



The Honorable Marsha Blackburn
Chairman
Subcommittee on Consumer Protection, Technology, and Data Privacy
Committee on Commerce, Science, and Transportation
United States Senate
357 Dirksen Senate Office Building, Washington, D.C. 20510

Dear Chairman Blackburn and Distinguished Members of the Subcommittee:

Gambling is Not Investing – a coalition of consumer advocacy organizations representing Moms, retirees, and family businesses, among others – writes regarding the Subcommittee’s upcoming hearing on sports betting and consumer protection. We are deeply concerned about the recent proliferation of unsafe and illegal sports betting on prediction markets, which are targeting our nation’s youth and flouting state laws.

Prediction markets are rapidly expanding access to sports gambling while operating outside the safeguards and accountability standards required of licensed sportsbooks. By offering sports event contracts under the guise of “trading” or “investing,” these platforms are effectively creating a parallel sports betting market that lacks the consumer protections, responsible gaming measures, and regulatory oversight that states and tribal gaming authorities have spent years building.

Prediction markets have effectively lowered the age threshold for sports gambling from 21 to 18 in many jurisdictions.¹ Seniors in high school who are legally prohibited from placing a sports wager through a licensed sportsbook can nevertheless participate in sports event contracts through prediction market platforms. That regulatory gap undermines state law, weakens consumer protections, and exposes vulnerable individuals to gambling-related harms without adequate safeguards.

Worse yet, recent reporting indicates that prediction market platforms are targeting the very users too young to legally gamble with aggressive marketing tactics. CFTC-regulated prediction markets are using influencer marketing – at times including children influencers – to appeal to teenagers and funding clubs on college campuses to encourage betting activity.² This is all meant to capture the 18-to-20-year-old crowd too young to gamble on licensed sportsbooks.³

¹ Suzy Khimm, "NBA, PGA and NCAA Want Higher Age Limits for Prediction Markets," *NBC News*, May 1, 2026, <https://www.nbcnews.com/news/us-news/nba-pga-ncaa-want-higher-age-limits-prediction-markets-rcna343093>.

² Katherine Long, "'Is This Insider Information?' The Prediction Market Bets Driving a Campus Frenzy," *Wall Street Journal*, March 5, 2026, <https://www.wsj.com/business/media/prediction-markets-campus-e57cd19f>.

³ Brant James, "Under the Influence: Prediction Markets Are Harnessing Modern Joe Camels," *InGame*, April 14, 2026, <https://www.ingame.com/prediction-market-social-media-influencers/>.

States and tribes have established purposeful regulatory frameworks to govern legal sports betting. To protect Americans and create benefits for residents, these frameworks include age minimums, integrity monitoring, responsible gaming tools, and state tax structures. Prediction markets flout these rules, and that is the fundamental issue. Until sports event contracts are removed from prediction markets, they will continue to bypass these critical safeguards. When wagering shifts outside of the established frameworks, communities also lose out on essential public revenue, as an estimated hundreds of millions in state gaming tax dollars have been lost.⁴

Sports event contracts do not serve the economic purposes associated with commodity and derivatives markets, such as price discovery or commercial hedging. Their primary function is to facilitate speculative wagering on sporting outcomes – an area the Commodity Futures Trading Commission has no experience regulating. Rebranding gambling activity as “investing” does not change the underlying product or eliminate the need for meaningful consumer protections at the state and tribal level.

Gambling is Not Investing respectfully urges the Subcommittee to closely examine the role prediction markets are playing in the proliferation of illegal sports gambling and the erosion of state and tribal gaming safeguards. Congress and federal regulators should make clear that sports event contracts do not belong on prediction market platforms.

Financial markets should exist to support capital formation, economic stability, and legitimate risk management – not to provide a regulatory workaround for sports gambling operators seeking to avoid the rules that govern licensed sportsbooks.

We appreciate the Subcommittee’s attention to this issue and welcome the opportunity to provide additional information or testimony.

Sincerely,
Mick Mulvaney
Executive Director, *Gambling is Not Investing*

⁴ Nathan Goldman, "Prediction Markets Are Costing States Millions in Tax Revenue," *Forbes*, March 9, 2026, <https://www.forbes.com/sites/nathangoldman/2026/03/09/prediction-markets-are-costing-states-millions-in-tax-revenue/>.