

Corporate Counsel Daily, Santos manipulated outcome of event contract for his own profit, settles with CFTC, (Aug 4, 2026)

By Rebecca E. Hoffman, J.D.

Santos agreed to a three-year trading ban, disgorgement of profits, and a penalty of \$17,500.

Former New York congressional representative George Santos consented to the entry of an order finding that he violated Commodity Exchange Act Section 6(c)(1) and CFTC regulations by purchasing event contracts that paid out based on whether Santos would attend the State of the Union (SOTU) address in February 2026, and then manipulating the value of “Yes” and “No” trades on that contract with his own actions ([In the Matter of Santos](#), No. 26-05 (July 31, 2026)).



Kalshi listed its SOTU contract on January 22, the order explained. Santos created an account and funded it with several thousand dollars, then began trading in the market concerning whether he would attend the event. He was able to directly influence the value of the Yes and No positions on this contract by arranging transportation (Yes!), mentioning on social media what he planned to wear to the event (Yes!), and discussing travel woes on social media, such as being stranded at the airport due to winter weather (No!). The CFTC’s order states that he made a total profit of over \$14,000 by the time the event occurred.

Section 6(c)(1) prohibits manipulation or deception “in connection with swaps,” even without an intent to affect prices. “The Kalshi SOTU event contract is a swap because it is dependent on the occurrence or non-occurrence of a specified future event with potential financial, economic, or commercial consequences, and because it is a contract that is commonly known to the trade as a swap,” the Commission said.

The CFTC determined that “Santos purchased swaps on a registered designated contract and then engaged in a manipulative scheme to influence the contract price for the benefit of his trading position.”

Further, Santos’s conduct was at least reckless, given that he made public statements about his likely or unlikely attendance at the event, and omitted information, such as the cancelation of a train reservation.

Santos agreed to cease and desist from violating Section 6(c)(1) and Regulation 180.1(a)(1) and (3), to refrain from trading with any registered entity, to disgorge ill-gotten gains of \$17,569.98, to pay a civil monetary penalty of \$17,500, and to cooperate fully with the Commission.

The case is [No. 26-05](#).

MainStory: TopStory Derivatives Enforcement ExchangesMarketRegulation FraudManipulation GCNNews Swaps NewYorkNews