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### Polymarket Probed by DOJ Over Alleged Use of Platform in US

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- Polymarket says FBI agents seized CEO's phone, electronics
  - Platform has taken recent measures to weed out US traders
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By Myles Miller and Lydia Beyoud

(Bloomberg) -- The US Justice Department is investigating crypto predictions-betting platform Polymarket for allegedly accepting trades from US-based users, according to a person familiar with the matter.

The Federal Bureau of Investigation executed a search warrant on Shayne Coplan, Polymarket's chief executive officer, and seized his phone and electronics, according to the person who asked for anonymity to discuss non-public matters.

Under an agreement with the Commodity Futures Trading Commission reached in 2022, Polymarket is to prevent US-based traders from making transactions on the platform.

Polymarket surged in popularity in the lead up to the Nov. 5 US presidential elections, touting itself as a more accurate predictor of political outcomes than traditional polling. The platform's users are able to wager an unlimited amount of money on their favored candidates, whereas competing platforms have betting limits.

Massive trades in the final days before Nov. 5 by a French whale in Trump's favor brought additional scrutiny of the platform. Opponents of political prediction markets accused the wagerers of potentially manipulating the underlying market by skewing public perception in Trump's favor.

Polymarket said in a statement that the company would "stand up for ourselves and our community," and alleged that the FBI search was politically motivated.

"Polymarket is a fully transparent prediction market that helps everyday people better understand the events that matter most to them, including elections," the company said.

Coplan posted on the social media platform X on Wednesday, saying "new phone, who dis?"

The New York Post earlier reported on the FBI's actions.

The company, led by Coplan, settled an enforcement action with the CFTC two years ago, and paid a \$1.4 million penalty in addition to agreeing to block US users. The company has said in recent weeks that it's taken additional measures to verify and block users it suspects may be US citizens or based in the US.

Bloomberg reported in August that US users continued to find ways to trade on the unregistered exchange.

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