

TL;DR

The SEC created its own scammy ICO to teach investors a lesson

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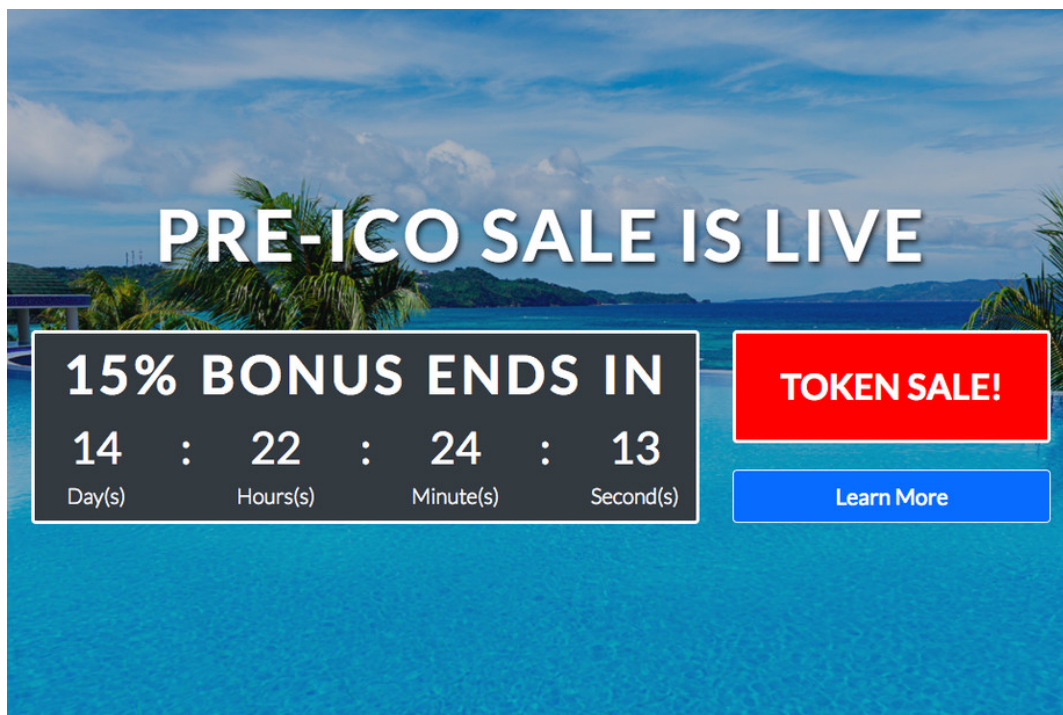
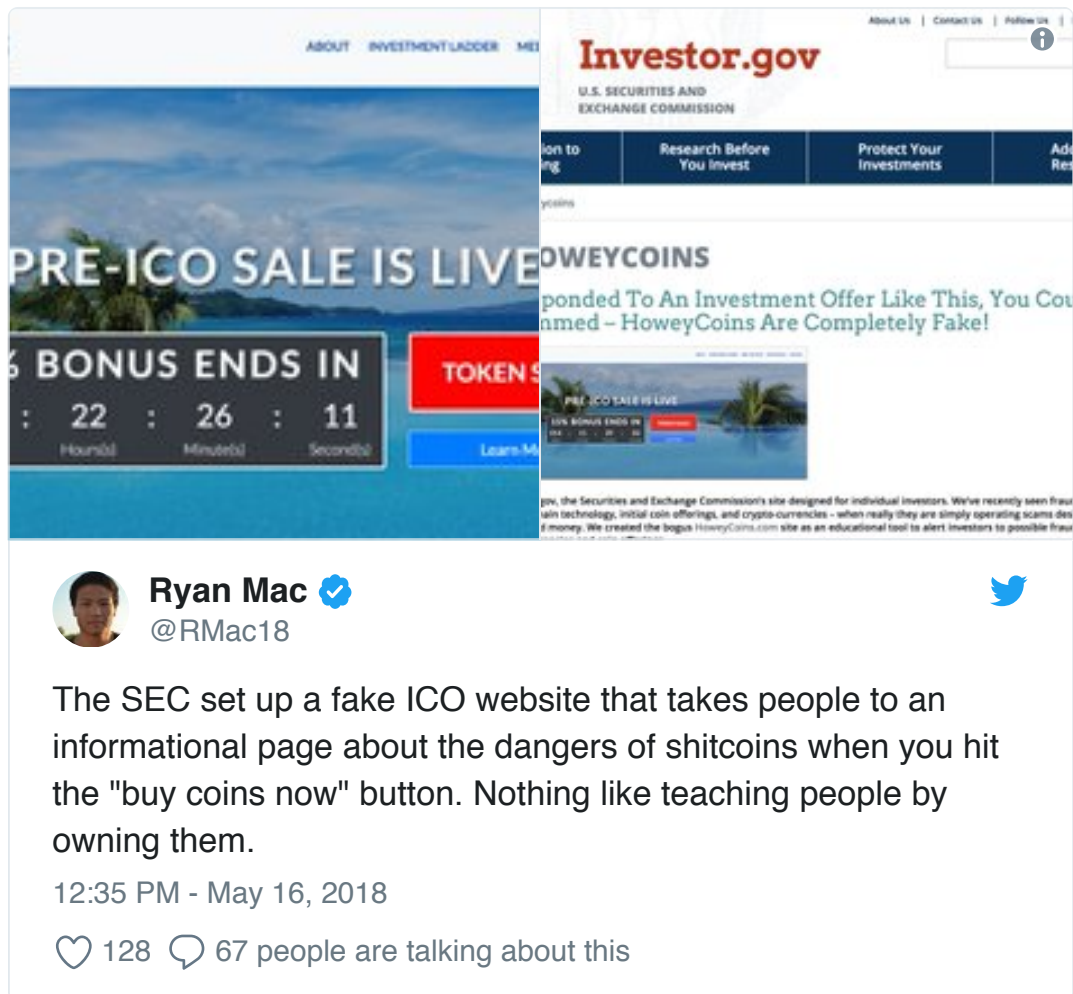


Image: SEC

In its latest effort to fend off cryptocurrency scams, the Securities and Exchange Commission launched its own [fake initial coin offering website](#) today called the

Howey Coin to warn people against fraudulent cryptocurrencies. The name is a tongue-in-cheek reference to the Howey Test that the SEC uses to determine whether an investment is a security, which the Commission would therefore have legal jurisdiction over.



Click 'Buy Coins Now' on the Howey Coins site and you'll be redirected to an SEC page that states: "We created the bogus HoweyCoins.com site as an educational tool to alert investors to possible fraud involving digital assets like crypto-currencies and coin offerings." The SEC uses the page to highlight red flags that customers should watch out for, including a promise of high returns (which indicates high risks), celebrity endorsements, and even false claims that an ICO is SEC-compliant.

It's an elaborate stunt — the Howey Coin site even includes [a fake white paper](#), which digital coins usually include to give more information about the particular currency and its underlying technologies. And the SEC went as far as creating fake Twitter accounts for each of the “celebrities” that endorsed the Howey Coin. All in all, it's a pretty good fake — if it were real, the page would have likely convinced at least a few unwitting investors to sink their money into Howey Coin.