

Bloomberg News Fined over \$7 Million for Fake News Report

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This is not the first time that fake financial news has led to the tumble of stock values.

There is evidence that the 2008 plunge of the US automobile industry was in part the result of manipulation sustained by fake financial news reports:

“General Motors and Ford lost 31 per cent to \$3.01 and 10.9 per cent to \$1.80 despite hopes that Washington may save the industry from the brink of collapse. The fall came after Deutsche Bank set a price target of zero on GM.”
(FT, November 14, 2008, emphasis added)

[Bloomberg News](#) was fined \$7.6 million, or five million euros, for reporting fake news that caused shares of French construction company Vinci to tumble.

Two journalists on the Speed Desk of the Paris office of the outlet, owned by Democratic presidential contender [Michael Bloomberg](#), reported on Nov. 22, 2016, on a press release that was purportedly from Vinci, according to AMF, a financial markets watchdog in [France](#).

The release was titled: “Vinci undertakes an audit of its consolidated accounts for 2015 and the first half of 2016.”

The desk pushes out real-time financial information from press releases and other sources in the form of newsflashes or alerts.

The alleged statement said Vinci fired its chief financial officer and had discovered major accounting errors, prompting the company to issue updated figures for 2015 and the first two quarters of 2016, which resulted in a net loss instead of profits for the time period in question.

But the statement wasn’t actually from Vinci. It was posted on a website, [vinci.group](#), that looked like Vinci’s site, [vinci.com](#), but was not the company’s legitimate website. The fake website included an erroneous address and a mobile phone number that didn’t match the number for Vinci’s spokesman, according to AFP.

After the report, shares of Vinci fell 18 percent, erasing six billion euros from the company’s

value. Vinci later issued a statement denying the report and its shares recovered. Vinci filed a legal complaint to the AMF.

[A page](#) for the company on the Bloomberg News website lists the correct phone number and website but there are no stories from November 2016 about Vinci. It's not clear if the company ever apologized for pushing the false information.

AMF, said that Bloomberg News distributed "information that it should have known was false."

"In considering that Bloomberg LP disseminated information which it should have known to be false, the Enforcement Committee noted that the publication of the dispatches by Bloomberg, which began one minute after receiving the fraudulent news release, was preceded by no verification by the journalists of the Speed Desk, even though the release, which contained several errors, sent to Bloomberg during a trading session and reporting very serious information, suggesting that a dramatic and immediate drop in the share price was likely, required increased vigilance from the journalists," it said in a statement.

Ethics in journalism requires verifying information prior to publication, which the outlet didn't do, AMF said.

"The Committee stressed that the protection enjoyed by journalists is subject to the condition that they act in good faith so as to provide information that is accurate and credible," it stated. The watchdog said that Bloomberg News could appeal.

The fine was the first levied against a media outlet in France, according to the Financial Times.

In a statement sent to news outlets, a spokesman said Bloomberg News would appeal and tried portraying the outlet as a victim.

"Bloomberg News was one of the victims of a sophisticated hoax, like the company that was directly targeted by the fraudsters, and the many other press agencies who were all victims of the same deception," the statement said.

"We regret that the AMF did not find and punish the perpetrator of the hoax, and chose instead to penalise a media outlet that was doing its very best to report on what appeared to be newsworthy information. "

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