

(Original Signature of Member)

119TH CONGRESS
2D SESSION

H. R. _____

To establish a Department of Justice whistleblower program for the reporting of Federal fraud offenses involving the use of prediction market platforms, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. CASTEN introduced the following bill; which was referred to the Committee on _____

A BILL

To establish a Department of Justice whistleblower program for the reporting of Federal fraud offenses involving the use of prediction market platforms, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Policing Insider Trading in Prediction Markets Act of 2026''.

SEC. 2. DEPARTMENT OF JUSTICE ASSETS FORFEITURE FUND .

Section 524(c)(1) of title 28, United States Code, is amended—

(1) in subparagraph (I), by striking ''and'' at the end;

(2) in subparagraph (J), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(K) at the discretion of the Attorney General, the payment of awards to 1 or more whistleblowers for original information or assistance that led to the successful resolution of a covered enforcement action, pursuant to Policing Insider Trading in Prediction Markets Act of 2026.''.

SEC. 2. WHISTLEBLOWER AWARD PROGRAM FOR ABUSES OF PREDICTION MARKETS.

(a) AWARDS.—

(1) IN GENERAL.—The Attorney General shall establish a program to pay an award or awards to 1 or more whistleblowers who voluntarily provide original information to the Department of Justice that leads to the successful resolution of a covered enforcement action, in an aggregate amount equal to—

(A) not less than 10 percent of the total monetary sanctions resulting from such action; and

(B) not more than 30 percent of the total monetary sanctions resulting from such action.

(2) PAYMENT.—Any amount paid under this section shall be paid from the Department of Justice Assets Forfeiture Fund pursuant to section 524(c)(1)(K) of title 28, United States Code.

(b) DETERMINATION OF AWARDS.—

(1) IN GENERAL.—The determination of the amount of an award under this section shall be made by the Attorney General in accordance with the guidance made pursuant to this section.

(2) CRITERIA.—In determining the amount of an award under this section, the Attorney General shall take into consideration—

(A) the significance of the information provided by the whistleblower to the success of the covered enforcement action;

(B) the degree of assistance provided by the whistleblower and any legal representative of the whistleblower in the covered enforcement action;

(C) the interest in deterring violations of Federal laws and upholding public trust in government;

(D) related actions brought by any appropriate Federal or State regulatory authority or any State attorney general; and

(E) such additional relevant factors as the Attorney General determines appropriate.

(3) DENIAL OF AWARD.—No award under this section shall be made to—

(A) any whistleblower who is convicted of a criminal violation or adjudicated liable in civil proceeding related to the covered enforcement action; or

(B) any whistleblower who fails to submit information to the Attorney General in such form as the Attorney General may prescribe, unless such information was submitted in good faith and contains only incidental or technical errors.

(4) NOTIFICATION.—The Attorney General shall provide a written notice to a whistleblower described in subsection (a) of the determination made by the Attorney General under this subsection pertaining to the whistleblower, including an expla-

nation of the determination of the amount of the award, or an explanation of the determination to deny an award, as applicable.

(5) APPEALS.—

(A) AGENCY APPEAL.—Any whistleblower who submits a claim for an award under this section may file an appeal with the Department of Justice not more than 60 days after the Attorney General issues a determination over whether and in what amount to make awards.

(B) JUDICIAL REVIEW.—A whistleblower may seek judicial review of a determination made pursuant to an appeal filed under subparagraph (A) under chapter 7 of title 5, United States Code.

(6) TIMELINE.—Payment of a whistleblower award for a monetary sanction collected in a covered enforcement action or related action shall be made as soon as practicable after the later of—

(A) the date on which the monetary sanction is collected; or

(B) the completion of the appeals process for all whistleblower award claims related to the covered enforcement action.

(c) REPRESENTATION.—Any whistleblower who makes a claim for an award under this section—

(1) may be represented by counsel; and

(2) prior to the payment of an award, shall disclose the identity of the whistleblower and provide such other information as the Attorney General may require, directly or through counsel for the whistleblower.

(d) GUIDANCE.—Not later than 180 days after the date of enactment of this Act, the Attorney General shall issue guidance related to—

(1) the submission of original information, including anonymous submissions if the whistleblower is represented by counsel;

(2) the submission of claims for awards;

(3) the determination of and payment for awards, including written and objective criteria for determining the amount of an award;

(4) definitive timelines for determining the amount of an award;

(5) internal processes for reviewing appeals of determinations for awards under this section and for providing appropriate documentation or justification to the whistleblower upon request;

(6) ensuring whistleblower security, privacy, and confidentiality; and

(7) coordination with other Federal agencies.

(e) PROTECTION OF WHISTLEBLOWERS.—No employer may discharge, demote, suspend, threaten, harass, directly or indirectly, or in any other manner discriminate against, a whistleblower in the terms and conditions of employment because of any lawful act done by the whistleblower—

(1) in providing information to the Attorney General in accordance with this section; or

(2) in initiating, testifying in, or assisting in any relevant investigation or covered enforcement action of the Attorney General based upon or related to such information.

(f) REPORTS TO CONGRESS.—Not later than October 30 of each fiscal year beginning after the date of enactment of this Act, the Attorney General shall submit to the Committee on the Judiciary of the House of Representatives and the Committee on the Judiciary of the Senate a report on—

(1) the whistleblower award program established under this section, including—

(A) a description of the number of awards granted; and

(B) the types of cases in which awards were granted during the preceding fiscal year; and

(2) the amount paid from the Department of Justice Assets Forfeiture Fund during the preceding fiscal year to whistleblowers pursuant to subsection (a).

(g) DEFINITIONS.—In this section:

(1) The term ''covered enforcement action'' means any criminal investigation, action, or settlement—

(A) brought by the Attorney General, which may include any action, investigation, or settlement taken in coordination with 1 or more Federal agencies, State attorneys general, or State law enforcement authorities;

(B) that is related to a Federal fraud offense involving the use of a prediction market platform; and

(C) that results in monetary sanctions exceeding $1,000,000.

(2) The term ''monetary sanctions'', when used with respect to a covered enforcement action, means—

(A) any monies, including penalties, disgorgement, and interest, ordered to be paid; and

(B) any monies forfeited in connection with such action.

(3) The term ''original information'' means information or a tip that—

(A) is derived from the independent knowledge or analysis of a whistleblower;

(B) is not known to the Attorney General or any other Federal agency from any other source; and

(C) is not solely derived from public sources.

(4) The term ''prediction market platform'' means any website, application, exchange, or protocol that—

(A) is engaged in interstate or foreign commerce; and

(B) facilitates the trading, settlement, or participation in a contract or agreement that is tied to the outcome, occurrence, or nonoccurrence of an event or contest.

(5) The term ''whistleblower'' means any individual who provides, or 2 or more individuals acting

jointly who provide, information related to a Federal fraud offense involving the use of a prediction market platform.