Comment for Proposed Rule 91 FR 12516

April 30, 2026

Michael S. Selig
Chairman
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Dear Chairman Selig:

At Consumer Action for a Strong Economy (CASE), we serve as a voice for American consumers by advocating strongly for free markets, fiscal responsibility, and reasonable consumer protections. We support financial innovation, but the rapid expansion of sports-based prediction markets is concerning.

I write to urge the Commodity Futures Trading Commission to address the profound consumer protection concerns posed to Americans by sports event contracts on prediction markets. This is not a complex problem. If a platform allows users to risk money on the outcome of a sporting event, it is sports betting and should be governed by the thoughtful state and tribal laws established to regulate sports betting.

The line between sophisticated financial hedging and high-stakes sports gambling is being dangerously eroded. Prediction markets are increasingly marketing sports event contracts as legitimate financial instruments. However, without a consistent regulatory framework, these platforms are essentially running illegal sports betting operations that bypass the critical safeguards mandated by state and tribal gaming commissions.

These sports-based prediction markets present significant risks regarding market integrity and manipulation. By allowing prediction markets to offer sports event contracts, the CFTC is distracting from its critical mission to protect the integrity of America’s derivatives markets. Sports betting falls far outside the jurisdiction of the CFTC, which does not have the expertise nor experience to regulate these products.

There are serious concerns regarding consumer addiction and the lack of traditional safeguards. State-regulated sports betting includes mandatory responsible gaming protocols, such as self-exclusion lists and deposit limits. Prediction markets lack these essential protections. By branding gambling as "investing," these platforms may entice consumers into addictive behaviors under the guise of financial planning, potentially devastating household finances.

Further, by allowing prediction markets to offer sports event contracts to users as young as 18, the CFTC is overriding thoughtful age minimums that many states have established in regard to licensed sports betting.

Transparency and oversight remain paramount for a strong economy. A healthy market should provide "price discovery" that serves a broader public interest. Sports betting does not provide the same economic utility as hedging against interest rates or crop prices. If prediction markets are allowed to function as de facto sportsbooks, it creates a regulatory backdoor that leaves consumers vulnerable.

CASE urges the CFTC to maintain a clear distinction between economic derivatives and sports wagering. The Commission should ensure that any approved event contracts serve a clear public interest and are not merely a vehicle for skirting state gambling laws. We must protect the integrity of our financial markets and ensure that retail consumers are not misled into high-risk gambling environments disguised as financial innovation.

Sincerely,

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