



CITIZENS FOR  
RESPONSIBILITY &  
ETHICS IN WASHINGTON

May 18, 2026

Eric Ueland, Acting Director  
U.S. Office of Government Ethics  
250 E Street SW, Suite 750  
Washington, D.C. 20024

Re: Executive branch employee use of prediction markets

Dear Acting Director Ueland:

On behalf of Citizens for Responsibility and Ethics in Washington (CREW), a nonpartisan nonprofit organization committed to building an ethical, accountable and transparent democracy, I write to express grave concern over recent reports of potential insider trading by executive branch employees on prediction markets such as Kalshi Inc. and Polymarket. When government officials leverage access to non-public information about government operations for personal profit, it not only is a violation of ethics laws, but the American people lose trust in the government they elected and national security is put at risk.<sup>1</sup> This threat is so acute that the Senate, just last month, prohibited its members and staff from placing bets on prediction markets.<sup>2</sup> It is therefore imperative that the executive branch take action beyond just warning against this behavior<sup>3</sup> and instead impose a comprehensive ban on prediction market betting by all executive branch political appointees and any career officials required to file public financial disclosure reports, and prohibit career employees from placing bets related to political or military events.

Since 2020 when the Commodity Futures Trading Commission (CFTC) approved Kalshi to become the first U.S. regulated prediction market,<sup>4</sup> the industry as a whole has exploded, with monthly transaction volume increasing from a little over \$1 billion in early

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<sup>1</sup> Bernard Condon & Wyatt Grantham-Philips, *Prediction markets under pressure to crack down on rogue bettors and stop insider trading*, Associated Press (Apr. 27, 2026), <https://apnews.com/article/polymarket-kalshi-cftc-trump-maduro-venezuela-insider-trading-4a0f42166ad63f726aad5156996f94fb>.

<sup>2</sup> Jordain Carney, *Senate bans senators from prediction market trading*, Politico (May 1, 2026), <https://www.politico.com/live-updates/2026/04/30/congress/new-ban-on-prediction-market-trading-0090123>.

<sup>3</sup> Philip Wegmann, *White House Warns Staff Not to Place Bets on Prediction Markets Amid Iran War*, Wall St. J. (Apr. 9, 2026), <https://www.wsj.com/politics/policy/white-house-warns-staff-not-to-place-bets-on-prediction-markets-amid-iran-war-3780668f>.

<sup>4</sup> *About Kalshi*, Kalshi, <https://kalshi.com/about> (last visited Apr. 29, 2026).

2025 to over \$20 billion in January 2026.<sup>5</sup> One analyst projects it will increase to a trillion dollars in yearly volume by 2030.<sup>6</sup> Unfortunately, some of these bets have raised red flags. A recent BBC examination found a consistent pattern of trading spikes hours, or even minutes, before a major announcement from the president, including bets placed on prediction markets.<sup>7</sup> This includes bets on the timing of U.S. airstrikes in Iran, bets on the ouster of Ayatollah Ali Khamenei just before his assassination and bets on oil prices just prior to a ceasefire announcement, with many of these bets placed by new accounts with little or no other trading activity.<sup>8</sup>

These kinds of large bets and market spikes could tip off foreign adversaries, potentially undermining U.S. military action and placing national security at risk. The ability to profit off these decisions also raises serious fears about officials altering their actions in order to impact a market, instead of acting in the nation's best interests.

These concerns have only intensified as the first concrete evidence of bets placed by political and government insiders have come to light. Just last month, Gannon Ken Van Dyke, a master sergeant with U.S. Army Special Forces, was charged with unlawful use of confidential government information for personal gain, theft of nonpublic government information, commodities fraud, wire fraud and making an unlawful monetary transaction for using classified information to make wagers on Polymarket related to a potential U.S. operation in Venezuela and ouster of Venezuelan leader Nicolás Maduro, making around \$400,000.<sup>9</sup> This appears to mark the first instance of either the Department of Justice or CFTC bringing insider trading charges involving a prediction market.<sup>10</sup>

Executive branch employees, including military members like Van Dyke, are already expressly forbidden from using nonpublic information to engage in financial transactions<sup>11</sup> including commodities,<sup>12</sup> or participating as a government employee in a matter that impacts their financial interest.<sup>13</sup> But because public service is a public trust—and that trust is damaged when it gives even the appearance of impropriety—it is crucial that government officials are not only prohibited from using nonpublic information to place bets on prediction markets but also subject to regulation, including in some circumstances

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<sup>5</sup> TRM Team, *How Prediction Markets Scaled to USD 21B in Monthly Volume in 2026*, TRM Labs (Mar. 27, 2026), <https://www.trmlabs.com/resources/blog/how-prediction-markets-scaled-to-usd-21b-in-monthly-volume-in-2026>.

