



**UNITED STATES
COMMODITY FUTURES TRADING COMMISSION**
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CFTC Fiscal Year 2025 Enforcement Report

Today, the CFTC released its Fiscal Year 2025 (FY25) Enforcement Report. During Acting Chairman Pham's tenure, the agency appropriately shifted away from an era of regulation by enforcement, during which market participants operated under unclear rules and often only learned of violations after the agency took action against them. I firmly believe that this was an inappropriate policy-setting vehicle.

Since rejoining the agency, I have spoken publicly about the need to set clear rules of the road and take strong enforcement actions against those who attempt to violate the law.

One of my first actions after becoming Chairman was to reinvigorate the agency's Division of Enforcement. I hired a nationally recognized litigator to lead the Division, and we are actively recruiting top talent to supplement the Division's work. I am providing the Division and the agency as a whole with necessary tools like artificial intelligence, which are critical to surveil our markets, protect consumers, and hold bad actors accountable where necessary.

As an agency charged with utilizing a principles-based approach, we are refocusing the agency to provide clear rules of the road with vigorous oversight and enforcement.

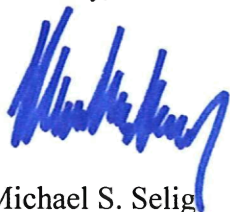
One example is related to prediction markets. The agency has undertaken a rulemaking with the goal of a robust set of rules related to trading in event contracts. While still ongoing, this rulemaking will set clear parameters for what is and is not permissible, so people will know how they will be judged, and they will be held accountable for violations of the law.

Simultaneously, we continue to work with our exchanges to ensure they are fulfilling their shared responsibility in policing their markets. This approach has already led to our exchanges taking action against individuals for insider trading and our agency taking legal action against an individual entrusted with classified information who was trading on insider information. As I've repeatedly said, if you are committing abuses like insider trading in our markets: we will find and prosecute you.

While prediction markets occupy the news cycles, it is certainly not our singular focus. The traditional markets, such as agriculture, energy, metals, and other commodities, will receive equal scrutiny from our Division of Enforcement. These markets, which collectively have immense impact on our economic and national security, must also be free from nefarious activity.

As with the markets we regulate, I believe strongly in transparency and accountability for the agency. It's my hope that the agency's critics will be equally vocal in praising the hardworking CFTC staff who work around the clock to ensure America's financial markets remain the envy of the world. As part of that effort, the Division of Enforcement will continue to do its part in protecting our markets against fraud, abuse, and manipulation.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael S. Selig", with a stylized, cursive script.

Michael S. Selig

Chairman

Commodity Futures Trading Commission



ENFORCEMENT ANNUAL REPORT

**FISCAL
YEAR
2025**

May 2026

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Any views, analysis, findings, or conclusions expressed in this report are solely those of the staff, and do not necessarily represent the position or views of any Commissioner or of the Commission.

This report is available at cftc.gov.

I. Overview and Performance Highlights

The CFTC's Division of Enforcement (Division) investigates and prosecutes alleged violations of the Commodity Exchange Act (CEA) and the Commission's regulations (Regulations). Potential violations involve fraud, manipulation, and market abuse relating to commodities, commodity derivatives, and swaps that harm market integrity, market participants, and the public.

In Fiscal Year 2025 (FY 2025), the Division took decisive steps to end the era of regulation by enforcement. Leadership also realigned the Division's structure to focus more directly on its core mission: protecting the public and preserving market integrity by detecting, investigating, and prosecuting serious violations of the CEA and the Regulations, especially those with customer harm and/or market impact. While making those structural changes, the Division continued to combat potential violations and took significant steps to strengthen its skill level and professionalism.

Ending Regulation by Enforcement

In FY 2025, the Commission sought to end regulation by enforcement through eliminating certain policies from the prior Administration, implementing new enforcement policies, scrutinizing the Division's ongoing investigations and litigations, and closing matters where appropriate. Looking ahead, the Division will build upon these new policies, replacing or modifying them as appropriate, with a focus on implementing policies that protect market integrity and safeguard market participants from fraud, manipulation, and abusive practices.

