

Polymarket, Kalshi expand political donations as firms face state, federal scrutiny

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By [Douglas Gillison](#)

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- Summary
- Companies
- Political donations total at least \$5 million this midterm cycle, records and document seen by Reuters show
- Republicans receive \$2.7 million, while Democrats get remainder including \$1 million from Polymarket to 'dark-money' nonprofit
- More than one-third goes to state groups backing governor, AG and legislative candidates, CPA analysis shows

WASHINGTON, Oct 22 (Reuters) - Prediction market operators Kalshi, Polymarket and their founders have given at least \$5 million combined to Republican and Democratic political groups this [election](#) cycle, according to campaign finance records and a private remittance document seen by Reuters.

The spending includes a previously unreported \$1 million donation Polymarket made to a Democratic nonprofit that does not disclose its donors, the remittance document shows.

WASHINGTON, Oct 22 (Reuters) - Though a fraction of the [money spent by similar industries such as crypto](#) and [sports betting](#), the companies' \$5 million outlay is a sharp increase on the 2024 cycle, marking their first significant foray into political giving.

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The pair have so far slightly favored Republicans, who received \$2.7 million, with Democrats taking the remainder. Just over a third of the total cash went to state-level groups backing

candidates for governor, attorney general and state legislatures, according to an analysis by the Center for Political Accountability (CPA), a transparency nonprofit.

The spending surge comes as both companies [battle state efforts to regulate their wagers as gambling](#), and as they face growing scrutiny from federal lawmakers worried that prediction markets are spawning insider trading and undermining national security.

"We have an industry where we're kind of figuring out the regulations on the fly," said David Primo, a professor of political science at the University of Rochester in New York.

"If you're not engaging with these politicians, other people are going to be writing these regulations, and that could be an existential threat to these companies," he said.

In a statement, Kalshi's head of federal government relations, John Bivona, said that by Election Day the company's full disclosures would show that its donations were roughly evenly distributed across both parties.

"Regulation that keeps prediction markets safe for consumers and allows them to grow in America isn't a partisan issue," he added.

A Polymarket spokesperson did not address questions about the company's donations but said in an email: "We engage with all sides of the debate and welcome conversations with anyone who wants to learn more about our platform."

POLYMARKET CEO COPLAN STARTS GIVING TO REPUBLICANS

Prediction markets allow wagers on an array of events, including sports games, elections and government announcements. Kalshi and Polymarket rose to prominence in 2024 when they bucked traditional opinion polls in [signaling that President Donald Trump](#), a Republican, would win the election.

Trump's administration has generally supported the industry, although a handful of congressional Republicans have raised concerns about election betting. Democrats, meanwhile, have introduced multiple bills aimed at restricting prediction wagers.

Polymarket Chief Executive Shayne Coplan, who previously donated almost exclusively to Democrats, has broadened his giving this cycle. Campaign finance records show that he and Polymarket have directed roughly \$1.3 million to Republican committees and candidates, while also supporting Democratic groups.

According to the remittance document seen by Reuters, Blockratize Inc, which operates as Polymarket, this summer transferred \$1 million to House Majority Forward, a nonprofit that works to elect Democrats. Companies frequently donate via such tax-exempt "dark-money" organizations, which are not required to disclose their donors.

Polymarket and Coplan gave the roughly \$1.3 million combined to the Republican National Committee, as well as a super political action committee, or PAC, supporting House Republicans, and V-PAC, a super PAC which supports Ohio Republican gubernatorial candidate Vivek Ramaswamy.

Representatives for House Majority Forward and the Republican fundraising vehicles either declined to comment or did not respond to requests for comment.

Reuters could not identify any political contributions by Kalshi founders Luana Lopes Lara and Tarek Mansour in publicly available campaign finance records for previous cycles. As of early October, they had given at least \$1 million, about 72% of which went to Republican causes and candidates, campaign finance records show.

COMPANIES GIVE TO STATE GROUPS AMID LEGAL FIGHT

State gaming authorities, attorneys general and Native American tribes have sued to block Kalshi, Polymarket and others from offering sports bets, arguing that such wagers are gambling and subject to stringent state oversight. The companies say their wagers [are financial instruments](#) overseen by federal agencies.

This cycle, the companies began donating to groups that back state-level candidates who could determine how that fight unfolds, with spending accelerating over the past 12 months and so far marginally favoring Democrats, the CPA data shows.

Kalshi has so far given nearly \$1.5 million to such groups, split roughly evenly across both parties. Polymarket has so far given nearly \$250,000 to two Democratic groups and one Republican group, the data shows.

Jeanne Hanna, vice president for research at CPA, said the slight tilt toward Democratic groups could reflect an expectation that the party is poised for greater success at the state level this election cycle. In addition to funding campaigns, such state-level groups also allow companies to establish rapport with policymakers, she said.

"There definitely is a membership structure in which larger contributions get you greater access," she added.

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