

Contact: press@democracydefenders.org

FACT SHEET: Why the CFTC Should Investigate Congress and the Executive Branch for Insider Trading

In a formal letter filed on April 10, 2026, Democracy Defenders Fund asked the CFTC to investigate whether members of Congress and the executive branch may have violated the Commodity Exchange Act and Commodity Futures Trading Commission rules. This complaint comes amid continual reporting about suspicious trades that have netted anonymous traders windfalls that are sometimes in the millions. Late last month the White House Management Office acknowledged the risk of insider trading when it sent staff an email stating using nonpublic information to inform trades is a criminal offense. Following are details outlined in DDF's letter:

- The media has highlighted multiple suspiciously timed trades in the futures markets, including event contracts, that were tied to sensitive political and government events.
- Prediction markets used for these trades include Polymarket and Kalshi.
- The timing of these investments raise questions about whether government officials or their associates used nonpublic government information for personal gain.

Who stands to benefit?:

- At least six traders collectively made \$1.2 million after successfully betting the U.S. would attack Iran on Feb. 28 just hours before the attacks took place.
- At least one anonymous trader made more than \$400,000 by taking out an event contract predicting the capture of Venezuelan President Maduro just hours prior to his capture.
- Minutes before President Trump declared he would cease attacks on Iran's energy infrastructure, transactions in the oil futures markets resulted in an estimated \$580 million to anonymous traders.
- Fifty traders made bets on the U.S. ceasefire with Iran hours and minutes before the ceasefire took hold, netting at least one trader some \$200,000.

Why Is This a Threat to National Security

- The potential for corruption and risk to national security is real. A government official with a financial stake in the timing of a military operation might alter the operation to maximize personal profit rather than military effectiveness.
- Foreign intelligence agencies could monitor trading spikes on prediction markets as early warning signals of imminent U.S. military action, compromising operational surprise and national security.
- When our government officials prioritize their personal enrichment over good policy and national security, it erodes the public trust.

What Democracy Defenders Fund is asking the CFTC to investigate:

- Whether members of Congress or executive branch officials are using or sharing non-public information to game the futures markets.