The FY 2025 efforts produced substantial results. The Division made foundational changes to its docket, policy framework, and organizational structure. It launched an "Enforcement Sprint" to resolve compliance matters efficiently, continued pursuing important cases nationwide, and undertook various efforts to strengthen its workforce.

- The Division resolved half of its open matters. Of these resolved matters, over a dozen had been open for over 15 years and over three dozen had been open for over 10 years. Resolving this backlog and improving case-management efficiency allowed the Division to refocus its resources on addressing core enforcement matters.
- The Division issued policies to enhance regulatory clarity, including an advisory on self-reporting, cooperation, and remediation, and a policy statement clarifying factors for referrals to the Department of Justice, ensuring consistency with executive guidance and upholding accountability standards.
- Working with the Commission's operating divisions, the Division co-issued policies and advisories to advance the Commission's mission and eliminate policymaking through enforcement actions.
 - With the Market Participants Division (MPD), the Division of Clearing and Risk (DCR), and the Division of Market Oversight (DMO), the Division issued a joint advisory on materiality and other criteria used by operating

divisions to determine whether to make a referral to the Division for self-reported violations or supervisory and non-compliance issues.

- With MPD, the Division issued an internal memorandum providing guidance on how the Division will address potential non-compliance issues under foreign law. In particular, the memorandum details how MPD and the Division will assess whether certain foreign CFTC registrants are in material non-compliance with foreign law, which may be addressed by the Division.

Realigning the Division to Focus on Its Core Mission

The Division realigned, changing from a regional-reporting structure to one where the Division consists of two mission-driven task forces: the Complex Fraud Task Force and the Retail Fraud and General Enforcement Task Force.

- **Complex Fraud Task Force:** This task force handles complex fraud and market integrity matters, including insider trading, market manipulation, spoofing, wash trading, and other trade practice violations.
- **Retail Fraud and General Enforcement Task Force:** This task force handles fraud directly affecting the public as customers or participants, including through investment opportunities or trading advice, as well as compliance-related matters such as registration and supervision violations.

This structural change has had, and will continue to have, a lasting impact on the Division as the change: (1) promotes consistency and fairness in investigations and prosecutions of the same or similar allegations of misconduct across the nation; (2) increases efficiency by enabling staffing assignments irrespective of location in headquarters or regional offices and utilizes enforcement attorneys based on expertise and capacity; and (3) streamlines the management and reporting structure to foster swift and efficient communication between enforcement teams and Division leadership, ensuring management from the top.

Enforcement Sprint

In FY 2025, the Division conducted an “Enforcement Sprint” (Sprint) under which eligible firms provided the Division with their remediation plans and reasonable settlement offers to resolve certain cases. Eligibility for the Sprint was restricted to compliance violations such as recordkeeping, reporting, or supervision failures that did not involve fraud, customer harm, or market abuse.

- Under the Sprint, the Commission issued six orders simultaneously filing and settling material compliance-related violations against ten firms.
- The Sprint allowed the Division to resolve efficiently these six matters and conserve resources, allowing the Division to prioritize more serious misconduct going forward.

Fighting Fraud, Manipulation, and Market Abuse

The Division continued its fight against fraud, manipulation, and market abuse, filing cases against fraudsters across the country, including in federal district courts in Louisiana, Michigan, New York, and Washington. The Division also continued to litigate actively against alleged fraudsters and manipulators, managing a nationwide docket of dozens of cases.

Improved Human Capital: Enhancing Division Skills and Professionalism

The Division undertook numerous steps to improve the skill level and professionalism of the Division as a whole.

- The Division launched a trial advocacy skills training series.
- The Division delivered various ethics trainings, including ensuring candor and openness in engagement with courts and defense counsel.
- The Division hosted a training on the American Bar Association's Model Rules of Professional Conduct as applied to government attorneys.
- The Division promoted greater transparency with the defense bar by sponsoring open forum discussions with practicing defense attorneys.

