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‘Is This Insider Information?’ The Prediction Market Bets Driving a Campus Frenzy

Kalshi and Polymarket pour money into deals with social-media influencers and students, who try to parlay rumors into cash; ‘We know this shouldn’t be allowed’

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At the University of Miami, inside the columned fraternity house of Sigma Alpha Epsilon, one brother had some valuable information.

The fraternity attracts the children of the very wealthy, including Evan Whitesell, the stepson of Amazon founder Jeff Bezos. In February, the online prediction market Kalshi was offering wagers on which celebrities would show up at the Super Bowl. The odds of Bezos attending were high—a potential jackpot for anyone who actually knew his weekend plans, which didn’t involve a trip to Levi’s Stadium.

Some fraternity brothers soon began placing bets that Bezos would not attend. Two people who bet said the original source of the information was Whitesell, though neither heard it directly from him. The information spread fast through the house and the alumni network. Within days, it had spread by text message to at least one other college campus.

On Kalshi, the odds of Bezos appearing plummeted from around 70% to less than 30%.

“We know this shouldn’t be allowed,” said one brother involved. “People are like, is this insider information? Is this regulated? You feel like you’re doing something you’re not supposed to. It feels like someone should stop you.”

No one did.



One bet was on whether Jeff Bezos would attend the Super Bowl. He didn't. Stefano Rellandini/Agence France-Presse/Getty Images

Bezos didn't attend the game on Feb. 8. Bets among the fraternity brothers and their friends ran as high as \$10,000 per person, with returns hitting more than 30%. Whitesell didn't place a trade and doesn't have a Kalshi account, according to a person familiar with the matter. One fraternity brother said in an interview his winnings would help pay for spring break.

Prediction markets, led by Kalshi and its chief competitor, Polymarket, are in the midst of an all-out sprint to turn almost every happening—from the world-moving to the mundane—into an online bet that can be won or lost.

Their surging popularity has sparked waves of concern over allegations of insider trading—and how speculators have hit it big on macabre wagers over war, death and crime.

Crypto-analytics firm Bubblemaps identified what it called “six suspected insiders” who made \$1.2 million wagering that the U.S. would strike Iran last month. On Thursday, two Democratic senators, Amy Klobuchar and Jeff Merkley, introduced legislation to restrict federal officials from trading on prediction markets.

Proponents say the markets don’t count as gambling, and that they harness the wisdom of crowds to accurately predict future events. Polymarket and Kalshi have recruited allies in high places, including Donald Trump Jr., who is an adviser to Kalshi and an investor in Polymarket.

As they attempt to build market share, both Kalshi and Polymarket have aimed marketing at an eager group of users that isn’t known for financial discretion: college students.

Both companies have begun splashing cash on campuses. Polymarket has offered to pay fraternities, in exchange for signing up users, money that can be spent on throwing “epic parties”—one frat raised \$30,510 over a two-week period.

Both platforms have been paying student influencers to promote them as ways to raise fun money, enlisting student athletes as brand representatives and supporting student clubs.



The campus of the University of Miami. Eva Marie Uzcategui/Bloomberg News

It's going about as well as you might expect: Students are losing hundreds of dollars on false rumors. The National Collegiate Athletic Association is raising alarms about betting on college games, and a student athletic department employee was fired for betting on Kalshi. Meanwhile, student groups are hosting parties with Polymarket-branded beer pong sets.

Kalshi spokeswoman Elisabeth Diana said Kalshi is "fairer and more transparent than casinos and sportsbooks." She said 18- to 21-year-olds represent 3% of overall trading volume on the platform, and that the average user on Kalshi is 33 years old. The platform has "age gating requirements," she said, and its marketing isn't focused specifically on college students.

Polymarket said it has collaborations with blockchain and emerging-technology clubs at universities nationwide to "gain insights about its platform and products." The company said it has clear terms of

use for its participants and “was built to help people make sense of the world through transparent, market-based probabilities.”