<sup>6</sup> Davis Giangiulio, *Prediction markets will grow to \$1 trillion by 2030, Bernstein estimates*, CNBC (Apr. 14, 2026), <https://www.cnbc.com/2026/04/14/prediction-markets-will-grow-to-1-trillion-by-2030-bernstein-says.html>.

<sup>7</sup> Nick Marsh, *The insider trading suspicions looming over Trump's presidency*, BBC (Apr. 20, 2026), <https://bbc.in/4tkKWYj>.

<sup>8</sup> *Id.*; Lauren Aratani, *Traders placed over \$1bn in perfectly timed bets on the Iran war. What is going on?*, Guardian (Apr. 18, 2026), <https://www.theguardian.com/world/2026/apr/18/iran-war-bets-ethics-concerns>.

<sup>9</sup> Jasper Ward & Luc Cohen, *US soldier charged with making \$400,000 on Maduro removal bets*, Reuters (Apr. 24, 2026), <https://www.reuters.com/world/americas/us-arrests-soldier-accused-betting-400000-maduro-removal-abc-news-reports-2026-04-23/>.

<sup>10</sup> *Id.*; CFTC, Release Number 9217-26: CFTC Charges U.S. Service Member with Insider Trading in Nicolás Maduro-Related Event Contracts (Apr. 23, 2026), <https://www.cftc.gov/PressRoom/PressReleases/9217-26>.

<sup>11</sup> 5 C.F.R. § 2635.703.

<sup>12</sup> 7 U.S.C. § 6c.

<sup>13</sup> 18 U.S.C. § 208.

prohibitions, of placing any bets, regardless of whether their decision was informed by nonpublic information. As executive branch ethics rules provide, the mere appearance of wrongdoing is a threat to the integrity of government operations even if an employee is technically operating within legal bounds.<sup>14</sup>

To that end, we ask that the Office of Government Ethics draft and implement regulations and guidance related to executive branch employees' use of prediction markets. We strongly believe that all government employees, regardless of their role or status, should be prohibited from placing any bets on political or military events. Moreover, we urge OGE to implement both a comprehensive ban on all bets by senior officials—those who are required to file public financial disclosure reports—and a requirement that those individuals fully divest from personal stakes in prediction market companies, including stakes in the Trump Media and Technology Group, which has partnered with Crypto.com to operate a prediction market.<sup>15</sup> As part of this process, OGE should amend public and confidential disclosure forms, issue necessary guidance to direct filers, provide training resources to ethics officials and develop a disciplinary policy for noncompliance, including referral to the U.S. Merit System Protection Board for civil servants who violate the ban.

Moreover, pursuant to OGE's authority under 5 U.S.C. § 13122 to “develop[]...rules and regulations to be promulgated by the President...pertaining to conflicts of interest and ethics in the executive branch,” we encourage OGE to work with the president to issue a comprehensive ban on all prediction market betting and ownership by all political appointees throughout the executive branch.<sup>16</sup> Given the unique access to both information and people that political appointees have, a truly comprehensive ban is crucial to ensuring the integrity of government operations and is in line with the steps that the Senate recently took.<sup>17</sup>

Insider trading by government employees on prediction markets poses a serious threat that undermines democracy and puts national security at risk. It is time for OGE to lead an executive branch effort to regulate executive branch appointees and career civil servants' use of these platforms.

Sincerely,



Donald K. Sherman  
President and CEO  
Citizens for Responsibility and Ethics in Washington

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<sup>14</sup> 5 C.F.R. § 2635.502(a).

<sup>15</sup> Sander Lutz, *After Donating \$35 Million to Trump PAC, Crypto.com Scores Wins From Regulators*, Yahoo! Fin. (Feb. 24, 2026), <https://finance.yahoo.com/news/donating-35-million-trump-pac-210523551.html>.

<sup>16</sup> 5 U.S.C. § 13122.

<sup>17</sup> Carney, *supra* note 2.