LATE ON a September night, Kristian Baumann's friends threw him a surprise 30th birthday party. They cranked up the AC/DC, passed out glasses of sparkling wine and doled out bacon-wrapped sausages from the hot dog truck outside. Through it all, Baumann—the chef of Copenhagen's hottest new restaurant—smiled and thanked well-wishers, but his slumping shoulders told you that what he really wanted was to go to bed.

Since opening 108 on July 27, Baumann has been working 16-hour days without a day off. That may not be unusual for the chef of a new restaurant, but Baumann is under a degree of pressure few of his peers experience, because 108 is the livelier, less expensive offshoot of Noma, one of the best restaurants in the world. "It's been overwhelming," he says. "The hours, the press, the bookings. I've kind of lost all sense of time and place."

From the moment it opened, 108 was besieged. "Journalists, critics, bloggers, they were all there—and this was for a pop-up!" Baumann recalls. "[Our sommelier] said to me, 'We've created a monster. Now we have to learn how to control it.'"

He would also have to learn how to separate creatively from Noma's chef, René Redzepi, to whom Baumann apprenticed before becoming sous-chef at another highly acclaimed restaurant. In 2014, he returned to Noma, and so much of his energy had gone into knowing Redzepi's palate that Baumann found it tricky to express his own. "I knew I wanted to take things in a different direction, but I couldn't articulate how. I got a little lost."

By the time the restaurant opened, he had developed a tight menu of dishes that were modern but comforting. Noma might play up the intensity of seasonal bleak roe, for example, but at 108 the tiny pearls are marinated in an oil made from rose hips, seasoned with plums and adorned with coriander flowers. Instead of blasting the palate with fishiness, the dish blends sweet, spice and brine.

108 is far more accessible than Noma. A café in the corner serves coffee and pastry in the morning and wine at night; it recently added a lunch plate—for the un-elitist price of about $15. And to the delight of anyone who has called three months in advance in hopes of getting a table at Noma, 108 keeps several tables for walk-ins.

That isn't to say Baumann has slayed the elephant in the dining room. "It can be frustrating," he says. "There are people who can only think, Noma, Noma, Noma.

But 108's reservation book is so full that it recently decided to open seven days a week. "We don't have the manpower for it," Baumann says with a slight smile. "But we're going to do it anyway."

One incident cast some doubt on that. In August, 108's ventilation system caught fire. Flames leapt from the ceiling, and the packed dining room had to be evacuated. No one was hurt, and the restaurant reopened after a few days, but Baumann is haunted by the event. "For a brief moment, I saw a picture in my mind of all of us standing outside, watching the building burn."

Baumann, despite his glowing reviews, has a modest goal: "I just want to make the two-year mark." That and get some sleep; he's now grabbing a 15-minute power nap on a bench in the dining room before the start of service. N

BY
LISA ABEND
@LisaAbend

KASPER PALSNOV FOR NEWSWEEK

DOWNTIME/EBAY

THE BUCK STOPS NOWHERE

My get-rich-quick scheme: selling a one-dollar bill on eBay

WHAT'S THE value of a dollar? I'm not asking in the sense of "proving to your parents that you understand hard work by shoveling your elderly neighbor's driveway" or "selling your car so you can spend six months in Guatemala." I mean if I tried to sell you a $1 bill right now—an average, slightly wrinkled bill—what would you pay for it?

The answer seems obvious, tautological even. Its value is in its name. Its price tag is printed all over it. It's worth itself. Or is it? To find out, I decided try to sell a dollar on eBay.

I pulled a random bill out of my wallet, took a few photos from different angles and then wrote up the listing under the username smashmouth420. I filed the auction under the Coins & Paper Money category—which I suppose is usually reserved for coin collectors—and titled it simply "one dollar bill."

"I'm selling one of my dollar bills. i got it as change after buying a burrito with a ten dollar bill," I wrote in the auction's description. "I hate to part with it, but sadly i just don't have the space in my apartment. it's great for anyone who likes or uses money. it's a 2009 model, used, light/dark green, with former President George Washington on the front. made in the good old USA!"

I then posted the listing on social media. Within an hour, someone bid on it: 5 cents—a great deal, until one factored in the $2.62 for shipping. The following morning, the price jumped to 10 cents.

