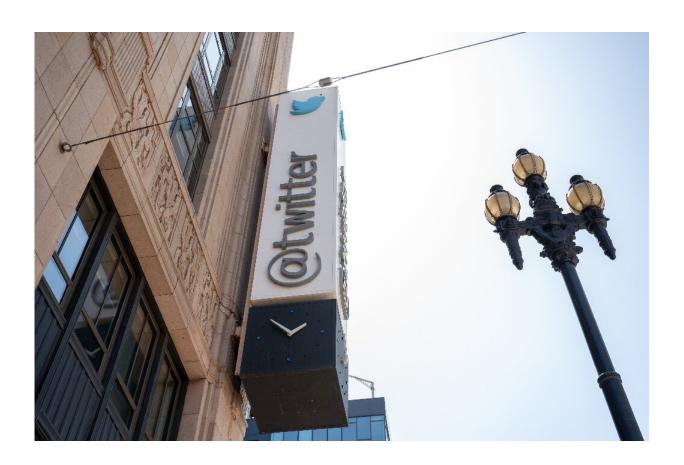


US regulator queried Twitter on false accounts

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US regulators have revealed that they queried Twitter on how it calculates account numbers.

Twitter faced scrutiny from US market regulators over how the platform calculates the number of false or spam accounts, a topic at the heart of



the firm's legal battle with Elon Musk.

The Security and Exchange Commission's letter sent mid-June, but made public only Wednesday, asked Twitter to disclose its methodology as well as the "underlying judgements and assumptions" involved.

That letter surfaced just a day after news broke that a former Twitter security chief had told US authorities the company misled users and regulators about "extreme, egregious" security gaps.

Twitter rejected those accusations, which could help Musk in the October trial over whether he can walk away from his \$44 billion bid to buy the platform.

When queried for comment on the letter, Twitter on Wednesday cited its SEC reply, which reiterated its statement that false or spam accounts are fewer than five percent of Twitter users who can be shown ads.

"Twitter believes that it already adequately discloses the methodology that it uses in calculating these figures," said the firm's June 22 reply, which noted previous filings and public comments.

While the SEC deals primarily with activities involving securities, mainly stocks and bonds, it may also be interested in listed companies' communications to verify they present a reliable picture of a business's activities.

The issue of fake and spam accounts is at the heart of the legal battle between Twitter and Tesla chief Musk.

Musk has moved to back out of the deal by saying the firm misled him on the numbers of those accounts, but Twitter has sued to try to force him close the purchase.



The case is to be decided in a trial, which will begin on October 17 and is scheduled to last five days.

Peiter Zatko, former Twitter security chief-turned-whistleblower, has thrown fresh turbulence into the company's fight with Musk.

His complaint warned of obsolete servers, software vulnerable to computer attacks and executives seeking to hide the number of hacking attempts, both from US authorities and from the company's board of directors.

In particular, Zatko accuses the platform and its CEO Parag Agrawal of issuing untrue statements on account numbers because "if accurate measurements ever became public, it would harm the image and valuation of the company."

US lawmakers immediately raised concerns about the allegations in Zatko's filing and have pledged to look into them.

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