The 18-to-21 window

On TikTok and Instagram, Kalshi and Polymarket have paid creators including college students to produce a tsunami of content featuring the prediction markets. The content often doesn’t disclose that the video has been sponsored. On X, Kalshi has highlighted the success of young bettors. At one point, both companies attempted to recruit a 15-year-old videogame streamer as a marketing affiliate—before dropping efforts because he was too young.

Federal Trade Commission rules require creators to disclose if they are being paid by a company to promote their products.

Kalshi gives creators guidelines for disclosing they are paid by the company, “but not all creators choose to abide by those guidelines,” Diana, the company’s spokeswoman, said in a statement. Polymarket didn’t address questions about the disclosures.

States regulate Kalshi and Polymarket’s prime competitors, online sportsbooks such as DraftKings and FanDuel, and most require them to bar bettors younger than 21. But because Polymarket and Kalshi’s trades are regulated as financial derivatives contracts by the Commodity Futures Trading Commission, people as young as 18 can wager. That creates a three-year window for prediction markets to become ingrained among young users.

In December, FanDuel and DraftKings rolled out their own prediction markets, but they haven’t captured the same level of usership, according to their quarterly reports.



Kalshi's former head of operations, Noah Zingler-Sternig. Noah Zingler-Sternig

Kalshi's former head of operations, Noah Zingler-Sternig, was still in high school when he started trading on prediction markets. He said he ultimately made more than \$100,000 on investments and prediction markets, which he used to pay tuition at the University of Wisconsin-Madison.

“The college kids love it because it’s easy to understand,” he said. “If you want an outlet to gamble...an outlet to make money...[or] an outlet to learn more about whatever discipline you’re studying, you can get it from prediction markets.”

Users on the platforms bet on the likelihood of an event taking place. The prediction markets say that unlike gambling, users bet against each other, not the house.

Polymarket’s platform is off-limits to U.S. users but can be accessed by anyone with a VPN, which can disguise location. It plans to launch an app for U.S. users soon. The company has a data partnership with Dow Jones, the publisher of The Wall Street Journal.

Kalshi’s platform is available nationwide, though courts are examining the legality of the platform in nearly a dozen states.

The increasing popularity of prediction markets comes amid alarm bells from experts who have noted an explosion in problem gambling among teens and young adults in recent years. Half of boys ages 16 and 17 have gambled in the past year, according to a survey of over 1,000 teen boys published in January by the nonprofit Common Sense Media.

“We’re still in an era where cigarettes were in the ’40s and alcohol was in the ’50s, when everyone had a bar in their office,” said Lia Nower, director of the Center for Gambling Studies at Rutgers University. “It’s going to get much worse.”

Serving pizza and wings

Polymarket invited a delegation of fraternity brothers from Columbia University’s Sigma Phi Epsilon chapter to visit the company’s Manhattan headquarters on Nov. 16. The office had a very “SoHo loft feeling, everything’s very white,” said Conor Parks, a 21-year-old Columbia junior and member of the fraternity.

About 20 of the students went, and they were given pizza and wings, as well as \$10 each to use on Polymarket. Shayne Coplan, Polymarket’s CEO, sat with them while they watched football games over several hours, asking them how well Polymarket’s soon-to-launch U.S. app worked and what features they would like to see. At least one student made about \$60 that day, Parks said.

Later, Polymarket mailed SigEp a wooden plaque recognizing them as “the first Polymarket Pledge Class.”

Polymarket also pitched the chapter on becoming a partner: For each person who signed up for an account with the fraternity referral code, \$10 in cash would go to SigEp, and the same amount would be deposited in the new user’s account to bet with.

The chapter’s revenue, \$30,510 in two weeks, made it a “top earner,” according to a Polymarket slide deck reviewed by the Journal.

Some of the money went to an “epic end-of-the-semester party,” according to a quote attributed to the fraternity’s president included in the deck. Parks confirmed that some of that money went to a party, as well as paying for furniture. One student familiar with the party, who isn’t a member, said it was held off-campus in lower Manhattan.

SigEp’s national organization confirmed the Polymarket meeting but questioned the chapter’s appearance in marketing materials. “The two most recent chapter presidents tell us they do not recognize the quote attributed to the chapter president,” said Ben Ford, a spokesman. “It’s unclear to us whether the chapter agreed to be used as a case study in Polymarket’s marketing,” he said.



