

United States Senate

January 11, 2026

The Honorable Michael Selig
Chairman
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Dear Chairman Selig,

As the newly sworn in Chairman of the Commodity Futures Trading Commission (CFTC), we want to bring to your immediate attention concerns about insider trading facilitated through event-based derivative contracts. While Polymarket US, a registered CFTC Designated Contract Market (DCM), has not fully launched in the United States, suspicious trading on Polymarket's non-registered exchange raises concerns about the lack of safeguards against insider trading. By analyzing trading volume, The Wall Street Journal found traders on Polymarket appeared to anticipate the imminent U.S. military capture of Venezuela's leader Nicolás Maduro.¹ This improbable increase in trades against Maduro's continued authority in Venezuela mere hours before Maduro's capture exemplifies the dangers of unregulated gaming and raises national security concerns.

As reported by The Wall Street Journal, the market for whether or not Maduro would be out of power by the end of the month climbed shortly before 10 pm on Friday, January 2 – nearly six and a half hours before President Trump announced Maduro and his wife were “captured and flown out of the Country”² – after previously remaining steady in the low single digits for weeks on Polymarket's betting site. A newly created Polymarket account invested \$30,000 on Friday in favor of Maduro's exit, netting more than \$436,000 in profit after Maduro was taken into custody Saturday morning.³ Polymarket even began offering a contract around 3 a.m. Saturday – an hour and a half before President Trump's official announcement – on whether Maduro would be in U.S. custody by January 31. The trading volume for this contract reached \$1.3 million.

¹ Francis, Theo, “Traders Made Timely Bets on Maduro Ouster,” The Wall Street Journal, January 3, 2026.

https://www.wsj.com/livecoverage/venezuela-strikes/card/traders-made-timely-bets-on-maduro-ouster-3lDg9hjZ63vBLXgLBuVD?gaa_at=eafs&gaa_n=AWEtsgdt23H0mkUeMs-UHlpS1kYuN0khl-aGB9xjXWIV2lQmPibnXtSf3UIG0JuVdxE%3D&gaa_ts=6959af3d&gaa_sig=UBJKq8D7MD9WM-utczuAShwU3DIP25nqhZENMAoiuYeuhij28G1yYtfpt26oBDTFm4fUyK5C84P-OtWk0n-bTg%3D%3D

² Jacobs, Jennifer, Walsh, Joe, LaPorta, James, and Reals, Tucker, “U.S. strikes Venezuela and captures Maduro; Trump says ‘we’re going to run the country’ for now,” CBS News, January 3, 2026. <https://www.cbsnews.com/live-updates/venezuela-us-military-strikes-maduro-trump/>

³ Scribner, Herb, “Someone made a huge profit predicting Maduro's capture. Here's what happened,” Axios, January 3, 2026. <https://www.axios.com/2026/01/03/maduro-capture-bets-trade-prediction-markets>

Per my previous bipartisan letter with Senators Curtis, Gallego, Slotkin, Schiff, Padilla, and Rosen to your predecessor, Acting Chair Caroline Pham,⁴ we raised concern that by claiming to be federally regulated by the CFTC, issuers of sports event contracts can avoid a myriad of state gaming laws, including integrity monitoring. Legal sportsbooks have a long history of alerting regulators and law enforcement of betting irregularities,⁵ and just a few months ago, federal charges were brought against six individuals accused of participating in an illegal sports betting scheme using insider information.⁶ A key factor in uncovering the scheme was a suspicious \$80,000 parlay placed at a legal sports book that ultimately paid out \$1.1 million.⁷

Additionally, event contracts, such as contracts speculating on Maduro's continued leadership or if the U.S. will capture him, raise serious national security concerns. If prediction market contracts that implicate military operations or other national security considerations are manipulated by insider information, or even listed, it is possible for foreign adversaries to use this to their advantage. The law (17 CFR § 40.11) also expressly prohibits a registered entity from listing an agreement, contract, transaction or swap that involves, relates to, or references terrorism, assassination, war, gaming, or an activity that is unlawful under any state or federal law.

The CFTC has a clear statutory mandate (7 U.S. Code § 9) to prohibit manipulation and false information in connection with any swap, or contract of sale of any commodity in interstate commerce, or for future delivery on or subject to the rules of any registered entity. The CFTC must ensure appropriate enforcement actions are taken if there are any instances of manipulation or fraud in event contract trading. This would include collaborating with state commodities regulators where trades are made.

