

United States Senate
WASHINGTON, DC 20510

April 9, 2026

Shayne Coplan
Founder and CEO
Blockratize, Inc. d/b/a Polymarket
1280 Lexington Avenue
New York, NY 10028

Dear Mr. Coplan,

I write to demand information about Polymarket's continuing failure to prevent insider trading and gambling related to American national security matters, including betting over the military intervention and ceasefire in Iran. These repeated, illicit bets raise significant concerns about the mishandling of confidential information on Polymarket, and calls into question whether it is taking adequate steps to prevent, deter, and report national security leaks and gambling over matters of life-and-death.

Prediction markets, such as Polymarket, hold themselves out as a market-based, decentralized mechanism to determine truth by soliciting the wisdom of crowds, allowing their users to bet on everything from what happens in court rooms to nuclear negotiations. In practice, however, prediction markets have created a wild west of unethical, and potentially illegal, bets: allowing gamblers to wager, either directly or indirectly, over matters of violence, assassination, and war. For example, like other prediction markets, Polymarket allowed its users to bet on whether Nicolás Maduro and Ali Khamenei would be out of power this year — bets resolved by war. However, Polymarket's practices stand out as especially unconscionable, taking over half a billion dollars in direct bets over when the United States and Israel would strike Iran, and allowing wagers over Hizballah's terrorism. Polymarket even put the rescue of a U.S. service member up for wager until it was publicly shamed into removing the listing.

Prediction markets have also turned a blind eye, or even encouraged, the use of secrets and insider information. Indeed, you called it "cool" that Polymarket "creates this financial incentive for people to go and divulge the information to the market and the market to change." This financial incentive to abuse trust apparently worked. In January, a trader made more than \$436,000 on Polymarket by betting on Maduro's removal mere hours before a U.S. military intervention in Venezuela. Weeks later, another account made \$553,000 placing bets against Khamenei right before he was killed in the early hours of airstrikes — one of several accounts that engaged in suspicious wagers at that time. According to Reuters, this week several new, anonymous Polymarket users placed well-timed bets on a ceasefire, earning hundreds of

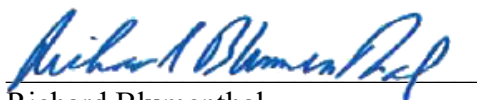
thousands of dollars, despite all apparent indications that negotiations had collapsed. In practice, Polymarket has become an illicit market to sell and exploit national security secrets unlike any in history, and by extension a potential honeypot for foreign intelligence services watching for those same suspicious bets and wagers.

After embarrassing press stories about these unethical wagers, last month you announced a few new rules restricting misuse of confidential information and manipulation. However, these changes are paltry, inadequate, and late. Given the repercussions of illicit betting to American national security, please provide detailed answers to the following questions by April 24, 2026:

- 1.) Why does Polymarket's main website continue to allow the listing of wagers related to the deaths of heads of state, military intervention, war, and other national security matters?
- 2.) What investigations has Polymarket conducted over reports of potential insider trading on national security information, in particular those related to military intervention in Venezuela and Iran? Please provide the results of those investigations.
- 3.) Betting based on the misappropriation of classified information could constitute a crime. When does Polymarket proactively report to the U.S. government those accounts or bets that appear to engage in insider trading on matters of national security? Has it done so for the Venezuela and Iran related bets?
- 4.) Polymarket lacks basic 'know your customer' due diligence or record keeping on its main platform, such as requiring IDs, and allows betting through cryptocurrencies. This has made it a haven for abuse. What records does Polymarket collect from users to establish their actual identity and location, and ensure that investigators can identify the individuals misusing confidential, stolen, or classified information?
- 5.) Polymarket claims to block users in the United States from its main platform and requires them to register for a more limited American site. However, in practice these restrictions appear to be easily-circumvented through simply turning on a VPN. How many users with a nexus to the United States have accounts on the main Polymarket platform, and why has Polymarket failed to prevent this illegal gambling?

Thank you for your prompt attention to this request.

Sincerely,



Richard Blumenthal
United States Senate