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ONE HUNDRED NINETEENTH CONGRESS

ROBERT GARCIA, CALIFORNIA
RANKING MEMBER

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
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September 29, 2026

Mr. Jeff Yan
Co-Founder
Hyperliquid Labs
c/o Hyperliquid Foundation
c/o Hyperliquid Strategies, Inc.
477 Madison Ave.
22nd Floor
New York, NY 10022

Dear Mr. Yan:

The Committee on Oversight and Government Reform is examining the use of online prediction market platforms by some users to conduct insider trading using nonpublic or classified government information.[1] Specifically, the Committee is examining the adequacy of company safeguards to prevent the use of nonpublic or classified information by government employees, contractors, and other insiders to profit from trading on event contracts. Internal records held by prediction markets are the only means by which bad actors can be identified and by which the Committee can determine whether platforms are meeting their legal obligations.[2] Therefore, the Committee requests documents and information to better understand how Hyperliquid implements identity verification for domestic and international account holders, enforces geographic restrictions, and detects anomalous trading activity to prevent insider trading across its global platform.

The April 24, 2026, federal indictment of U.S. Army Master Sergeant Gannon Ken Van Dyke alleges that he used classified information concerning Operation Absolute Resolve, the U.S. military operation that resulted in the capture of Venezuelan President Nicolas Maduro, to place a series of wagers resulting in more than $409,000 in personal financial gain on the Polymarket platform.[3] The Committee is concerned about reports of a substantial leveraged short position on the Hyperliquid platform within minutes of a presidential announcement concerning

[1] *See* Letter from James Comer, Chairman, H. Comm. on Oversight & Gov't Reform, to Tarek Mansour, Chief Executive Officer, Kalshi, Inc. (May 22, 2026); *see* Letter from James Comer, Chairman, H. Comm. on Oversight & Gov't Reform, to Shayne Coplan, Chief Executive Officer, Polymarket (May 22, 2026).
[2] *See* Stuart A. Thompson & David Yaffe-Bellany, *Dozens of Polymarket Bets Show Signs of Insider Trading, The Times Finds*, THE N.Y. TIMES (updated May 18, 2026).
[3] Joe Pinsker, *The Soldier Accused of Maduro Bets: 'Army People Don't Get the Business Stuff,'* THE WALL ST. J. (Apr. 25, 2026); Thompson & Yaffe-Bellany, *supra* n. 2 ("Sergeant Van Dyke gained access to the website using a virtual private network, a tool that disguises a user's location, according to court papers."); and *see generally* Press Release, Commodity Futures Trading Commission, CFTC Orders Event-Based Binary Options Markets Operator to Pay $1.4 Million Penalty (Jan. 3, 2022).

a U.S. tariff policy in October 2025 that was not publicly known at the time the position was established.[4] This transaction, precisely timed to a nonpublic government decision, executed on a platform with apparently no identity verification or mechanism to refer the responsible party to U.S. law enforcement, mirrors a pattern of insider trading the Committee is investigating across the prediction market sector.[5] The rapid growth and mainstreaming of prediction market platforms, the cryptocurrency infrastructure, and the anonymity it affords users may have created unintended structural conditions that bad actors—especially individuals with national security clearances—can exploit.[6]

A growing pattern of insider trading activity across prediction market platforms indicates that Congressional action may be necessary.[7] To assist the Committee in its oversight of this matter, we request the following documents and information covering the time period January 1, 2024, to the present, as soon as possible but no later than October 13, 2026:

1. All documents and communications referring or relating to Hyperliquid's identity verification and Know-Your-Customer (KYC) policies and procedures, including but not limited to:

    a. The identity verification technologies, vendors, and procedures Hyperliquid utilizes to confirm the identity of account holders at the time of account creation and at subsequent intervals;

    b. The financial impact of KYC and geographic access restriction policies, including documents discussing tradeoffs between compliance costs and platform growth; and

    c. Any changes to identity verification or access control procedures since January 1, 2024.

2. All documents and communications referring to or relating to Hyperliquid's policies and procedures for detecting, investigating, and reporting anomalous or suspicious trading activity, including but not limited to:

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[4] *See* Charles-Henry Monchau, *The Crypto Crash and the Mystery of the $1 Billion Whale*, INVESTING.COM (Oct. 22, 2025), *available at* https://www.investing.com/analysis/the-crypto-crash-and-the-mystery-of-the-1-billion-whale-200668895. ("Buried in the data of Hyperliquid, a fully on-chain derivatives exchange where every trade is visible, investigators uncovered a position so perfectly timed it seemed impossible to be mere luck: a $1.1 billion levered short bet spread across Bitcoin and Ether perpetual contracts, opened 30 hours before Trump's post and closed almost immediately afterward for more than $150 million in profit.").

[5] *Supra n.1*.

[6] *See* Thompson & Yaffe-Bellany, *supra* n. 2.

[7] *See, e.g.*, Jasper Ward, *Kalshi sued over ouster of Iran leader prediction market*, Reuters (Mar. 6, 2026); *see* Walter Pavlo, *Prediction Market's First Insider Trading Case*, Forbes (updated Apr. 27, 2026); *see* Katherine Faulders, *et al.*, *White House teleprompter operator made more than $100k betting on Trump's speeches: Sources*, ABC News (July 16, 2026); *see* Sharon LaFraniere, *Prediction Firms Are Flagging Insider Traders. Many Will Not Face Charges.*, The N.Y. Times (Aug. 12, 2026); *see Polymarket and Kalshi Grapple With A New Class of Insider Trader*, Bloomberg News (July 20, 2026); and *see* Douglas Gillison, *Researchers find signs of military insider trading on Polymarket*, USA Today (Aug. 20, 2026).

a. The criteria, thresholds, or algorithmic tools your platform uses to flag anomalous or suspicious trading patterns, including trades that may be indicative of the use of nonpublic or classified information;

b. All documents and communications relating to any trades or accounts your platform flagged as suspicious;

c. All documents and communications describing Hyperliquid's referral procedures, if any, for notifying the U.S. Department of Justice, the CFTC, or other U.S. law enforcement or regulatory authorities of suspicious activity; and

d. All documents and communications sufficient to show the number and disposition of suspicious activity referrals, if any, made since January 1, 2024.

3. All documents and communications relating to any event contracts tied to Federal Reserve interest rate decisions, elections, and geopolitical outcomes, including but not limited to account records, trading records, and any suspicious activity flags or referrals associated with those contracts.

4. All documents and communications referring or relating to how Hyperliquid collects, stores, and uses personal data associated with account holders.

5. All documents and communications referring or relating to compliance with applicable CFTC regulations and any conditions imposed by CFTC settlement, consent order, or registration requirement.

6. All documents and communications sufficient to identify any current or former officer, director, employee, or adviser of Hyperliquid who holds or has applied for a U.S. government security clearance, and any communications regarding the implications of such clearances for the company's trading policies.

7. All documents and communications describing the financial impact of anomalous trading activity on market integrity or the company's public reputation, including but not limited to internal analyses, board materials, or investor communications.

To arrange for delivery of documents or to ask any related follow-up questions, please contact the Committee on Oversight and Government Reform Majority staff at (202) 225-5074. The Committee on Oversight and Government Reform is the principal oversight committee of the U.S. House of Representatives and has broad authority to investigate "any matter" at "any time" under House Rule X.

Sincerely,

James Comer
Chairman
Committee on Oversight and Government Reform

cc: The Honorable Robert Garcia, Ranking Member
Committee on Oversight and Government Reform