Furthermore, the CFTC is expressly prohibited from allowing event contracts that involve gaming. The CFTC itself has made this clear. In the CFTC's final rule promulgating Dodd-Frank Wall Street Reform and Consumer Protection Act's statutory language, the CFTC wrote that "its prohibition of certain 'gaming' contracts is consistent with Congress's intent to 'prevent gambling through the futures markets' and to 'protect the public interest from gaming.'"⁸ By abdicating its responsibility to stop gaming in event contracts, the CFTC is violating both the letter and intent of the law and raising serious insider trading and now national security risks.

As such, we respectfully request answers to the following questions:

⁴ "Cortez Masto, Curtis Push CFRC for Answers on Enforcement of Illegal Gaming in Event Contracts," September 30, 2025. <https://www.cortezmasto.senate.gov/news/press-releases/cortez-masto-curtis-push-cftc-for-answers-on-enforcement-of-illegal-gaming-in-event-contracts/>

⁵ "Regulated Sports Betting Protects Game Integrity," American Gaming Association.

<https://www.americangaming.org/wp-content/uploads/2024/07/AGA-Integrity-Factsheet-FINAL.pdf>

⁶ Purdum, David, "Chauncey Billups, Terry Rozier arrested in gambling inquiries," ESPN, October 23, 2025.

https://www.espn.com/nba/story/_/id/46695228/sources-terry-rozier-arrested-part-gambling-inquiry

⁷ Shepherd, Thomas, "Legal Sportsbooks: The Unexpected Watchdogs of Integrity in Professional Sports," Jones Walker, October 24, 2025. <https://www.joneswalker.com/en/insights/blogs/perspectives/legal-sportsbooks-the-unexpected-watchdogs-of-integrity-in-professional-sports.html?id=102lr7q>

⁸ 2011 Federal Register. 76 FR 44776

<https://www.federalregister.gov/documents/2011/07/27/2011-18661/provisions-common-to-registered-entities>

1. Have CFTC-regulated exchanges listed similar contracts to Polymarket relating to Maduro's capture?
2. Are there other instances of suspicious trading of Maduro-related event contracts facilitated through U.S. registered DCMs?
3. When Polymarket US fully launches, how will the CFTC ensure its event contracts comply with all relevant rules and regulations, particularly 17 CFR § 40.11 and 7 U.S. Code § 9?
4. According to Polymarket US Rulebook, "no person shall take action or direct another to take action based on non-public Order information, however acquired."⁹ How will the CFTC ensure Polymarket US complies with this provision?
5. In response to the previous letter, when asked how the CFTC ensures that athletes, referees, team employees, and others do not manipulate outcomes; how the CFTC enforces the anti-manipulation requirements of sports event contract marketplaces; and how often the CFTC examines against those requirements, the CFTC responded:

The CEA and CFTC regulations require that all DCMs comply with 23 Core Principles on an ongoing basis. Division of Market Oversight (DMO) is responsible for DCM oversight, and evaluates a DCM's compliance with certain integrity-related core principle requirements related to its self-regulatory program, including Core Principle 2 (Compliance with Rules); Core Principle 4 (Prevention of Market Disruption); Core Principle 12 (Protection of Markets and Market Participants); and Core Principle 13 (Disciplinary Procedures). DMO performs rule enforcement reviews (RERs), CFTC regulation § 38.5 requests, and quarterly update calls.

How will DMO ensure Polymarket US complies with the 23 Core Principles on an ongoing basis?

6. How does the CFTC monitor suspicious trading activity in event contracts? If so, what is the process for identifying and remedying insider trading?
7. Does CFTC regulation 180.1 (17 CFR 180.1) apply to instances of fraud and manipulation in event contracts?
8. Has the CFTC, including DMO or any other CFTC oversight or enforcement arm, ever investigated an event contract for insider trading?
9. Has the CFTC coordinated with state commodities regulators or other appropriate state agencies with oversight of gaming activities?

We ask that you provide responses to our questions no later than February 9, 2026. We hope you and your team take the time to provide a detailed and thorough response, as is your responsibility to Congress. Thank you for your attention to this matter.

Sincerely,

⁹ "Polymarket US Rulebook," December 30, 2025. [Polymarket US Rulebook \(2025.12.30\).pdf](#)



Catherine Cortez Masto
United States Senator



Chris Van Hollen
United States Senator



Jacky Rosen
United States Senator



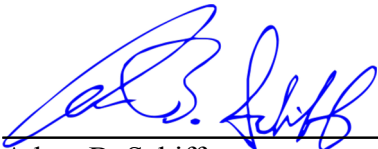
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