Naturally, users messaged me with questions. I tried to be as helpful as possible: "Was this used dollar bill touched by someone famous?" No. "Will you ship it safely to keep its rumpled condition as is?" No. "How do I know this is a real dollar? Do you have any documentation that proves it is actual U.S. currency?" No.

Soon a low-stakes bidding war between six people started. The price jumped in 10-cent increments until it reached $1. One second later, the price hit $2. A 100 percent profit, without doing any real work or producing anything worthwhile for society! I felt a mix of joy and deep self-loathing. This must be how bankers might feel, if they could experience human emotions.

CAN'T PUT A PRICE ON STUPID

Why were people willing to overbid on a lousy dollar bill? Here was an auction with perfect information, in which the value of the object was explicit. Unlike the "dollar auction" created by economist Martin Shubik, in which the price is driven upward by the nature of the game (the second-highest bidder has to pay out what he or she bids, which gives people incentive to keep bidding), people in this case just seemed to really want my dollar bill.

There are plenty of examples of this kind of irrationality playing out in a market: In 2005, Kyle MacDonald traded a worthless red paper clip for progressively more valuable objects. By his 14th trade, he got a two-story farmhouse in Kipling, Saskatchewan. In 2013, poet Vanessa Place created a poetry chapbook made of 20 $1

BY
JOE VEIX
@joeveix

ERICK SANCHEZ

bills and sold it for $50. It sold out in an hour. In 2014, Zach Brown raised money on Kickstarter to make a bowl of potato salad. He ended up raising over $55,000.

Perhaps the objects gained value through their association with an interesting narrative, or they at some point became art objects. Or maybe people just like blowing their money on hopeless causes. After all, Gary Johnson's presidential campaign raised nearly $9 million.

Seventeen bids and three days later, the auction closed with a bid of $3.50. The winner was Erick Sanchez, in Washington, D.C. After his payment cleared, I slipped the dollar bill into an envelope and mailed it to him.

It's fitting that Sanchez got my dollar, as he is very familiar with online stunts that waste other people's money. In fact, I had previously met him while covering a story last year: Sanchez raised $30,000 on Kickstarter to donate money to another Kickstarter, so that he could pay Kenny Loggins—the '80s pop singer most famous for movie soundtrack hits like "Footloose" and "Danger Zone"—to play in his parent's suburban living room.

I asked him why he was willing to blow his money on my auction. "It wasn't just any dollar bill," he explains. It gained an ineffable value by being part of a dumb joke, just like it might if a B-list celebrity signed it. "Let's say Corey Feldman was selling a dollar on eBay," Sanchez says. He'd probably get like $20 for it."

> "IT'S A 2009 MODEL, USED, LIGHT/DARK GREEN, WITH FORMER PRESIDENT GEORGE WASHINGTON ON THE FRONT."

THE SINGLE LIFE: The man who won the auction for the dollar bill spent his winnings on a Powerball ticket.

So where did the bill end up? Sanchez says he thought about framing it but changed his mind and spent it on a Powerball ticket. "I was convinced the power of the bill would give me the power of the ball," he says. "I lost."

To the extent that any conclusions can be drawn from this very unscientific experiment, value is incredibly flexible, even for something seemingly immutable like currency. It's not like one needs a cheap internet stunt to determine that markets are irrational. Just look at the housing crisis or the economic pressures preventing us from stopping humanity's slow global warming suicide. Still, it's a useful notion to remember whenever some libertarian billionaire like Peter Thiel demands that we preserve the sanctity of the free market by grinding the bones of poor people and using them for pesto. Markets are irrational.

Pretentious stabs at larger meaning aside, there's at least an answer to that first question: The value of a dollar bill is precisely $3.50. Plus shipping.

WASHING THE BLOOD OFF

Rebecca Hall goes to extremes in a film about a shocking televised suicide that was a protest against clickbait

AFTER REBECCA HALL finished shooting the final scene of *Christine*, her new film about the American newscaster Christine Chubbuck, who, in 1974, blew her brains out on live television, she got in the car that had come to take her off the set. The movie, a small, independent production financed with money Hall helped raise, couldn't afford trailers, so even though she was caked in fake blood, she couldn't shower until she got back home.

"I just remember really shaking for a long time, as I washed the blood off myself," she says. "Being rigged to a machine that pumps blood, and holding a gun and putting it to your head—it's like your body doesn't actually know it's fake. Because, if I'm doing my job correctly, I've convinced my brain that it's real. The adrenaline response is sort of nuts. You sit under the shower for a bit going, 'What the hell is going on?'"

