



# BEWARE FAKE STOCK NEWS



## Beware Fake Stock News

The phenomenon of "fake news" has infected some well-known investing websites. The Securities and Exchange Commission has brought civil fraud charges against 27 companies and individuals involved in stock-promotion schemes that played out on popular sites, such as Benzinga, Seeking Alpha and Wall Street Cheat Sheet. The SEC alleges that public companies used intermediaries to pay writers to post bullish articles without disclosing that they were paid for them. More than 250 such articles "specifically included false statements that the writers had not been compensated by the companies they were writing about," says the SEC.

To avoid being duped by phony advice, investigate before you invest. If a writer claims to be an investment professional, search on [Investor.gov](http://Investor.gov) to view his or her credentials, says Lori Schock, director of the SEC's Office of Investor Education. And even if you trust the author, says Schock, thoroughly research any stock you're considering, especially thinly traded "penny stocks," which are more susceptible to promotion schemes. The SEC's Edgar database provides free access to corporate filings, such as quarterly and annual reports.