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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
2157 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515–6143

MAJORITY (202) 225–5074
MINORITY (202) 225–5051
https://oversight.house.gov

September 29, 2026

Mr. John Aristotle Phillips
Chief Executive Officer
Aristotle Exchange, Inc. d/b/a PredictIt
c/o Aristotle International, Inc.
205 Pennsylvania Ave. SE
Washington, D.C. 20003

Dear Mr. Phillips:

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 market platforms 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 PredictIt implements identity verification for account holders and detects anomalous trading activity to prevent insider trading.

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 rapid growth and mainstreaming of prediction market platforms may have created unintended structural conditions that bad actors—especially individuals with national security clearances—can exploit.[4]

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[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."); *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).
[4] *See* Thompson & Yaffe-Bellany, *supra* n. 2.

A growing pattern of insider trading activity on prediction market platforms indicates that Congressional action may be necessary.[5] To assist the Committee in its oversight of this matter, we request a staff-level briefing and 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 PredictIt's identity verification and Know-Your-Customer (KYC) policies and procedures, including but not limited to:

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

    b. Any changes to identity verification or access control procedures since January 1, 2025.

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

    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, including but not limited to trades related to elections, nominations, confirmations, legislative action, or other government actions;

    c. All documents and communications describing PredictIt'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, 2025.

3. All documents and communications relating to any event contracts relating to the removal of the per-contract trader limit under CFTC Letter No. 25-20, including any

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[5] *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).

analysis of the impact of that change on scale, liquidity, or ability to detect insider trading.

4. All documents and communications referring or relating to any event contracts tied to nominations, confirmations, elections, legislative action, or other government personnel actions in which current or former government employees, officials, or contractors are known or suspected to have participated as traders.

5. All documents and communications sufficient to identify any current or former officer, director, employee, or advisor of PredictIt, PMRC, or Aristotle International, Inc. 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.

6. All documents and communications referring or relating to approving or declining to list event contracts, including any board materials, minutes, or criteria used to determine whether a proposed contract falls within the scope of permissible "political events" or "significant political questions."

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