

Congress of the United States

Washington, DC 20515

June 3, 2026

The Honorable Andrew N. Ferguson
Chairman
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580

Dear Chairman Ferguson,

We write to you concerned about possible deceptive marketing practices employed by prediction market platforms, which claim to be a financial tool for legal and regulatory purposes but advertise as gambling platforms to consumers. Given the importance of ensuring consumers are not misled, we request your prompt responses to the questions below about whether the Federal Trade Commission (FTC) is considering the trade practices of prediction market platforms and the extent of any related investigations or enforcement actions.

Prediction markets allow individuals to buy and sell event contracts tied to the outcome of real-world events. Two of the leading platforms, Kalshi and Polymarket, began offering sports event contracts in 2025, both creating a billion-dollar industry in just one year¹ and sparking legal battles over which entity—the Commodity Futures Trading Commission or state and tribal gambling authorities—should regulate sports prediction markets.²

In litigation, these prediction market platforms consistently assert their status as financial instruments that help hedge against risk. For example, Kalshi argues in court that it “offers consumers the chance to invest”³ through event contracts and that these contracts are “financial tools used to mitigate risk.”⁴ Polymarket has stated that event contracts “provide significant financial value” and “supply investment opportunities for traders.”⁵ By framing their offerings as investment instruments rather than wagers, they position themselves as operating a financial market and not a gaming platform.

Simultaneously leading prediction market platforms advertise themselves to consumers as a way to attract those interested in gambling. Kalshi has advertised using phrasing like cracking “the

¹ Miller, R.; Schneider, K. *Prediction Markets: Policy Issues for Congress* (CRS Report No. IF13187). Congressional Research Service. (Mar. 20, 2026). <https://www.congress.gov/crs-product/IF13187>.

² Raymond, N. *New Jersey cannot regulate Kalshi's prediction market, US appeals court rules*. Reuters. (Apr. 6, 2026). <https://www.reuters.com/legal/litigation/betting-verdict-kalshi-case-could-shape-prediction-markets-2026-04-06/>.

³ Complaint ¶ 5, *KalshiEX LLC v. Martin*, No. 1:25-cv-01283-ABA (D. Md. Apr. 21, 2025).

⁴ *Id.* ¶ 29.

⁵ Complaint ¶ 30, *QCX LLC v. Campbell*, No. 1:26-cv-10651, (D. Mass. Feb. 9, 2026).

code on legal betting”⁶ and being the “first app for legal sports betting in all 50 states,”⁷ while Polymarket has claimed it offers “betting [on] sports without a sportsbook.”⁸ This messaging is starkly different than the arguments these prediction market platforms have made in legal settings, presenting themselves to consumers as an alternative to traditional gambling operators, while presenting themselves to judges as anything but. This doublespeak is not a semantic issue; it is deceptive to consumers. It also unfairly misleads consumers who may not realize they are placing bets on markets that are not as strictly regulated as other gambling would be.

Recent polling confirms this marketing tactic has been misleading consumers: The majority of Americans now see transactions on prediction markets as a form of gambling. One March 2026 poll found that 61% of Americans view the purchasing of event contracts as closer to gambling than investing,⁹ and a separate March 2026 poll found that 81% of Americans believe that sports betting on prediction markets is gambling.¹⁰

As you know, the FTC has both the authority and the duty to investigate this potential deception by prediction market platforms.¹¹ The FTC defines *deceptive* “as involving a material representation, omission or practice that is likely to mislead a consumer acting reasonably in the circumstances.”¹² Given the discrepancy in how leading prediction market platforms present themselves in advertising versus legal settings, and considering how the reasonable American consumer views a prediction market platform, we request answers to the following questions:

1. Has the FTC taken any investigative or enforcement actions related to prediction market platform conduct as possible unfair or deceptive acts or practices?
 - a. If so, provide a summary of what prompted the action, the result of the investigation, and the result of any enforcement actions taken against companies found to have engaged in such acts or practices.
2. Does the FTC plan to take any future investigative or enforcement action related to the conduct of a prediction market platform as possible unfair or deceptive acts or practices?
 - a. If not, explain why the FTC determines that the current advertising practices of these platforms do not warrant such action.

⁶ Kalshi Inc. Meta Ad Library ID: 3962312267368983. (June 5, 2025). <https://perma.cc/MWS6-353L>.

⁷ Gouker, D. *Ten Times Kalshi Said People Could Bet On Things*. Event Horizon. (April 3, 2025). <https://perma.cc/CWK2-TZCV>.

⁸ Polymarket. Meta Ad Library ID: 711912141459676. (June 30, 2025). <https://perma.cc/ML45-B224>.

⁹ Cohen, J. D. *Most Americans see prediction markets as more like gambling than investing, new AIBM/Ipsos poll finds*. American Institute for Boys and Men. (March 17, 2026). <https://aibm.org/research/most-americans-see-prediction-markets-as-more-like-gambling-than-investing-new-aibm-ipsos-poll-finds/>.

¹⁰ Gambling Is Not Investing. *Morning Consult poll reveals Americans’ concerns with prediction markets*. (March 31, 2026). <https://www.gamblingisnotinvesting.com/morning-consult-poll-reveals-americans-concerns-with-prediction-markets/>.

¹¹ 15 U.S.C. § 45(a)(1).

¹² Federal Trade Commission. *A brief overview of the Federal Trade Commission’s investigative, law enforcement, and rulemaking authority*. (July 2025). <https://www.ftc.gov/about-ftc/mission/enforcement-authority>.

3. Does the FTC differentiate between the act of betting versus gambling in terms of determining possible unfair or deceptive acts or practices taken by prediction market platforms? If so, why does the FTC consider betting distinct from gambling?
4. How does the FTC consider public perception and legal filings of prediction market platforms when determining whether they have engaged in possible unfair or deceptive acts or practices?
5. Has the FTC received complaints about prediction market platforms? If so, provide a summary of the content of these complaints and when the FTC received them.

We request you respond to these questions by Monday, June 29, 2026. Thank you for your prompt attention to this matter.

Sincerely,



Kevin Mullin
Member of Congress



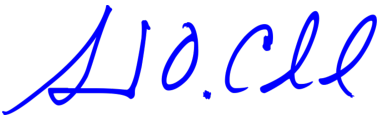
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