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Namrata Sen
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Prediction platform Polymarket is facing renewed scrutiny over suspected insider trading after research flagged more than 150 wallets that allegedly profited from bets tied to confidential U.S. military information.

The nonprofit Anti-Corruption Data Collective (ACDC) suggested on Thursday that insider trading on military information may be happening on the prediction market. ACDC's study identified "long-shot" bets, defined as wagers of at least $2,500 placed within an hour on an outcome with odds of 35% or less.

ACDC identified 556 wallets, known as "Orcas," that showed a pattern of opening an account, placing a successful long-shot bet, and then often cashing out and disappearing. Among these, 152 wallets, which made collective earnings of $8 million with a win rate of 97.2%, were particularly successful in military and defense markets.

ACDC co-founder David Szakonyi cautioned that unusual betting activity on Polymarket is highly observable and often copied by big traders and bots. "It would be naive to think foreign-intelligence agencies aren't monitoring these markets," he said.

Polymarket and the Department of Defense did not immediately respond to Benzinga's request for comments.

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Prediction Markets Under Regulatory Fire
Earlier this month, a Haaretz investigation highlighted that a Polymarket trader known as 25xp allegedly made $200,000 by correctly predicting the U.S.-Iran ceasefire and placed about $40,000 on Benjamin Netanyahu remaining prime minister after Israel's Oct. 27 election. The report suggested the bets may be intended to influence market odds rather than simply profit from them. The account previously made only the ceasefire bet, while another account, OnlyBibi2026, has also made substantial pro-Netanyahu wagers.

Meanwhile, last month, a Stanford University and Singapore Management University study raised concerns about alleged manipulation of Polymarket's five-minute Bitcoin (CRYPTO: BTC) binary contracts. Researchers found that traders may buy Bitcoin on Binance during the final seconds of a contract to push the settlement price above the opening price, increasing their chances of receiving the $1 payout.

Furthermore, the Commodity Futures Trading Commission (CFTC) reportedly launched an investigation into the "mention markets" on prediction market platforms, leading Kalshi to suspend all mention markets in its sports betting segments.

The scrutiny of prediction markets follows a White House disclosure last month that a teleprompter operator allegedly bet on President Donald Trump's speeches and lost his job, raising concerns about insider trading and market manipulation.