

Wifi firm Gowex says results fake, heads to bankruptcy

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People walk past a kiosk with an advertisement for wifi provider Gowex in Madrid, on July 3, 2014

Spanish free wifi provider Let's Gowex revealed Sunday its accounts have been falsified for at least four years and it is filing for bankruptcy protection.

Gowex, which offers wifi services in world capitals including Paris and New York, made the devastating admission after days of protesting that

a damaging US report on its operations was incorrect and defamatory.

Gowex president Jenaro Garcia Martin informed his board the previous day that, in fact, he had faked the company's results, the firm said in a statement released by Madrid's Alternative Equity Market.

"Garcia Martin, chief executive and president, said before several [board members](#) that the company accounts for at least the last four years do not reflect the true picture, attributing this falsehood to himself," Gowex said.

Board members revoked the [chief executive's](#) powers and accepted his resignation, it said.

"The board, confronted by the expectation that the company would not be able to cope with its maturing current debt payments, agreed to file a voluntary request for bankruptcy."

Gowex had been expected to give a detailed response on Monday to allegations about its operations, which had sent its shares plunging 60.2 percent to 7.92 euros in two days before they were suspended from trade by Madrid's junior stock market, the Alternative Equity Market.

US firm Gotham City Research sparked the freefall Tuesday by publishing a highly critical report, which had previously been described by Gowex as "unfounded and defamatory".

Gotham City Research called Gowex a "charade" and said its revenues were far lower than the company had reported. Gotham City said its target price for Gowex shares was zero.

Only on Wednesday, Gowex had issued a statement confirming its 2013 revenues of 182.6 million euros (\$249 million) and stressing that the

figures had been audited.

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