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SUQUAMISH INDIAN TRIBE
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April 30, 2026

Mr. Christopher Kirkpatrick
Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street NW, Washington, DC 20581

SUBJECT: Comments of the Suquamish Indian Tribe on Advance Notice of Proposed Rulemaking Regarding Prediction Markets, RIN 3038–AF65, 91 FR 12516 (March 16, 2026)

Dear Secretary Kirkpatrick:

The Suquamish Indian Tribe ("Tribe") respectfully submits these comments in response to the Commodity Futures Trading Commission's ("CFTC" or "Commission") Advance Notice of Proposed Rulemaking regarding the regulation of prediction markets. The Suquamish Tribe is a federally recognized Indian tribe whose reservation is located on the Kitsap Peninsula in the State of Washington. The Tribe is the sovereign government and exercises governmental authority over its territory, including the authority to regulate gaming activities in its territory. The Tribe operates a Class III gaming facility and has a negotiated gaming compact with the State of Washington pursuant to the Indian Gaming Regulatory Act ("IGRA"). 25 U.S.C. §§ 2701 et seq.

The Tribe submits these comments because prediction market platforms that offer sports-event contracts are conducting illegal online gambling in the Tribe's territory as well as the State of Washington. The Commission should find that sports-outcome event contracts constitute "gaming" under the Commodity Exchange Act ("CEA") and are contrary to the public interest. The Commission should further recognize that these contracts are not "futures contracts" or "swaps" within the meaning of the CEA, that gambling regulation is reserved to the states and tribal governments, and that the transmission of interstate sports wagers over the internet violates the Wire Act regardless of how the contracts are labeled.

I. Sports Prediction Market Contracts Are Gambling, Not Futures Contracts

Prediction market platforms have sought to characterize their sports-event contracts as financial derivatives regulated exclusively by the CFTC. The Commission should reject that characterization. A contract that allows a user to stake money on whether the Seattle Mariners will win Friday's game, whether the University of Washington Huskies will cover an 11.5-point

spread, or whether a quarterback will score two touchdowns is not a financial instrument. It is a bet. Applying a different label does not change the underlying activity.

Washington's Gambling Act defines "gambling" broadly as "staking or risking something of value upon the outcome of a contest of chance or a future contingent event not under the person's control or influence, upon an agreement or understanding that the person or someone else will receive something of value in the event of a certain outcome." RCW 9.46.0237. Sports-event contracts meet every element of this definition. Users stake money on sporting outcomes they cannot control and receive a fixed payout if correct. The Washington State Attorney General has filed suit in King County Superior Court on precisely these grounds, documenting that a prediction market platform's offerings include single-game bets, spread bets, over/under wagers, proposition bets, and parlays; all of which are expressly defined as sports wagering under Washington law.

The CEA's definition of "swap" requires a contract "associated with a potential financial, economic, or commercial consequence." CEA § 1a(47)(A)(ii). The outcome of a sporting contest has no financial, economic, or commercial consequence independent of the wager itself, for those who do not directly participate in that sporting contest. A corn futures contract allows a farmer to hedge against real price risk in a real commodity with a functioning cash market. A bet on whether the Mariners will beat the Houston Astros hedges nothing and serves no economic function beyond the wager. Congress did not intend the CEA to sweep in ordinary sports gambling simply because a technology company rebranded it as an "event contract" and listed it on a CFTC-registered exchange.

The CEA explicitly authorizes the Commission to prohibit event contracts involving "gaming" as contrary to the public interest. CEA § 5c(c)(5)(C)(i)(V). Sports wagering is gaming by any reasonable definition under state law, federal law, the Indian Gaming Regulatory Act, and common understanding. The Commission should exercise this authority and prohibit the listing of sports-outcome event contracts by registered exchanges. Allowing platforms to evade the "gaming" prohibition by renaming bets as "trades" would render the statutory prohibition meaningless.

