

U.S. shoppers returned with vigor in May

By Josh Boak and Ann D’Innocenzio
Associated Press

BALTIMORE — American shoppers ramped up their spending on store purchases by a record 17.7% from April to May, delivering a dose of energy for retailers that have been reeling since the coronavirus shut down businesses, flattened the economy and paralyzed consumers during the previous two months.

The government’s report Tuesday showed that consumers’ retail purchases have retraced some of the record-setting month-to-month plunges of March (8.3%) and April (14.7%) as businesses have increasingly reopened. Still, the pandemic’s damage to retailers remains severe, with purchases still down 6.1% from a year ago.

Last month’s bounce-back by consumers comes against the backdrop of an economy that may have begun what could be a slow and prolonged recovery. In May, employers added 2.5 million jobs, an unexpected rise that suggested that the



Photo by Steven Senne/Associated Press

A passer-by walks past a storefront window, Tuesday in Cambridge, Massachusetts. According to the Commerce Department, U.S. retail sales jumped by a record 17.7% from April to May, with spending partially rebounding after the coronavirus had shut down businesses, flattened the economy and paralyzed consumers during the previous two months.

job market has bottomed out. Still, a big unknown is whether early gains in job growth, retail sales and other areas can be sustained in the coming months or whether they may plateau at a low level.

“This may very well be the shortest, but still deepest, recession ever,” said Jennifer Lee, a senior economist at BMO Capital Markets. But she added that it’s “not likely that we’ll see a repeat in June as this is

pent-up demand unleashed in one month.”

The return of shoppers last month was likely aided by the \$3 trillion in rescue money that the federal government has provided to companies and households.

Americans’ retail purchases would need to surge by an additional 9% to return to their level before the pandemic.

Any sustained recovery, though, will hinge on an array of factors: The path of the coronavirus, how willing people are to shop, travel and congregate in groups, how many businesses manage to stay open and rehire many workers and whether the government provides additional support.

“While the big increase in retail sales in May is encouraging, there is still a huge amount of uncertainty about the strength of the rebound,” said Gus Faucher, chief economist at PNC Financial Services. “It depends on a lot of factors outside of the economics.”

The virus-induced recession not only diminished spending in most sectors of the economy. It has also accelerated shifts in where people shop and what they buy. The changes forced by the coronavirus have aided online retailers and building materials stores and other outlets that stayed

open during the outbreak. Other businesses are facing persistent financial strains.

Extending an ongoing shift in shopping habits, Americans last month stepped up their purchases at non-store retailers, which include internet companies like Amazon and eBay, by 9% after boosting such purchases nearly 10% in April. This category of sales is up a sizable 31% from a year ago.

When consumers do make purchases at physical stores, they’re increasingly doing so for such items as buildings materials and groceries. Building materials stores posted a monthly gain of 11% last month and year-over-year growth of 16%. Shoppers have increased their grocery purchases by an annual 14%, with fewer of them dining at restaurants because of the pandemic.

Shoppers last month vastly increased their spending in other categories, too, though some of these sectors still face a dim future given the blows they absorbed in March.

Northern Colorado ranch continues cattle branding tradition

Associated Press

STEAMBOAT SPRINGS, Colo. — The air around the Stanko Ranch just outside of Steamboat Springs is filled with the dust created by moving cattle, the clanking of steel gates and the



Stanko

steady drone of calves calling out for their mothers. The noises are nothing new for longtime rancher Jim

Stanko, who knows firsthand the rich history and traditions of branding.

“Branding has always been a neighborhood tradition,” Stanko said.

And while some things about branding have changed over the years, the need for a helping hand from neighbors and friends has not.

“We have always had a big crew,” he said. “For me, it’s more of a gathering.”

This year was no exception as neighbors and family came out to the ranch on Memorial Day weekend to help brand this year’s crop of calves in a process that took just over two hours.

“The brand we are using is Seven Through Seven. It was registered in 1906, and my grandfather purchased the brand in 1912,” Stanko said as he watched this year’s calves being guided through a pair of nearby calf tables that are



EO Media Group file photo

Branding is a tradition on many Western cattle ranches.

used to catch the calf and then tilt the animal on its side where it is vaccinated, tagged and branded. The bulls are castrated.

On the Stanko Ranch, branding marks the end of a busy spring that includes the final days of feeding and calving seasons. In Routt County, the long-time traditions stretch from Pleasant Valley to Twentymile Park to Clark, where families and old-timers would get together each spring to put their marks on their cattle before sending them out to the hay meadows.

“It is pretty much a family affair,” Stanko said. “Branding is one thing in

the cattle industry that’s hard to do by yourself, so you need the help of neighbors and friends.”

The branding process is constantly being adjusted and refined. For the second-straight year, the Stankos have moved away from the electric brands in favor of freeze branding, which is a process that freezes the hair follicles under a shaved patch of a calf’s flank. The hair grows back white.

Jim’s son Patrick said the process is less traumatic than the electric brand that has been used in the past. Patrick and his wife, Jan, introduced the process last spring and

have stuck with it this time around. Patrick returned to the ranch several years ago after working for more than 20 years as an electrical engineer on the Front Range.

“I guess I knew that I would always come back,” said Patrick, who graduated from Steamboat Springs High School in 1988. “It’s hard to say that you are going to give up a 100-year-old ranch.”

Like his dad before him, branding holds a special place.

“We look forward to it,” Patrick said. “It’s the first step, and you get to see the calves you go through, and it’s a just tradition.”

Feds: eBay staff sent insects to harass couple

By Alanna Durkin Richer
Associated Press

SAN JOSE, Calif. — Six former eBay Inc. employees have been charged with waging an extensive campaign to terrorize and intimidate the editor and publisher of an online newsletter with threats and disturbing deliveries to their home, including live spiders and cockroaches, federal authorities said Monday.

