UNITED STATES OF AMERICA
Before the
COMMODITY FUTURES TRADING COMMISSION

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In the Matter of: **George Anthony Devolder Santos,** **Respondent.**	**CFTC Docket No. 26-05**

ORDER INSTITUTING PROCEEDINGS PURSUANT TO SECTION 6(c) AND (d) OF THE COMMODITY EXCHANGE ACT, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS

I. INTRODUCTION

The Commodity Futures Trading Commission ("Commission") has reason to believe that between February 12, 2026 and February 25, 2026 ("Relevant Period"), George Anthony Devolder Santos ("Respondent" or "Santos") violated Section 6(c)(1) of the of the Commodity Exchange Act ("the Act"), 7 U.S.C. § 9(1), and Commission Regulation ("Regulation") 180.1(a)(1), (3), 17 C.F.R. § 180.1(a)(1), (3) (2025). Therefore, the Commission deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted to determine whether Respondent engaged in the violations set forth herein and to determine whether any order should be issued imposing remedial sanctions.

In anticipation of the institution of an administrative proceeding, Respondent has submitted an Offer of Settlement ("Offer"), which the Commission has determined to accept. Without admitting any of the findings or conclusions herein, Respondent consents to the entry of this Order Instituting Proceedings Pursuant to Section 6(c) and (d) of the Commodity Exchange Act, Making Findings, and Imposing Remedial Sanctions ("Order"), and acknowledges service of this Order.[1]

[1] Respondent agrees to the use of the findings of fact and conclusions of law in this Order in this proceeding and in any other proceeding brought by the Commission or to which the Commission is a party or claimant, including but not limited to, a proceeding in bankruptcy or receivership, and agrees that they shall be taken as true and correct and be given preclusive effect therein, without further proof. Respondent does not consent, however, to the use of this Order, or the findings or conclusions herein, as the sole basis for any other proceeding brought by the Commission or to which the Commission is a party or claimant, other than: a proceeding in bankruptcy or receivership; or a proceeding to enforce the terms of this Order.

II. FINDINGS

The Commission finds the following:

A. SUMMARY

During the Relevant Period, KalshiEX LLC ("Kalshi"), a designated contract market,[2] offered an event contract titled "Who will attend the State of the Union?" ("SOTU"), and more specifically, offered a market on whether Santos would attend the 2026 State of the Union. During the two weeks before the event, Santos made statements regarding whether he would be attending the State of the Union. The price on the SOTU event contract rose and dropped significantly during this time. Santos placed both Yes and No trades on the SOTU event contract, specifically on the market for whether he would attend.

Santos made a series of social media posts regarding his plans to attend the State of the Union. Shortly after these posts, the price of the SOTU event contract rose or dropped. For example, while holding a Yes position on his attendance, Santos posted on the X social media platform about what he should wear to the State of the Union. Within hours of the post, the price of the Yes position rose, after which Santos exited at a profit. Later that day, Santos's flight to Washington D.C. was cancelled, but he did not disclose either his exit from the Yes position or the flight cancellation. Hours later, Santos made a train reservation to Washington D.C. The following day, Santos posted that travel was difficult and that the State of the Union might be cancelled due to weather. After this post, the Yes position contract price dropped. The next day, Santos posted a video on X stating he would be attending the event. After this video, the contract price for his attendance rose.

Later that same day, Santos began building a No position regarding his attendance. Approximately an hour into building his position, the train service provider cancelled Santos's reservation because of the weather. Santos did not post that his train reservation was cancelled. On the day of the State of the Union, Santos posted that he was stuck at the airport and would miss the event. The price of the Yes position fell, conversely making the value of the No position increase in value. At this point, both his plane and train tickets had been cancelled, and he had not purchased any alternative travel options. In the early hours of February 25th, Santos exited his No position, making a profit of $14,390.57.

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[2] Kalshi Inc. is the parent company of Kalshi, a derivatives exchange and prediction market where users can buy and sell financial products known as event contracts. Kalshi Inc. is headquartered in New York, New York, and operates the designated contract market primarily from this location. Kalshi is federally regulated by the Commodity Futures Trading Commission pursuant to the Commodity Exchange Act, 7 U.S.C. §§ 1, et seq.

B. RESPONDENT

George Anthony Devolder Santos is a former congressman who represented New York's 3rd congressional district from January to December 2023.

