

Apple Denies Internal Source for Fake iPhone Memo

May 18 2007

Apple reveals little about an e-mail message received by company employees falsely claiming that the company would delay the release of its [iPhone](#) and Leopard operating system.

Apple officials have offered no detailed explanation regarding the source of a memo sent to Apple employees the morning of May 16 that falsely claimed that there would be a delay in the release of the company's iPhone and the Mac OS X Leopard operating system.

Soon after the purported internal Apple e-mail was published on the consumer electronics Web site Engadget.com, Apple's stock price fell from \$108.83 to a low of \$103.42. The stock recovered by the end of the day, and moved higher on May 17, but at one point nearly \$4 billion of Apple's market capitalization had evaporated.

Engadget quickly posted an update to its story, saying the e-mail was a hoax, but still stating that it was "an actual internal Apple e-mail that went out to thousands of Apple employees earlier today."

However, Natalie Kerris, spokesperson for Apple, based in Cupertino, Calif., contradicted this, telling eWEEK on May 17 that the e-mail "did not come from Apple."

Kerris also denied the claims made in the false e-mail. "The iPhone is scheduled to ship in June, as planned, and Leopard is also on track to ship in October," she said. Kerris added that developers can expect to

see a full-featured developer release of Leopard at this June's WWDC (Worldwide Developers Conference), which will start June 11 in San Francisco.

Kerris declined to discuss any potential investigation into the provenance of the e-mail.

Kevin Kelleher at GigaOmniMedia's GigaOM online news and blogging Web site speculated about how to reconcile these statements. "It seems someone figured out how to send an e-mail to Apple employees around the world, putting the familiar 'Bullet News' in the from line (for Apple's sake, one hopes this is not as simple as sending an e-mail to "everyone_AT_apple.com")," Kelleher wrote.

A spokesperson for the SEC, based in Washington, said he "could not confirm or deny" whether any SEC action would be taken. Intentional manipulation of a company's stock price can be a serious crime, but, he said, the SEC decides what to pursue based on a "case-by-case analysis."

There have been earlier cases where individuals have attempted to manipulate stock prices by circulating phony corporate memos on the Web and on corporate e-mail systems. In a few cases, such scams have succeeded in causing short-lived stock price movements.

However, in the cases that have come to light, the subsequent criminal investigations have generally led to quick arrests and prosecutions that resulted in jail time and restitution orders.

How easily investigators can find the source of the fake Apple memo may depend on whether the memo was sent by a market speculator in the United States or by a sophisticated criminal ring operating in some region far from the reach of federal prosecutors.

Bolstering Apple's statement that the iPhone's release has not been delayed, and perhaps partially spurring the May 17 stock rise, is news that the iPhone has passed various Federal Communications Commission certification hurdles.

"We can confirm that the iPhone has passed required FCC approval," Kerris said.

As of May 17, the FCC has also approved a request from Apple for the FCC to withhold from public disclosure certain information it used in its approval process. This withheld information includes schematics, block diagrams, operational descriptions and a parts list. However, this confidentiality agreement holds for no more than 45 days, giving Apple time to release the iPhone before the licensing documents become available to the public.

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