Executives were upset about the newsletter’s coverage, so their employees set out to ruin the lives of the couple who ran the website, sending a funeral wreath, bloody pig face Halloween mask and other alarming items to their home, authorities said. The employees also sent pornographic magazines with the husband’s name on it to their neighbor’s house and planned to break into the couple’s garage to install a GPS device on their car, officials said.

“This was a determined, systematic effort by senior employees of a major company to destroy the lives of a couple in Natick all because they published content that company executives didn’t like. For a while they succeeded, psychologically devastating these victims for weeks as they desperately tried to figure out what was going on and stop it,” Massachusetts U.S. Attorney Andrew Lelling told reporters.

James Baugh, of San Jose, California, who was eBay’s senior director of safety & security, and David Harville, of New York City, who was eBay’s director of global resiliency, are charged with conspiracy to commit cyberstalking and conspiracy to tamper with witnesses. The other former eBay employees charged are Stephanie Popp, former senior manager of global intelligence; Brian Gilbert, former senior manager of special operations for eBay’s Global Security Team; Stephanie Stockwell, former manager of eBay’s Global Intelligence Center; and Veronica Zea, a former eBay contractor who worked as an intelligence analyst in the Global Intelligence Center.

There were no lawyers listed for them in court documents.

Court documents detail how two members of the company’s executive leadership team orchestrated a plot to go after the couple after the newsletter published an article in August 2019 about a lawsuit filed by eBay accusing Amazon of poaching its sellers. The article also discussed an

executive, referred only in court documents as “Executive 1,” according to court documents.

A half hour after the article was published, “Executive 1” texted another executive, identified as “Executive 2”: “(Victim 1) is out with a hot piece on the litigation. If you are ever going to take her down..now is the time,” according to court documents.

An online article with the same headline as the one described in court documents shows the person described as “Executive 1” as eBay’s CEO, who was then Devin Wenig.

Wenig stepped down in September and is not charged in the case. On Monday, a person who answered at a phone number listed for Wenig said “we’re not interested,” before hanging up.

In addition to the disturbing deliveries, the employees set up fake social media accounts to send threatening messages to the couple, authorities said. After the bloody pig mask was delivered, the editor received a message saying: “DO I HAVE UR ATTENTION NOW????,” according to court documents. They also posted the couple’s names and address online, advertising things like yard sales and encouraging strangers to knock on the door if they weren’t outside.

Authorities said the staff lied to police about eBay’s involvement in the cyberstalking campaign, and lied to company lawyers about their roles. Gilbert, a former police captain in Santa Clara California, even reached out to the couple to offer help in stopping the harassment, authorities said.

“They hoped this ‘white knight strategy’ would create some good will toward the company, result in more favorable articles and please eBay’s management,” said Joseph Bonavolonta, special agent in charge of the FBI office in Boston.

An internal investigation was launched after eBay was notified by law enforcement in August of “suspicious actions by its security personnel,” company officials wrote in a prepared statement. The employees were fired in September, the company said.

Wenig said at the time that he was stepping down over differences with the board of directors and the company didn’t clarify Monday whether this investigation played a role in his departure.

Donations to fight virus could sustain charities

By Sally Ho
Associated Press

SEATTLE — A recession is expected to curtail Americans’ generosity following a record year for charitable donations, but the recent wave of money dedicated to fighting the coronavirus and racial inequality in the U.S. is offering a beacon of hope for nonprofits in 2020.

The Giving USA report, released Tuesday, estimates nearly \$450 billion was donated to charities in 2019, a 2.4% uptick from the previous year when adjusted for inflation. It marked a record year for giving that reflected a booming economy.

Giving amounts by individuals held steady, representing 1.9 percent of total disposable income, and they continue to make up the majority of dollars donated — nearly 70% in

2019. The rest is given by foundations, corporations and estates. Some wealthy people like Bill Gates may give both individually and through their foundations.

The Ford Foundation announced an effort last week to increase its giving by \$1 billion through a bond that aims to help keep afloat donations-dependent nonprofits through the uncertainty ahead, including groups addressing both the pandemic and racial injustice.

“Our challenge is not to save any particular organization; it is to save the soul of our democracy itself,” Darren Walker, the foundation’s president, said in a statement.

Though there’s sure to be disruptions in 2020 after the pandemic forced businesses to shut down and sent the economy into its worst recession in decades, donor confidence

remains high, said Rick Dunham, chairman of the Giving USA Foundation board.

Dunham said his consulting firm, Dunham+Company, surveyed 630 U.S. donors in April and 80% said they would keep giving, largely because they felt more optimism about the economy recovering quickly compared with the recession a decade ago.

“I just think donors will rally and are rallying, and anecdotally, we’re seeing it with some of the organizations we work with,” Dunham said. “We’re seeing record giving days. We’re seeing a record amount of money given.”

United Way, a nonprofit that relies heavily on middle-class donors, said it has raised \$900 million worldwide since mid-March, when many states instituted virus

restrictions that disrupted daily life.

The charity is among the largest in the U.S. and has at times seen as much as a tenfold spike in online donations compared with the responses to other disasters in recent history, said Tolli Love, United Way Worldwide’s chief investor relations officer.

Among its signature programs is the 211 referral and information hotline, which has seen a 300% to 400% increase in calls for help ranging from food and rent payments to health care and mental distress.

Love said United Way also is developing initiatives to address racial inequity as a part of its coronavirus relief efforts.

“As we try to go back to normal, normal wasn’t so good for everyone prior to the pandemic,” Love said.