C. FACTS

Kalshi listed the SOTU event contract on January 22, 2026. Santos first created an account on Kalshi on February 11, 2026, and initially funded it with $1000. He subsequently made deposits totaling approximately $6000 from February 14, 2026 to February 22, 2026. Santos's trading activity was exclusive to the market concerning his attendance at the 2026 State of the Union, which was to be held on February 24, 2026. On February 12, 2026, Santos made his first trade in the market, taking a Yes position on his attendance at the State of the Union. Also on February 12, 2026, Santos purchased an airline ticket to travel on February 24, 2026 from La Guardia Airport in New York to Ronald Regan National Airport, which is located just outside of Washington D.C. From February 12, 2026 until February 22, 2026, Santos accumulated 30,874 Yes contracts in this market with a total value of $6,695.94.

On February 22, 2026, at approximately 2:31 a.m. EST, Santos posted to the social media platform X asking if he should "wear a muted or serious suit to the SOTU [State of the Union] or a bedazzled one?" Several hours later, the price of the Yes position for Santos's attendance rose from $0.15 to $0.70 per contract. Santos's Yes position increased in value. Later that day, Santos then exited his Yes position, selling all 30,874 contracts and profiting $3,448.43. Santos withdrew $10,146.07 from his Kalshi account. Santos transferred the money from his Kalshi account to a Venmo account he created just four days prior, registered to the same phone number associated with his Kalshi account. At approximately 4:07 pm EST on February 22nd, the airline company from which Santos had purchased his ticket to Washington D.C., notified Santos that his flight was cancelled. At approximately 11:49 pm EST that same day, Santos purchased a train ticket to travel on February 24th to Washington, D.C.

The next day, on February 23, 2026, at approximately 10:29 am EST, Santos again posted to his X account, stating that his trip to Washington, D.C. had become "a nightmare" and suggesting the State of the Union may not even take place because there was "[n]o way members will be able to fly in to DC today and tomorrow," claiming his travel to DC was being hindered by inclement weather. The value of the SOTU contract Yes position for Santos's attendance dropped from $0.63 to $0.28.

Later on that same day, February 23rd, at approximately 5:12 pm EST, Santos posted to his X account, "[i]t's annoying, but I'll be there in the gallery haunting them all lol," implying that he planned to attend the State of the Union. Later at approximately 5:18 pm EST, Santos again posted to his X account a video stating the following: "To all of you like freaking out like 'George Santos you can't go on the House floor,' I can't go on the House floor when it is session, that is correct . . . you guys forget, I'm going to be in the gallery, I never said I was going to be on the floor. Or maybe. Hm. I am going to be there for the State of the Union in the gallery guys." Shortly after the video was posted, the contract price in favor of Santos's attendance rose from $0.40 to $0.70. Approximately 40 minutes later, at approximately 5:59 pm EST, Santos began building a No position for his attendance in the SOTU contract. Overall, Santos accumulated 23,855 No contracts for his attendance with a total value of $8,650.66. At approximately 7:00 pm EST, the train service provider cancelled the train on which Santos had made a reservation to travel to Washington D.C. At approximately 8:00 pm EST, Santos posted on X in response to another user's comment: "So you are not actually going [to the State of the Union]?" the statement: "I am". At the time he posted this response, Santos's flight and train had been cancelled. Santos did not publicly disclose this information.

Around 12:00 pm EST on the following day, February 24th (the day of the State of the Union), IP records indicate Santos accessed his Kalshi account from an internet connection at his residence. At approximately 6:05 pm EST, Santos posted to his X account: "watching SOTU [the State of the Union] from an airport tv was not part of the plan." After this post, the contract price for his attendance, the Yes position, fell from $0.73 to $ 0.02, making Santos's No position highly profitable. By this time, however, the plane and the train ticket that Santos had booked to travel to Washington D.C. had both been cancelled, and he had not purchased any additional tickets to travel that day to Washington D.C.

In the early hours of the following day, February 25th, Santos exited his No position and made a total profit of $14,390.57.

The Commission recognizes Santos's cooperation in the underlying investigation, which assisted in the swift resolution of this matter.

III. LEGAL DISCUSSION

A. Event Contracts are Swaps

Event contracts are a type of "swap" as defined by the Act. Section 1a(47)(A) of the Act, in pertinent part, broadly defines "swap" to include "any agreement, contract, or transaction"—

> (i) that is a put, call, cap, floor, collar, or similar option of any kind that is for the purchase or sale, or based on the value, of 1 or more interest or other rates, currencies, commodities, securities, instruments of indebtedness, indices, quantitative measures, or other financial or economic interests or property of any kind;
>
> (ii) that provides for any purchase, sale, payment, or delivery . . . that is dependent on the occurrence, nonoccurrence, or the extent of the occurrence of an event or contingency associated with a potential financial, economic, or commercial consequence; . . .
>
> (iv) that is an agreement, contract, or transaction that is, or in the future becomes, commonly known to the trade as a swap . . . [or,]
>
> (vi) that is any combination or permutation of, or option on, any agreement, contract, or transaction described in any of [these clauses].