She laughs as we sit eating salad in a café in Brooklyn Heights in New York City, not far from where she lives. Perhaps Hall doesn't want to seem melodramatic, but there's no doubting her commitment to Chubbuck's story. "I want to champion this film more than I've ever wanted to champion anything," she says.

Tall, with sad eyes and a Modigliani face, Hall has a manner that combines boldness with introspection—a mixture key to all her performances, particularly the rawness and fragility she displays in *Christine*. Chubbuck's death has become a gruesome internet meme—the holy grail of online snuff ghouls. But contrary to rumor, there are no extant videos of her broadcast on July 15,

BY
TOM SHONE
@Tom_Shone

+
BAD ACTOR: Hall is fighting the bias against unlikable female characters, pointing out that De Niro's career is based on men doing terrible things.

FROM LEFT: ANDERSON/THE ORCHARD; MAARTEN DE BOER/GETTY

1974, when, a few weeks before her 30th birthday, Chubbuck read from a prepared statement. "In keeping with Channel 40's policy of bringing you the latest in blood and guts, and in living color," she said, "you are going to see another first: attempted suicide." Then she pulled a revolver from below the desk, placed it behind her right ear and pulled the trigger.

The film, which could have been either depressing or lurid, is neither. Instead, it's a tender, broken-hearted character study of an intelligent misfit struggling to keep it together. All of Chubbuck's woundedness and panic are visible on Hall's face. She's obviously drowning.

Chubbuck's mental health problems went undiagnosed. Hall read up on depression and borderline personality disorder in preparation for the role. "I feel very proud to be in a film that has a woman at its center who is a misfit but who is not made to look cool, or weird or edgy," she says. "There is a deep, deep discomfort with women who are unlikable on screen. We're still in a state where we box it up: 'She's wild, she's crazy, she's drunk, she's this, she's that.... ' Robert De Niro has made a career out of playing these characters, and we love them—big, big characters who do terrible things. But when it's a woman it's like, 'She's making me feel uncomfortable...'"

> CHUBBUCK'S DEATH BECAME A GRUESOME INTERNET MEME—THE HOLY GRAIL OF ONLINE SNUFF GHOULS.

The parallels with Hall are obvious. Hollywood hasn't quite known what to do with her, flummoxed perhaps by her brains or her impeccable British theatrical pedigree—although she says it is a relief most Americans don't know that her father, Sir Peter Hall, founded the Royal Shakespeare Company. She took the sulky-cool girlfriend role in Ron Howard's *Frost/Nixon* and then was mostly on the cutting-room floor of *Iron Man 3*. She found her place in small independent dramas such as Woody Allen's *Vicky Cristina Barcelona* and Nicole Holofcener's *Please Give*, playing wallflowers in bloom against fierce competition—Scarlett Johansson in the Allen film, Amanda Peet in the Holofcener. Until *Christine*, to see what Hall was really capable of, you had to be in a theater. There was real eruption, real abandon.

"She's a risky performer," says Antonio Campos, the director of *Christine*. He approached Hall after seeing her Broadway debut two years ago in *Machinal*, Sophie Treadwell's play about a woman who has murdered her husband and is on death row. "[*Machinal*] was one of those all-consuming performances where you feel like the actor has given every bit of their body and mind over to this thing, to the point where it becomes more like a possession than a performance. She's willing to go to the extreme," Campos says.

She has just finished work on Oren Moverman's film *The Dinner*, playing the trophy wife of Richard Gere's politician. The plot centers on a dinner Gere's character shares with his brother and sister-in-law (Steve Coogan and Laura Linney), during which secrets and family crimes are spilled. It sounds like one of those long, dark journeys into a single night beloved of playwrights—hence the shoot, which was crammed into three weeks in Yonkers, New York, working through the night. "I have quite a weird memory of this one," Hall says. "As in, no memory. I was sleepwalking. I have no idea what the quality of this film is, what the tone is, what the acting is like, because we were all delirious."