II. Looking Forward

The Division's Enforcement Priorities

As part of the Commission's effort to right-size its regulatory footprint, the Division will focus on its core responsibilities. The Division will limit itself to the authority provided by Congress and not seek to expand its authority through regulation by enforcement. As part of that continued effort, the Division aims to be both streamlined and stronger—shifting focus away from technical infractions unlikely to endanger customers while directing attention towards serious violations. And the Division will initiate criminal referrals as appropriate for those serious violations. The Division has thus refocused its enforcement resources on its true purpose: preventing fraud, manipulation, and market abuse.

As the Division's new Director of Enforcement, David I. Miller, announced, the Division has five priority areas: (i) insider trading (including in the prediction markets); (ii) market manipulation (particularly in the energy markets); (iii) market abuse/disruptive trading; (iv) retail fraud (including Ponzi schemes); and (v) willful violations of Anti-Money Laundering (AML) and Know-Your-Customer (KYC) laws and rules.

- ***Insider trading.*** The Division is focusing on insider trading. Insider trading is illegal under the CEA and the Regulations across all markets, including the prediction markets. The Division will vigorously pursue these cases, which, under the Commission's insider trading authority, involve the misappropriation of material non-public information, and thus the misuse of information in violation of a duty owed to

the source of that information. Indeed, the Division has already filed its first insider trading case involving the prediction markets: on April 23, 2025, the Division filed a complaint in the U.S. District Court for the Southern District of New York alleging that a U.S. active-duty service member engaged in insider trading in event contracts (swaps) on Polymarket.com using classified nonpublic information regarding U.S. operations to capture former Venezuelan President Nicolás Maduro and his wife, Cilia Flores.¹

- **Market manipulation.** Fighting market manipulation is fundamental to a market regulator’s mission. Properly functioning markets are efficient, create appropriate prices for essential goods, and provide accurate price signals. But market manipulation can drive up costs, distort price signals, erode trust, and impose costs on consumers. Fighting market manipulation, including in energy markets, is a top priority.
- **Market abuse:** The Division will fight market abuse, which can be a form of manipulation. This includes spoofing, disruptive trading during a closing period, and wash trading. These illegal practices present the same issues that other forms of market manipulation do: functioning markets provide price transparency and the fairest prices, and rules exist to make sure markets function. Violating those rules reduces efficiency, distorts price signals, and can raise prices. This remains a Division priority as we regulate markets going forward.
- **Retail fraud:** The Division will prioritize fighting retail fraud in its various forms, including Ponzi schemes, commodity pool frauds, pig-butcher, impersonation frauds, and “phishing” attacks directed at individuals. This is an ongoing problem that has grown in scope as international bad actors seek to prey upon U.S. citizens. This type of fraud often inflicts acute and debilitating harm on at-risk populations, including the elderly, those with limited financial literacy, and individuals with limited assets. The Retail Fraud and General Enforcement Task Force will spearhead the Division’s efforts here.
- **Willful failures to follow anti-money laundering and know-your-customer laws and rules.** AML and KYC rules are key tools in fighting crime and protecting our markets and are also essential in combatting terrorism, narcotrafficking, fraud, and other serious illegal activity. The Division will combat these areas not by prioritizing technical violations, but rather by investigating those who willfully decide to break these essential laws.

Enhancing Enforcement with Smart, Tough, and Fair Policies

The Division will be revising existing policies and implementing new policies to fulfill the Division’s core purpose of policing fraud, manipulation, and market abuse. The Division has

¹ *CFTC Charges U.S. Service Member with Insider Trading in Nicolás Maduro-Related Event Contracts*, CFTC Release No. 9217-26 (Apr. 23, 2026), <https://www.cftc.gov/PressRoom/PressReleases/9217-26>; Complaint, *Commodity Futures Trading Commission v. Van Dyke*, 26 Civ. 3369 (S.D.N.Y. Apr. 23, 2026), <https://www.cftc.gov/media/13761/EnfGannonKenVanDykeComplaint042326/download>.

already announced that it will be issuing a new policy on cooperation and that it will revise its enforcement manual. The Division will review and supplement, revise, or replace other policies as appropriate. New policies will target serious violations, will be tough on violators, but will also ensure that the Division treats all the parties it investigates and litigates against with as much transparency as possible while adhering to the highest levels of fairness and professional conduct.