Event contracts can be swaps under any or all of these definitional prongs. The Kalshi SOTU event contract meets at least two of these prongs. The Kalshi SOTU event contract is a swap because it is dependent on the occurrence or non-occurrence of a specified future event with potential financial, economic, or commercial consequences, and because it is a contract that is commonly known to the trade as a swap.

B. Santos Unlawfully Traded Event Contracts

Section 6(c)(1) of the Act, 7 U.S.C. § 9(1), makes it unlawful for any person, directly or indirectly, to:

> [U]se or employ, or attempt to use or employ, in connection with any swap, or a contract of sale of any commodity in interstate commerce, or for future delivery on or subject to the rules of any registered entity, any manipulative or deceptive device or contrivance, in contravention of such rules and regulations as the Commission shall promulgate . . . .

Regulation 180.1(a)(1)-(3), 17 C.F.R. § 180.1(a)(1), (3), provides:

> It shall be unlawful for any person, directly or indirectly, in connection with any swap, or contract of sale of any commodity in interstate commerce, or contract for future delivery on or subject to the rules of any registered entity, to intentionally or recklessly:
>
> (1) Use or employ, or attempt to use or employ, any manipulative device, scheme, or artifice to defraud;
>
> (3) Engage, or attempt to engage, in any act, practice, or course of business, which operates or would operate as a fraud or deceit upon any person . . . .

Section 6(c)(1) of the Act and Regulation 180.1 do not require the showing of an intent to affect prices or an actual effect on prices. Nor does Regulation 180.1 require a showing of reliance or harm to market participants in a government action. The Commission must only show the intentional or reckless employment of a manipulative device, scheme, or artifice to defraud in connection with any swap, or a contract of sale of any commodity in interstate commerce, or for future delivery on or subject to the rules of any registered entity. *In re Davis Ramsey*, CFTC No. 18-49, 2018 WL 4772228, at *5 (Sept. 27, 2018) (consent order) (quoting *In re Lansing Trade Grp., LLC*, CFTC No. 18-16, 2018 WL 3426253, at *7 (July 12, 2018) (consent order) (quoting *In re McVean Trading & Invs, LLC*, CFTC No. 17-15, 2017 WL 2729956, at *10 (June 21, 2017) (consent order))).[3] "[P]rohibitions on manipulative devices are designed to protect the market from devices that could interfere with legitimate pricing forces." *In re JPMorgan Chase Bank*, N.A., CFTC No. 14-01, 2013 WL 6057042, at *10 (October 16, 2013) (consent order).

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[3] *See also U.S. v. Eisenberg*, No. 23-cr-10, 2023 WL 8720295, at *5 (S.D.N.Y. Sep. 18, 2023); *In the Matter of Glencore Int'l AG et al.*, CFTC No. 22-16, 2022 WL 1963727, at *5 (May 24, 2022) (consent order); *In the Matter of Vitol, Inc.,* CFTC No. 21-01, 2020 WL 7258884, at *8 (Dec. 3, 2020) (consent order) (manipulative trading activity relating to an oil price benchmark violated Section 6(c)(1) and Rule 180.1).

1. Santos's Trading and Conduct Was in Violation of the Act and Regulations

In a properly functioning market, prices reflect the competing judgments of buyers and sellers as to the fair price of a swap. *JPMorgan*, 2013 WL 6057042 at 13. Santos violated Section 6(c)(1) and Regulation 180.1(a) when he traded in an event contract where he could influence the outcome of the underlying event and engaged in activity designed to affect the price of the swap. Santos made misleading public statements and omissions about his activities in relation to the underlying event to influence the contract price for the benefit of his trading position. This type of conduct falls squarely within the Act and Regulations and has been recognized as a violation subject to an enforcement action. *See CFTC v. McDonnell*, 332 F. Supp. 3d 641, 723 (E.D.N.Y. 2018); *CFTC v. Glob. Precious Metals Trading Co.*, No. 1:13-cv-21708, 2013 WL 5212237, at *5 (S.D. Fla. Sept. 12, 2013) (default judgment).