The Columbia University campus. charly triballeau/Agence France-Presse/Getty Images

Polymarket declined to comment on SigEp’s statement.

A Columbia University spokeswoman said, “We are looking into this.”

Polymarket also reached out to fraternities and social clubs across the University of California, Berkeley, last fall, according to students there, offering company-branded beer pong cups and up to \$1,000 for parties.

At least one club took the company up on its offer, said Oleg Viatkin, a member of Blockchain at Berkeley, a club for crypto enthusiasts, which accepted Polymarket merchandise. The company also sponsored one of the club’s hackathons, during which students built a financial product related to Polymarket contracts. Still, Viatkin said, he has some reservations about the prediction market’s efforts on college campuses.

“I’m interested in whether 10 years ago, a gambling platform would’ve been allowed to do this on campus,” the 21-year-old junior said.

Polymarket seeded the account of the University of Chicago's prediction markets club with \$20,000, said the club's founder, Oliver Wilson, 19, who interned for Polymarket before starting college there last fall.

In exchange, Polymarket asked the club to undertake research on its platform. "The idea is to get Polymarket's name out into the academic sphere and kind of demonstrate how interesting the way the platform works is," Wilson said.



Oliver Wilson, left, with a friend, interned with Polymarket before founding the University of Chicago's prediction markets club.

Oliver Wilson

In September, Kalshi announced a nationwide push to sponsor campus clubs. "College campuses are the best place to spark new financial movements and will play a key role in bringing the next 100M users to prediction markets," the company posted on X.

The company deleted the post after some observers questioned the effort. “You can never start those kids too early on sports betting,” Nigel Eccles, the co-founder and former CEO of online sportsbook FanDuel, mockingly wrote.

Kalshi offered to fund the tournament prize pools of the Duke Poker Club, according to an email reviewed by the Journal, and sponsored an October competition held by the Yale Undergraduate Hedge Fund Association, according to a LinkedIn post.

The company no longer has active partnerships with student groups, Diana, Kalshi’s spokeswoman said. “The thinking was to engage finance clubs and quant traders, but we decided to shelve this program to focus on broader brand efforts,” she said.

In January, Polymarket hired an 18-year-old college dropout to help run its social-media marketing strategy. The new hire, Ian Masangkay, posted on LinkedIn that it was one of the “most pivotal and generational companies of this century.”

When Jay Liang, 19, a sophomore at the University of Waterloo in Ontario, started working with Kalshi to recruit new users, he hired his classmate to make a social-media post. The TikTok—which didn’t mention the sponsorship—received more than 50 million views, one of Kalshi’s most-viewed pieces of social-media marketing.

Liang said he was told by a supervisor to target students because they “spend money recklessly.”

Kalshi’s spokeswoman said the company never told him that. “That is outrageous and made up,” she said.

Paid influencers

Kalshi and Polymarket have focused most of their outreach on social-media influencers, which company employees see as a relatively inexpensive way to win over potential new teen and college-age users, according to people who work with the companies.

The content is usually students talking directly to the camera about the trading odds on sports or news events, according to a Journal review of

hundreds of TikTok and Instagram videos made by Kalshi and Polymarket partners.

Sophia Panossian, a water polo player at the University of Michigan, urged viewers to help her “get ready with me” by checking Kalshi’s weather odds. Ethan Dang, a Vanderbilt University freshman, joked that a fellow student bet \$4,000 on Polymarket on somebody farting during a speech by President Trump. Another showed Dylan Gold, a Southern Methodist University junior, partying at a concert and a game, all under text saying “average weekend using Kalshi.”

Panossian and Gold disclosed Kalshi’s support, but Dang didn’t note he was paid by Polymarket. Panossian declined to comment, and Gold and Dang didn’t respond to requests for comment.

“It’s more relatable, advertising-wise, when someone your age or in your situation talks about something,” said Norton Yang, 19, a sophomore at NYU who said he was paid by Kalshi to create TikTok content promoting the company. “Betting my life savings on @Kalshi,” Yang’s TikTok bio read. His videos didn’t disclose his relationship with Kalshi.