Appendix A: FY 2025 Enforcement Actions

Below is a table summary of the FY 2025 cases by primary violation and a complete listing of all enforcement actions filed during FY 2025.

Table Summary

The CFTC's new FY 2025 enforcement actions include seven administrative cases and six civil injunctive cases. Most of these enforcement actions involved multiple types of violations, but the table below categorizes the cases by their primary violations.

Case Category	
Manipulative Conduct, False Reporting, Spoofing	1
Fraud	5
Trade Practice Violations (includes Wash Trades, Fictitious Trades, Position Limits)	1
Supervision and Other Violations related to Systems Errors	2
Reporting, Recordkeeping, and Related Supervision Violations	4

Complete Listing of CFTC FY 2025 Enforcement Actions

Manipulative Conduct, False Reporting, Spoofing - 1		
1.	<i>In re Brett Falloon, et al.</i> CFTC Docket No. 25-07 (Sept. 4, 2025)	https://www.cftc.gov/PressRoom/PressReleases/9118-25
Fraud – 5		
2.	<i>CFTC v. Kenneth Newcombe</i> , No. 1:24-cv-7477 (S.D.N.Y., filed Oct. 2, 2024)	https://www.cftc.gov/PressRoom/PressReleases/8994-24

3.	<i>CFTC v. Michael B. Depetrillo, Meteor, LLC, and Nola FX Capital Management, LLC</i> , No. 2:24-cv-00131 (E.D. La., filed Oct. 25, 2024)	https://www.cftc.gov/PressRoom/PressReleases/9003-24
4.	<i>CFTC v. Jeffrey A. Royer</i> , No. 2:24-cv-12714 (E.D. Mich., filed Oct. 15, 2024)	No Press Release Issued; Filed Under Seal
5.	<i>CFTC v. Francier Obando Pinillo</i> , No. 4:24-cv-05161 (E.D. Wash., filed Dec. 9, 2024)	https://www.cftc.gov/PressRoom/PressReleases/9015-24
6.	<i>CFTC v. Dean Dellas and DSD Capital Management LLC.</i> , No. 5:25-cv-575 (S.D.N.Y., filed May 7, 2025)	https://www.cftc.gov/PressRoom/PressReleases/9072-25

Trade Practice Violations (includes Wash Trades, Fictitious Trades, Position Limits) - 1

7.	<i>In re Shinhan Securities Co. Ltd.</i> , CFTC Docket No. 25-08 (Sept. 4, 2025)	https://www.cftc.gov/PressRoom/PressReleases/9125-25
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Supervision and Other Violations related to Systems Errors - 2

8.	<i>In re UBS AG, et al.</i> , CFTC Docket No. 25-05 (Sept. 4, 2025)	https://www.cftc.gov/PressRoom/PressReleases/9114-25
9.	<i>In re Citigroup Global Markets Inc.</i> , CFTC Docket No. 25-02 (Sept. 4, 2025)	https://www.cftc.gov/PressRoom/PressReleases/9114-25

Recordkeeping and Reporting Violations - 4

10.	<i>In re SMBC Capital Markets Inc.</i> , CFTC Docket No. 25-03 (Sept. 4, 2025)	https://www.cftc.gov/PressRoom/PressReleases/9114-25
11.	<i>In re Banco Santander, S.A. et al.</i> , CFTC Docket No. 25-04 (Sept. 4, 2025)	https://www.cftc.gov/PressRoom/PressReleases/9114-25
12.	<i>In re Bank of New York Mellon, et al.</i> , CFTC Docket No. 25-01 (Sept. 4, 2025)	https://www.cftc.gov/PressRoom/PressReleases/9114-25
13.	<i>U.S. Bank National Association</i> , CFTC Docket No. 25-06 (Sept. 4, 2025)	https://www.cftc.gov/PressRoom/PressReleases/9114-25