August 3, 2026

The Honorable Michael Selig
Chairman
Commodity Futures Trading Commission
1155 21st Street, NW
Washington, DC 20581

Dear Chair Selig,

We write to express concern regarding the disturbing news that prediction markets are now offering event contracts for individuals to bet on wildfires. Prediction markets have been enabled to expand rapidly, increasingly inviting speculation on war, political violence, disasters, and public emergencies that raise ethical and public policy concerns. These markets risk creating perverse incentives, undermining public trust and commodifying human suffering in ways that warrant careful scrutiny.

Recent public reports have highlighted how Polymarket—the largest prediction market platform in the world—accepted more than $1.2 million in bets surrounding the Palisades and Eaton fires in January 2025.[1] These fires devastated the Los Angeles area, claiming the lives of 31 people and destroying more than 16,000 structures. Another report even spotlighted the launch of a new prediction market platform that accepts only simulated bets on wildfires in California and whose slogan boasts, "You can't predict fire, but you can trade on it."[2]

Offering bets on destructive wildfires threatens to minimize communities' suffering all so the rich and powerful can profit. There's also the heightened risk—according to state and local fire officials—that individuals could be tempted to commit arson in order to make sure their bets are successful.[3] By offering contracts on fires, prediction market sites run the risk of encouraging people to influence fires that have already started, creating additional concerns around public safety and insider trading.

As the United States faces yet another record-breaking fire season this year, the Commodity Futures Trading Commission (CFTC) cannot allow these prediction markets to offer unrestricted betting on wildfires. While these bets appear to be offered only on the offshore Polymarket site, it is only a matter of time before other U.S. based Designated Contract Markets (DCMs) try to

---

[1] Sadiq, Sheraz. "Ethical and Safety Concerns Abound as Wildfire Prediction Betting Heats Up." *OPB*, 8 July 2026, https://www.opb.org/article/2026/07/08/think-out-loud-wildfire-prediction-betting/.
[2] Wilkins, Joe. "Grim New Prediction Market Lets Gamblers Bet on Raging Wildfires." *Futurism*, 29 June 2026, https://futurism.com/future-society/wyldfyre-wildfires-california-prediction-market.
[3] Mohr, Kylie. "Will Betting on Wildfires Lead to Arson?" *High Country News*, 29 June 2026, https://www.hcn.org/articles/people-are-betting-on-wildfires-should-they/.

offer these. The CFTC must lead the charge to rein in these contracts in the U.S. and offshore and put in place common-sense guardrails to prevent people from profiting as wildfires threaten communities.

As such, we request you provide answers to the following questions by August 14, 2026:

- Is the CFTC considering prohibiting DCMs from offering event contracts on wildfires as part of the rulemaking process currently underway, given they are against the public's interest?
- Does the CFTC have any plans to curb bets on wildfires on prediction markets in the United States? Does the agency have plans to address these contracts being offered on offshore markets?
- Does the CFTC believe event contracts offered on the following wildfire-related events are in the public interest:
    - How long would a wildfire last?
    - How much would a wildfire destroy?
    - How much would a wildfire grow by?
- Does the Commission have guidance or planned enforcement related to these wildfire event contracts?

Thank you for your attention to this matter, and we look forward to hearing from you.

Sincerely,

Jeffrey A. Merkley
United States Senator

Alex Padilla
United States Senator

Jeanne Shaheen
United States Senator

Adam B. Schiff
United States Senator

Jacky Rosen
United States Senator

Catherine Cortez Masto
United States Senator

Martin Heinrich
United States Senator

Ron Wyden
United States Senator

Amy Klobuchar
United States Senator