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U.S. SEC Probing Muni Bond Market Practices - California Treasurer.

WASHINGTON, Jan 25 (Reuters) - The U.S. securities regulator is investigating practices by some participants in the \$3.8 trillion municipal securities market, the California treasurer's office said on Thursday.

The California State Treasurer's Office received an inquiry from the Securities and Exchange Commission, which is conducting an investigation into transactions in the municipal securities market, a spokesman for the office said.

The inquiry was not directed at any conduct of the treasurer's office, he confirmed.

The SEC declined to comment.

The investigation of the market, where states, cities, schools and others issue bonds, was first reported by Bloomberg.

It was not clear if the probe was nationwide.

The SEC began ramping up its oversight of the muni bond market in 2014, when it launched the Municipalities Continuing Disclosure Cooperation initiative.

The program offers favorable settlement terms to municipal bond underwriters and issuers that self-report material misstatements and omissions in offering documents.

The program has led to a slew of enforcement actions, with the SEC charging 71 municipal issuers for violations in municipal bond offerings in August 2016.

(Reporting by Michelle Price; Editing by Lisa Von Ahn)