



John Boozman, Chairman  
Amy Klobuchar, Ranking Member  
Committee on Agriculture, Nutrition & Forestry  
U.S. Senate  
Washington, DC 20510  
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Tim Scott, Chairman  
Elizabeth Warren, Ranking Member  
Committee on Banking, Housing & Urban  
U.S. Senate  
Washington, DC  
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RE: Stop the Proliferation of Unregulated Sports Betting and Gambling using Prediction  
Market Financial Platforms

Dear Chairmen Boozman and Scott and Ranking Members Klobuchar and Warren:

On behalf of the 56 tribal government members of the California Nations Indian Gaming Association (CNIGA), I am writing to express deep concern about certain financial platforms engaging in unlicensed and unregulated online sports betting and gambling under the guise of “event contracts” pursuant to the Commodity Exchange Act (CEA). These financial platforms argue that they are registered through the Commodity Futures Trading Commission (CFTC) and the Securities and Exchange Commission (SEC), and thus, their activities are outside the scope of state and tribal government laws and regulations. This argument is nonsensical and clearly not what Congress intended when it last modernized the CEA.

**Your committees are in the process of reviewing and revising the authorities of the CFTC and SEC. We request that you reaffirm existing law and regulations prohibiting these financial platforms from offering event contracts on sport events or casino-style gambling activities.** Your failure to do so allows these companies to continue to ignore and avoid state and tribal government law and regulations, jeopardizing the public, who have unfettered access to, and minimal protections from these illegal and aggressive companies.

These companies are attempting to use the federal courts to create ambiguity in the CEA to circumvent state and tribal law and offer illegal gambling with no regulation or oversight. In less than one year, these prediction market platforms have proliferated online even though state and tribal governments have informed these companies that they are operating illegally. The leading company took in more than \$1 billion in volume in October with 90% being from event contracts on sports events.

Although sports betting is explicitly banned in many states, the companies are aggressively advertising their products as “legalized sports betting in all 50 states.” They pay no taxes and contribute nothing to problem gambling programs. They ignore state laws that ban such activities from being available at schools, colleges and churches and refuse to comply with state and tribal laws intended to prevent harm to consumers and regulate gambling activities. Recently, Kalshi, a leading Prediction Market, advertised that its platform is “kind of addicting.”

(more)

**Protecting the sovereign right of California tribes to operate gaming on their lands.**

The proliferation and rapid expansion of these prediction market financial platforms into gambling activities such as sports betting is a public safety and health crisis. Because these companies can self-certify these event contracts under existing CFTC law and regulations, they go through no review or approval process at the CFTC or SEC before being made widely available to anyone with access to the internet. Although there are now 20 lawsuits pending across the country in federal and state courts, these operators have shown no willingness to abide by state or tribal laws and regulations and argue that only Congress can provide clarity on the matter.

We need your committees to engage on this matter now, as it will only continue to grow at rapid speed if quick action isn't taken by Congress. Gambling activities have long been within the purview of state, tribal and local government authority and regulation, and Congress and the Supreme Court have long recognized that. We need your committees to reinforce this longstanding position and include the attached legislative language on any moving vehicle without delay to protect consumers and state, local and tribal governments.

Thank you for your timely consideration of this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'James Siva', written in a cursive style.

James Siva  
Chairman  
California Nations Indian Gaming Association

cc: Sen. Alex Padilla, Sen. Adam Schiff