BOEING IS PLUNGING AFTER A REPORT THAT THE FEDS ARE INVESTIGATING ITS ACCOUNTING

News / Finance, Manufacturer

The US Securities and Exchange Commission is reportedly investigating Boeing Commercial Airplanes' accounting practices with respect to the company's 787 Dreamliner and 747 jumbo jet programs.

According to Bloomberg's Robert Schmidt, Julie Johnsson, and Matt Robinson, people with knowledge of the matter said the SEC was looking into Boeing's projections for the long-term profitability of the two airplanes.

Boeing stock is down roughly 12% in morning trading.

"We typically do not comment on media inquiries of this nature," Boeing communications director Chaz Bickers said in an email to Business Insider.

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The SEC has declined to comment on the matter.

According to the Bloomberg report, the issue lies with a form of financial reporting called program accounting, which allows Boeing to spread the costs of building its planes over a number of years. Though program accounting is allowed by the SEC for use in the aerospace industry, the report said, critics say it allows Boeing to obscure potential losses.

The SEC's attorneys are looking into such issues as whether Boeing's financial statements relied upon overly optimistic sales projections, Bloomberg reported.

Sources told Bloomberg the SEC had yet to reach any conclusion on the matter and may not bring a case against Boeing.

The Boeing Company (BA) - NYSE Watchlist

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102.31 ↓14.05 (12.07%) 11:28AM EST - Nasdaq Real Time Price

Prev Close:	116.36	Day's Range:	102.30 - 113.40
Open:	113.35	52wk Range:	102.68 - 158.83
Bid:	105.25 x 100	Volume:	15,150,800
Ask:	105.34 x 300	Avg Vol (3m):	4,848,710
1y Target Est:	148.17	Market Cap:	68.20B
Beta:	1.36442	P/E (ttm):	13.80
Earnings Date:	Apr 20 - Apr 25 (Est.)	EPS (ttm):	7.44
		Div & Yield:	4.36 (3.56%)

Screenshot via Yahoo Finance

12 FEBRUARY 2016

SOURCE: BUSINESS INSIDER
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