

White Collar Defense and Investigations



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CFTC Enforcement Director Discusses Top Priorities, Insider Trading on Prediction Markets and New Cooperation Policy

Executive Summary

- **What's new:** CFTC Director of Enforcement David Miller announced enforcement priorities, addressed insider trading on prediction markets and previewed a new policy on cooperation.
- **Why it matters:** Market participants should be aware of the Division's enforcement priorities and the new path to declination through cooperation, self-reporting and remediation.
- **What to do next:** Market participants can watch out for the forthcoming Staff Advisory on cooperation, self-reporting and remediation, and for enforcement activity in the highlighted areas.

On March 31, 2026, Commodity Futures Trading Commission (CFTC) Director of Enforcement David Miller gave remarks at the New York University School of Law's Program on Corporate Compliance and Enforcement. In the remarks Miller announced the Division of Enforcement's (Division's) enforcement priorities, addressed insider trading on prediction markets and previewed a new policy on cooperation, self-reporting and remediation.

Enforcement Priorities

Miller began his remarks by declaring that the CFTC's era of regulation by enforcement is over and stated that the agency would return to its core mission of policing fraud, abuse and manipulation. Miller outlined five key priorities for the Division:

- Insider trading, with a focus on cases against those who tip or trade based on misappropriated information.
- Market manipulation, with a focus on energy markets because of the potential harm to consumers from increased energy prices.
- Fighting market abuse.
- Retail fraud.
- Willful failure to follow anti-money laundering and know-your-customer laws and rules.

In addition to these five areas, Miller indicated that the Division would also bring enforcement actions for repeated or willful violations of the Commission's rules or the Commodity Exchange Act (CEA).

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Insider Trading in the Prediction Markets

Miller addressed what he called a “myth” that insider trading laws do not apply to prediction markets. Miller outlined the rules the CFTC has in place to police insider trading in these markets, which prohibit trading on misappropriated information. He discussed the CFTC’s authority under Rule 180.1, which incorporates the misappropriation theory of insider trading developed under the securities laws, and Section 4c(a)(4) of the CEA, commonly referred to as the Eddie Murphy rule, which prohibits government employees from trading based on material nonpublic information related to government action. He emphasized that under these provisions, the CFTC can prosecute any case where individuals trade, or tip others who trade, on material information in breach of a legal duty, such as an employment or nondisclosure agreement.

In addition to these provisions, Miller called exchanges the first lines of defense in stopping insider trading and manipulation, pointing to their duty to only self-certify contracts that are not readily susceptible to manipulation. Miller also discussed the recent Memorandum of Understanding the CFTC entered into with Major League Baseball, which provides a mechanism for the CFTC and MLB to work collaboratively to protect sports event contracts from fraud, manipulation and other abuses.

New Cooperation Policy

Miller also announced the Division will soon be issuing a new Staff Advisory on Cooperation to further incentivize cooperation and will rescind the current advisory issued in February 2025. Miller highlighted three key areas of change:

- First, parties that self-report, cooperate fully and remediate fully will be provided with a clear path to declination, absent aggravating circumstances, such as pervasive reckless conduct by management or recidivism.
- Second, the policy will clarify how the Division assesses self-reporting. Under the new policy, a party will be eligible for declination if it self-reports in a prompt, timely and good faith fashion, even where the party needs more time to investigate and regardless of whether the CFTC already knew about the issue confidentially.
- Third, the policy will adopt a binary approach to cooperation: Either a party cooperates fully or it does not. Full cooperation will include disclosing all relevant information, sharing internal investigation findings, making personnel available for interviews, preserving records and continuing to report.

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