Jeff Merkley (https://www.merkley.senate.gov)

MERKLEY, PADILLA, SHAHEEN, SCHIFF, ROSEN, CORTEZ MASTO, HEINRICH, WYDEN, KLOBUCHAR: CFTC MUST REIN IN WILDFIRE BETS ON PREDICTION MARKETS

August 3, 2026

Washington, D.C. – Today, Oregon's U.S. Senator Jeff Merkley led U.S. Senators Alex Padilla (D-CA), Jeanne Shaheen (D-NH), Adam Schiff (D-CA), Jacky Rosen (D-NV), Catherine Cortez Masto (D-NV), Martin Heinrich (D-NM), Ron Wyden (D-OR), and Amy Klobuchar (D-MN) to press the Commodity Futures Trading Commission (CFTC) on its plans to crack down on prediction markets now offering event contracts for individuals to bet on wildfires.

As **wildfires burn in Oregon and across the nation (https://www.npr.org/2026/07/29/nx-s1-5910624/oregon-is-on-track-for-its-worst-wildfire-season-yet)**, the Senators are demanding action from the CFTC following public reporting that highlighted the public safety and insider trading concerns of allowing **prediction market platforms (https://www.hcn.org/articles/i-used-to-ignore-prediction-markets-then-i-learned-people-were-betting-on-wildfires/)** to offer bets on **natural disasters such as wildfires (https://www.cnn.com/2026/07/17/climate/betting-wildfires-polymarket-prediction-market-platforms)**.

> **"Offering bets on destructive wildfires threatens to minimize communities' suffering all so the rich and powerful can profit,"** the Senators wrote in a letter to CFTC Chair Michael Selig. **"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. 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."**

The Senators pressed the CFTC to swiftly tackle unrestricted betting on wildfires and put in place common-sense guardrails to prevent gamblers from making a profit as wildfires threaten communities nationwide.

Merkley has long sounded the alarm over the dangers that **prediction markets pose to our democracy (https://www.merkley.senate.gov/merkley-blasts-lifting-pause-on-election-betting/)**. Previously, he urged the **CFTC to tackle insider trading and betting on elections, war, and government actions (https://www.merkley.senate.gov/merkley-proposed-cftc-rule-falls-woefully-short-of-reining-in-insider-trading-and-corruption-on-prediction-markets/)**.

He also wrote the ***STOP Corrupt Bets Act*** **(https://www.merkley.senate.gov/new-merkley-raskin-legislation-bans-gambling-on-elections-sports-war-and-government-activity/)** to ban betting through prediction markets on issues that are against the public interest and have no economic value, such as elections, government actions, sports, and military actions. Merkley introduced the ***End Prediction Market Corruption Act*** **(https://www.merkley.senate.gov/merkley-klobuchar-launch-new-effort-to-ban-federal-elected-officials-profiting-from-prediction-markets/)** to prevent the President, Vice President, Members of Congress, and other public officials from trading event contracts, curbing the potential for insider trading and conflicts of interest.

Full text of the letter can be found by clicking **here (https://www.merkley.senate.gov/wp-content/uploads/2026.08.03-LTR-Wildfire-Prediction-Markets-FINAL.pdf)** and follows below:

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. 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.”

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. 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 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.