2. Santos's Trading Occurred "In Connection With" Swaps

The "in connection with" requirement of Section 6(c)(1) of the Act and Regulation 180.1(a) is construed broadly. *McDonnell*, 332 F. Supp. 3d at 722. The standard is satisfied where the manipulative conduct or fraud and the jurisdictional transaction "were not independent events." *Id*. at 722–23; *cf. SEC v. Zandford*, 535 U.S. 813, 818–26 (2002) (finding, in the securities context, that the "in connection with" requirement was satisfied where a broker sold customer securities for the purpose of transferring the proceeds to his own account); *SEC v. Wyly*, 788 F. Supp. 2d 92, 120 (S.D.N.Y.) ("[T]o satisfy the 'in connection with' requirement, '[i]t is enough that the scheme to defraud and the sale of securities coincide.'" (quoting *Zandford*, 535 U.S. at 821)).

In this case, Santos purchased swaps on a registered designated contract and then engaged in a manipulative scheme to influence the contract price for the benefit of his trading position. He made public statements, including material misrepresentations and omissions, to influence the market in which those swaps were offered and traded.

3. Santos Acted with Scienter

To establish scienter under Section 6(c)(1) of the Act and Regulation 180.1, the Commission must show that Santos's conduct was intentional or reckless. This standard is satisfied if a defendant "intended to defraud, manipulate, or deceive, or if [d]efendant's conduct represents an extreme departure from the standards of ordinary care." *McDonnell*, 332 F. Supp. 3d at 721 (quoting *CFTC v. R.J. Fitzgerald & Co.*, 310 F.3d 1321, 1328 (11th Cir. 2002)). The Commission can establish recklessness by showing that the conduct "departs so far from the standards of ordinary care that it is very difficult to believe the [actor] was not aware of what he was doing." *Id*. at 721 (quoting *First Commodity Corp. v. CFTC*, 676 F.2d 1, 6–7 (1st Cir. 1982)).

Santos acted willfully or, at the very least, recklessly. Santos traded in an event contract where he could influence the outcome of the underlying event and knowingly made misleading public statements and omissions about his activities in relation to the underlying event to influence the contract price for the benefit of his trading position.

IV. FINDINGS OF VIOLATIONS

Based on the foregoing, the Commission finds that, during the Relevant Period, Santos violated Section 6(c)(1) of the of the Act, 7 U.S.C. § 9(1), and Commission Regulation 180.1(a)(1), (3), 17 C.F.R. § 180.1(a)(1), (3) (2025).

V. OFFER OF SETTLEMENT

Respondent has submitted the Offer in which he knowingly and voluntarily, without admitting the findings and conclusions herein:

A. Consents to the resolution of this matter in an administrative proceeding;

B. Acknowledges service of this Order;

C. Admits the jurisdiction of the Commission with respect to all matters set forth in this Order and for any action or proceeding brought or authorized by the Commission based on violation of or enforcement of this Order;

D. Waives:

1. The filing and service of a complaint and notice of hearing;

2. A hearing;

3. All post-hearing procedures;

4. Any and all rights or defenses that it has or might have for the matter to be adjudicated in a federal district court in the first instance, including any associated right to a jury trial;

5. Judicial review by any court;

6. Any and all objections to the participation by any member of the Commission's staff in the Commission's consideration of the Offer;

7. Any and all claims that it may possess under the Equal Access to Justice Act, 5 U.S.C. § 504, and 28 U.S.C. § 2412, and/or the rules promulgated by the Commission in conformity therewith, Part 148 of the Regulations, 17 C.F.R. pt. 148 (2025), relating to, or arising from, this proceeding;

8. Any and all claims that it may possess under the Small Business Regulatory Enforcement Fairness Act of 1996, Pub. L. No. 104-121, tit. II, §§ 201–253, 110 Stat. 847, 857–74 (codified as amended at 28 U.S.C. § 2412 and in scattered sections of 5 U.S.C. and 15 U.S.C.), relating to, or arising from, this proceeding; and

9. Any claims of Double Jeopardy based on the institution of this proceeding or the entry in this proceeding of any order imposing a civil monetary penalty or any other relief, including this Order;

E. Agrees for purposes of the waiver of any and all rights under the Equal Access to Justice Act specified in Paragraph D, 7 above, that Respondent is not the prevailing part in this action;

F. Stipulates that the record basis on which this Order is entered shall consist solely of the findings contained in this Order to which Respondent has consented in the Offer;

G. Consents, solely on the basis of the Offer, to the Commission's entry of this Order that:

1. Makes findings by the Commission that Respondent violated Section 6(c)(1) of the Act Regulation 180.1(a)(1), (3) (2025);

2. Orders Respondent to cease and desist from violating Section 6(c)(1) of the Act and Regulation 180.1(a)(1), (3) (2025);

