

[Securities Regulation Daily Wrap Up, EXCHANGES AND MARKET REGULATION—Illinois Governor Pritzker limits prediction markets trading for state employees, \(Apr. 22, 2026\)](#)

Securities Regulation Daily Wrap Up

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By [Lene Powell, J.D.](#)

The order comes as Illinois is fighting the federal government in court over authority to regulate prediction markets under state gambling laws.

Citing the need to guard against insider trading, Illinois Governor JB Pritzker issued an executive order prohibiting state employees from using nonpublic information to trade on prediction markets. The [April 21 order](#) strengthens existing Illinois law preventing state officials and employees from profiting or assisting others to profit from confidential information gained through office or employment.

"Prediction markets have rapidly grown into a space where people can bet on real-world events without any oversight, including events people can influence," Pritzker [said](#). "This opens the door to insider trading and abuse of confidential information."

The governor's office cited concerns about reported highly profitable prediction market trades placed shortly before major real-world events, including U.S.-Israel strikes on Iran and the removal of former Venezuelan President Nicolás Maduro. Some trades reportedly made hundreds of millions of dollars.

Pritzker criticized a perceived lack of oversight by the Trump administration.

"While the Trump Administration continues to be riddled with stories of appointees looking to make a profit, Illinois is stepping up to ensure those who are serving the public not [sic] their own personal financial gain."

Executive order. The order states that prediction markets and event contracts trading on governmental actions, sports, and other events are proliferating without meaningful regulatory oversight, undermining Illinois' legal and highly regulated gaming markets.

The order further states that public trust and confidence are threatened when government employees use their access to nonpublic information for personal gain.

The order builds on existing government ethics rules in response to these emerging risks. It prohibits state employees from using nonpublic information gained from their position or official responsibilities to participate or assist another person to participate in a prediction market or event contract of any kind.

Possible insider trading. The press release cites examples of trades that may have used government-derived information to make profitable trades on prediction markets:

- Newly created accounts placed large, highly accurate bets shortly before the February 2026 U.S.-Israel strikes on Iran, generating significant profits;
- An anonymous trader earned more than \$400,000 after placing large bets on the removal of Venezuelan President Nicolás Maduro. Many of the wagers were placed just hours before a U.S. operation was publicly announced.

The press release also pointed to other possible insider trading involving an OpenAI product launch and Taylor Swift's engagement.

Federal moves to limit state oversight. The press release noted that the Trump administration has moved to limit state authority to regulate prediction markets and shift oversight to the federal government. Illinois is [one](#)

[of three states](#) recently [sued by the CFTC and Department of Justice](#) in connection with enforcement activities against prediction markets for alleged violation of state gambling laws.

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