II. Gambling Regulation Is Reserved to States and Tribal Governments Under IGRA

The Suquamish Tribe operates its gaming facilities pursuant to a compact negotiated with the State of Washington under the Indian Gaming Regulatory Act. That compact, like compacts entered by Washington's other federally recognized tribes, reflects a carefully negotiated allocation of gaming rights between sovereign tribal governments and the State. Online sports wagering in Washington is lawful only when "placed and accepted at a tribe's gaming facility" by customers who are "physically present on the premises of that tribe's gaming facility." RCW 9.46.0368. Sports-event contract platforms are accessible to Washington residents anywhere and at any time from their mobile phones, which does not come close to satisfying this requirement.

IGRA established a comprehensive framework for the regulation of Class III gaming that requires tribal-state compacts approved by the Secretary of the Interior. 25 U.S.C. § 2710(d). Prediction market platforms have obtained no such compact. They claim that they are not subject to the National Indian Gaming Commission's oversight, tribal gaming ordinances, or the

responsible gambling requirements that tribal operators must maintain. Yet they compete directly with tribal sportsbooks for the sports wagering market, drawing customers away from regulated tribal facilities while bearing none of the legal, financial, or regulatory obligations that tribal operators accepted in exchange for the recognition of their gaming rights.

The Commission should recognize that allowing CFTC-registered platforms to offer sports wagering nationwide without IGRA compliance, without tribal-state compacts, and without the consumer protections that tribal gaming regulation requires directly undermines the sovereign gaming rights of federally recognized tribes and the statutory framework Congress established when it enacted IGRA in 1988. The economic harm to the Suquamish Tribe and other Washington tribes is real: gaming revenues fund essential governmental services for tribal members, including health care, education, housing, and cultural preservation. Unregulated online competitors that pay no gaming taxes and follow no responsible gambling rules impose a competitive disadvantage that erodes these tribal governmental programs.

III. Interstate Sports Wagering Violates the Federal Wire Act

The Commission should also recognize that prediction market sports contracts transmitted over the internet violate the federal Wire Act, 18 U.S.C. § 1084. The Wire Act makes it a federal crime to use wire communication facilities to transmit "bets or wagers or information assisting in the placing of bets or wagers on any sporting event or contest." 18 U.S.C. § 1084(a). This prohibition applies to interstate and foreign wire communications and is not limited to any particular technology or medium.

Prediction market platforms transmit sports wagers over the internet between users located in different states and between users and the platforms' servers. Every sports-event contract placed on such platforms by a Washington resident travels across interstate wire communications facilities. These transmissions fall squarely within the Wire Act's prohibition on the interstate transmission of sports wagers, regardless of whether prediction market platforms characterize the transactions as "trades" rather than bets.

The Washington State Attorney General's recent complaint against a prediction market platform documents that the company not only transmits wagers interstate but also transmits "gambling information," such as real-time betting odds, contract prices, and wager data. Washington law states that such information "shall be presumed to be intended for use in professional gambling." RCW 9.46.0245. The same reasoning applies at the federal level: the information prediction market platforms transmit over interstate wires to facilitate sports wagering is precisely the kind of information the Wire Act was designed to prohibit. CFTC registration as a designated contract market does not provide a defense to Wire Act liability, and the Commission should not adopt a regulatory posture that implicitly validates conduct that violates federal criminal law.

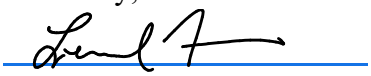
IV. Conclusion

The Suquamish Tribe respectfully urges the Commission to: (1) find that sports-outcome event contracts constitute "gaming" under CEA § 5c(c)(5)(C) and are contrary to the public interest; (2) recognize that such contracts fall outside the CEA's jurisdiction as swaps or futures contracts because they lack any underlying financial, economic, or commercial consequence independent

of the wager; (3) acknowledge that gambling regulation is reserved to states and tribal governments under longstanding principles of federalism and IGRA, and that prediction market platforms must comply with those frameworks; and (4) recognize that interstate transmission of sports wagers over the internet violates the Wire Act and cannot be legitimized by CFTC registration.

The Commission was established to bring integrity and transparency to commodity derivatives markets. It was not established to provide a regulatory umbrella for unlicensed sports gambling operations that circumvent state law, tribal gaming compacts, and federal criminal statutes. The Tribe urges the Commission to act decisively to prevent its designation authority from being weaponized in this manner.

Sincerely,



Leonard Forsman (Apr 30, 2026 09:12:12 PDT)

Chairman Leonard Forsman