



April 21, 2026

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

Dear Chair Selig,

I write to request information about how the Commodity Futures Trading Commission (CFTC) is currently enforcing the fair offering and resolution of bets on prediction markets.

As prediction markets have grown in the volume and types of wagers, users have increasingly found themselves in situations where the outcome of the bet is disputed, with potentially hundreds of millions of dollars on the line. For example, Polymarket and Kalshi have hosted bets over military actions that have ultimately hinged on what counts as an 'invasion' or 'control' of a country. Kalshi faced pressure from its users after bets over the killing of Iran's Supreme Leader would not resolve to 'yes' based on its terms of service. While less consequential to matters of war-and-peace, nearly a quarter of a billion dollars was up for grabs over whether Ukrainian President Volodymyr Zelenskyy's black jacket and pants at a NATO summit counted as a 'suit.' Still other bets have become contentious over whether suspending an election campaign counts as dropping out, about Polymarket's own plans to expand its platform, Super Bowl performances, and the scope of an agreement over Ukrainian minerals.

Fair betting requires fair judgements of winners and losers. One model of settling bets involves the prediction markets maintaining internal teams that have ultimate responsibility for determining outcomes, such as with Kalshi. In this model, the prediction market writes the rules and judges according to them, without independent intermediaries. On the other hand, Polymarket's main platform relies on a third-party process, called UMA's Optimistic Oracle, which provides a dispute resolution process through a cryptocurrency-based, community-voting mechanism. While this theoretically provides a separation from the prediction market operators, it has also created concerns about the voting process being gamed by those with financial interests in the outcome of bets. Prediction market users need to know clearly what they are betting on and be assured that the judging of bets is not mired in conflicts-of-interest.

In absence of strong rules backed with vigorous enforcement, prediction markets will continue to face controversies over whether bets are being offered and settled fairly—especially as the CFTC continues to obstruct state oversight. Prediction markets will always have ambiguous or disputed outcomes, especially when they provide wagers outside of the score or winner of a game. Self-regulation will never be sufficient—regulations and enforcement are necessary to ensure fair outcomes.

My Prediction Markets Security and Integrity Act would require prediction markets to ensure that all bets clearly and conspicuously state the conditions under which they are decided, and that the prediction markets ultimately take responsibility for decisions. Given continued examples of disputes over prediction market wagers, please provide answers to the following questions by April 30, 2026:

- 1.) What rules does the CFTC currently have to ensure that prediction markets maintain clear terms and conditions for the resolution and assessment of bets?
- 2.) What rules does the CFTC currently have to ensure that bets and disputes on prediction markets are settled on fair and clear terms, and not subject to manipulation or conflicts of interest, whether by the prediction market or outside mechanisms such as Polymarket's UMA?
- 3.) How does the CFTC currently monitor and engage in oversight of prediction markets to prevent the specific issues of unclear terms for bets or failures of dispute resolution mechanisms?
- 4.) What steps have you taken to investigate or bring enforcement actions regarding unclear terms for bets or failures of dispute resolution mechanisms on prediction markets?
- 5.) Polymarket claims that Americans are required to use a more limited version of its platform, however, it allows betting in cryptocurrencies and does little to verify users, which makes it easy for users in the U.S. to place bets on its less regulated global platform. What steps have you taken to investigate Polymarket's failure to engage in adequate know-your-customer practices?

Thank you for your prompt attention to this request.

Sincerely,



Richard Blumenthal
United States Senate