3. Respondent is prohibited from, directly or indirectly, engaging in trading on or subject to the rules of any registered entity (as that term is defined in Section1a(40) of the Act, 7 U.S.C. § 1a(40)), for a period of three (3) years after the date of entry of this Order, and all registered entities shall refuse him trading privileges during that period;

4. Orders Respondent to disgorge profits related to his unlawful trading of the SOTU event contract totaling seventeen thousand, five hundred and sixty-nine dollars and ninety-eight cents ($17,569.98);

5. Orders Respondent to pay a civil monetary penalty in the amount of seventeen thousand, five hundred dollars ($17,500) plus any post-judgment interest; and

6. Orders Respondent to comply with the conditions and undertakings consented to in the Offer and as set forth in Part VI of this Order.

Upon consideration, the Commission has determined to accept the Offer.

VI. ORDER

Accordingly, IT IS HEREBY ORDERED THAT:

A. Respondent shall cease and desist from violating Section 6(c)(1) of the Act and Regulation 180.1(a)(1), (3) (2025);

B. Respondent shall disgorge profits related to his unlawful trading totaling seventeen thousand, five hundred and sixty-nine dollars and ninety-eight cents ($17,569.98);

C. Respondent shall pay a civil monetary penalty in the amount of seventeen thousand, five hundred dollars ($17,500) ("CMP Obligation") within thirty (30) days of the date of the entry of this Order. If the CMP Obligation is not paid in full within thirty (30) days of the date of the entry of this Order, then post-judgment interest shall accrue on the unpaid portion of the CMP Obligation beginning on the date of entry of this Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Order pursuant to 28 U.S.C. § 1961.

Respondent shall pay the CMP Obligation and any post-judgment interest by electronic funds transfer, U.S. postal money order, certified check, bank cashier's check, or bank money order. If payment is to be made other than by electronic funds transfer, then the payment shall be made payable to the Commodity Futures Trading Commission and sent to the address below:

MMAC/ESC/AMK326
Commodity Futures Trading Commission
6500 S. MacArthur Blvd.
HQ Room 266
Oklahoma City, OK 73169
9-amc-ar-cftc@faa.gov

If payment is to be made by electronic funds transfer, Respondent shall contact the Federal Aviation Administration at the above email address to receive payment instructions and shall fully comply with those instructions. Respondent shall accompany payment of the CMP Obligation with a cover letter that identifies the paying Respondent and the name and docket number of this proceeding. The paying Respondent shall simultaneously transmit copies of the cover letter and the form of payment to the Chief Financial Officer, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

D. Respondent is prohibited from, directly or indirectly, engaging on or subject to the rules of any registered entity (as that term is defined in Section1a(40) of the Act, 7 U.S.C. § 1a(40)), for a period of three (3) years after the date of entry of this Order, and all registered entities shall refuse him trading privileges during that period;

E. Respondent shall comply with the following conditions and undertakings set forth in the Offer:

1. Cooperation, in General: Respondent shall cooperate fully and expeditiously with the Commission, including the Commission's Division of Enforcement, and any other governmental agency or any self-regulatory organization, in this action, and in any current or future Commission investigation or action related thereto. Respondent shall also cooperate in any investigation, civil litigation, or administrative matter related to, or arising from, the subject matter of this action.

2. Partial Satisfaction: Respondent understands and agrees that any acceptance by the Commission of any partial payment of Respondent's CMP Obligation shall

not be deemed a waiver of its obligation to make further payments pursuant to this Order, or a waiver of the Commission's right to seek to compel payment of any remaining balance.

3. Change of Address/Phone: Until such time as Respondent satisfies in full its CMP Obligation as set forth in this Order, Respondent shall provide written notice to the Commission by certified mail of any change to its telephone number and mailing address within ten calendar days of the change.

4. Notices to Creditors: Until such time as Respondent satisfies in full its CMP Obligation, upon the commencement by or against Respondent of insolvency, receivership or bankruptcy proceedings or any other proceedings for the settlement of Respondent's debts, all notices to creditors required to be furnished to the Commission under Title 11 of the United States Code or other applicable law with respect to such insolvency, receivership bankruptcy or other proceedings, shall be sent to the address below:

   Secretary of the Commission
   Office of the General Counsel
   Commodity Futures Trading Commission
   Three Lafayette Centre
   1155 21st Street N.W.
   Washington, DC 20581

The provisions of this Order shall be effective as of this date.

By the Commission.

____
Christopher J. Kirkpatrick
Secretary of the Commission
Commodity Futures Trading Commission

Dated: July 31, 2026