For now, though, she's happily championing *Christine*—and Chubbuck. "She's a harbinger for lots of things that it feels very uncomfortable to talk about—suicide, mental health, women in the workplace, all of that. The notion that if it bleeds it leads feeds straight into the clickbait mentality. Also, this idea that fear is a way to manipulate and control people: It is something, right now, we're not entirely unfamiliar with. She feels very relevant." N

REWIND

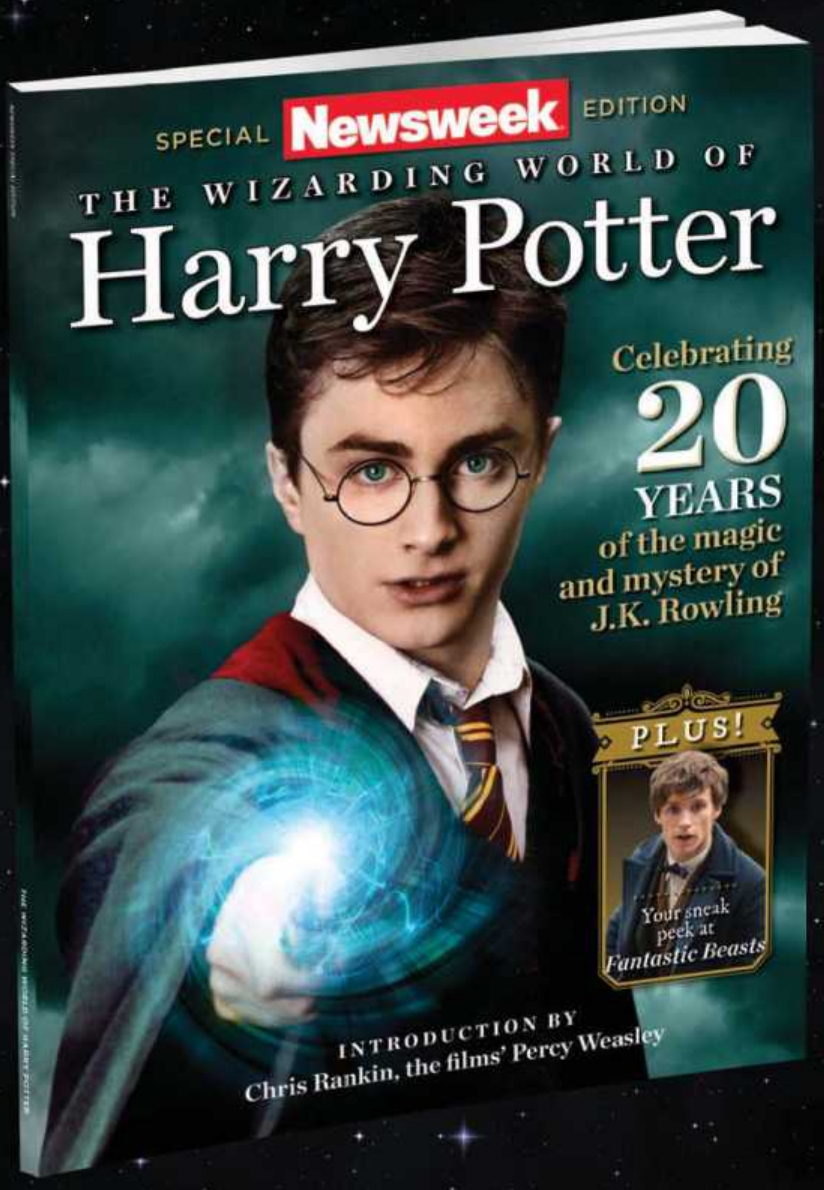
25 YEARS

NOVEMBER 11, 1991

IN "GOPs, LOOK OUT! THE DEMOCRATS' ATWATER" BY HOWARD FINEMAN, ABOUT JAMES CARVILLE, A DEMOCRAT FROM LOUISIANA KNOWN AS THE "RAGIN' CAJUN"

"He's a Southern good ole boy, a political consultant with a hell raiser's reputation and an inborn feel for the fears of the middle class. His campaigns are as nasty as he can get away with, full of dark accusation, half-truths and last-minute leaks. He chuckles when the word *principle* comes up."

Rediscover the world of Harry Potter! Get the scoop on *Fantastic Beasts and Where to Find Them*



On Sale Now!

Find it on newsstands nationwide or OnNewsstandsNow.com

NBC NEWS

DECISION NIGHT IN AMERICA

LIVE ELECTION COVERAGE

TUESDAY, NOVEMBER 8 7PM ET

NBC