Kalshi’s spokeswoman said it no longer works with the creators named in this article.

The companies also tie up with affiliate users, who can get money paid into their accounts for each new person they sign up through referral codes.

Kalshi employees “kind of understand that without the tweets and the streamers and all of the social-media stuff that the traders do for them, usually just for free, their marketing would be a lot harder,” said Jack Campion, 20, a junior at the University of Wisconsin-Madison and a Kalshi affiliate.

In September, Kalshi briefly signed up a 15-year-old videogame streamer who goes by vert1d online to promote its brand on X as an affiliate.

A week later, Kalshi ended the partnership. “Yo brother, legal team confirmed that we can’t work with minors rn,” a Kalshi employee wrote to the user in messages reviewed by the Journal. “Kinda sad tbh.”

Polymarket, too, was interested in recruiting the user to promote their company, according to messages to the user from a Polymarket employee reviewed by the Journal.

Campus fallout

While University of Miami students placed a successful bet on Bezos' Super Bowl absence, a much larger group of college students across the country bet incorrectly that Mark Wahlberg would show up, based on false rumors that spread through group chats and social media.

The rumor began at fraternities at Clemson University, where Wahlberg's daughter Ella is a student. It spread nationwide and sparked more than \$24 million in trading. William Clowney, a member of the Clemson chapter of Delta Chi who claimed in text messages reviewed by the Journal that Ella had confirmed the information, boasted that the bet was "literally free money."

In an interview, Clowney said he doesn't know Ella and heard the rumor from someone else.

In a post on TikTok, Ella called fraternity members who made that bet idiots and said they deserved to lose money.

More money was wagered on Wahlberg's attendance than on the 32 other celebrities listed in Kalshi's Super Bowl attendance market combined—including Trump, Vice President JD Vance and Bezos.

The tip rapidly bounced around the country, shared in group chats and on a corner of X known as the "burnerverse," populated by fraternity members who use pseudonymous accounts to post crude content. Students at colleges as far-flung as Rhode Island, Louisiana, Arizona and Wisconsin were alerted to the bet, they said in interviews.

Kalshi is investigating the bets on whether Wahlberg and Bezos attended the Super Bowl for possible insider trading and market manipulation, the company's spokeswoman said.



UFC CEO Dana White with Polymarket CEO Shayne Coplan in November. Seth Wenig/Associated Press

The NCAA has raised alarms about how prevalent prediction markets are on college campuses. In January, the association urged the CFTC to bar prediction markets from hosting bets related to college sports. It also bars student athletes from betting or providing information on sports the NCAA sponsors at any level, including through prediction markets.

“The NCAA vehemently opposes prediction markets on college sports in their current form,” the organization’s risk management lead Clint Hangebrauck said in an interview. “I think from our vantage point, and just from a societal standpoint, anything that blurs the line between financial investing and gambling, especially for a young and vulnerable population, is really dangerous.”

In November, a student worker in the University of Tennessee’s athletics program was fired for placing wagers on Kalshi, according to school records and reporting by the Knoxville News Sentinel. The student had bet on NFL, NBA and college football games on Kalshi, including the

University of Tennessee’s football game that week, in violation of NCAA policy, according to a copy of self-reported NCAA violations shared by the university.

At the University of Miami, students are thinking about their next bet. “Dana White’s daughter goes here,” said one of the people involved in the Bezos bet, referring to the CEO of Ultimate Fighting Championship—which Polymarket and Kalshi offer bets on. “We haven’t done anything with that, but maybe she knows things.”

When told that some students might try to use the younger White for information, the UFC executive provided a statement suitable for a cage match. “My daughter gambled one time and lost \$20 and was depressed for two months,” he said, “and as far as what I do for a living, I don’t even know if my daughter knows that I work for the f—ing UFC.”

Corrections & Amplifications

Ben Ford is the spokesman for SigEp’s national organization. An earlier version of this article incorrectly said his name was Brian Ford. (Corrected on March 6)

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