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Middle East conflict

Prediction market trader 'Magamyman' made \$553,000 on death of Iran's supreme leader

MARCH 1, 2026 · 9:57 PM ET



Bobby Allyn



Smoke plumes rise following missile strikes in Tehran on March 1, 2026. The United States and Israel launched strikes against Iran on February 28, killing Iran's supreme leader and top military leaders, prompting authorities to retaliate with strikes on Israel and US bases across the Gulf.

Atta Kenare/AFP via Getty Images

An account trading under the username "Magamyman" made more than \$553,000 placing bets on the prediction market Polymarket that Iran's Supreme Leader,

Ayatollah Ali Khamenei, would be out of power just before an Israeli strike killed him on Saturday.



UP FIRST FROM NPR

Bet on Anything, Everywhere, All at Once

The trades drew scrutiny from members of Congress and critics of prediction markets, who say the platforms invite people with access to classified information to profit on lethal military operations. On Polymarket alone, half-a-billion dollars was traded over when exactly U.S. forces would drop bombs on Iran.

"It's insane this is legal," Sen. Chris Murphy (D-Conn.) wrote on X. "People around Trump are profiting off war and death," he said, adding he plans to introduce legislation "asap" to outlaw this kind of activity.

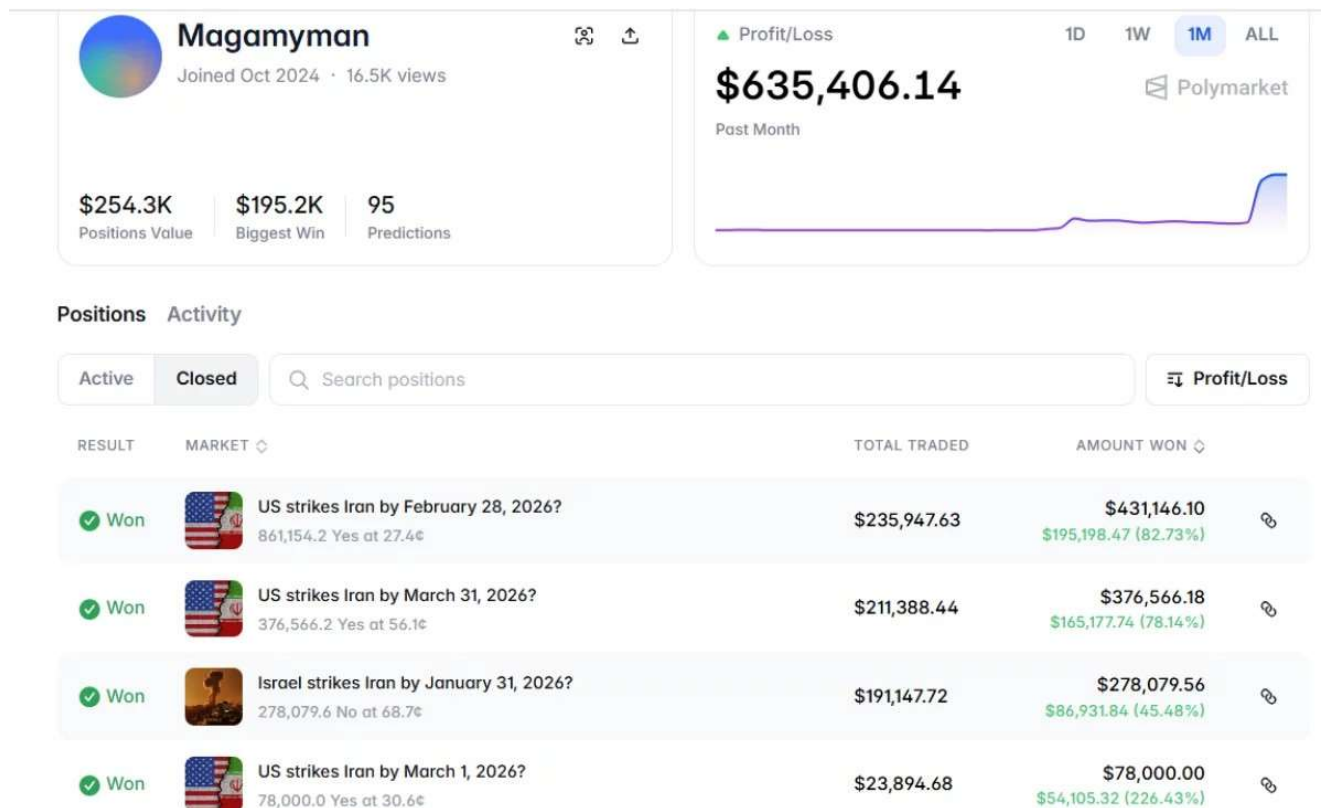


VENEZUELA AND U.S. RELATIONS

A \$400,000 profit on Maduro's capture raises insider trading questions on Polymarket

The White House denied anyone in Trump's orbit was behind the lucrative trades.

The Trump family, however, does have ties to Polymarket. Donald Trump Jr., the president's son, is an adviser to Polymarket and his venture capital firm 1789 Capital has invested millions into the controversial business. The Trump administration has dropped two federal investigations into Polymarket that were opened by President Joe Biden's officials.



A screenshot of a Polymarket trader's profile page, showing successful bets on the timing of a U.S. strike on Iran. NPR

It's the latest episode igniting debate about how government and military insiders can monetize state secrets.

TECHNOLOGY
Israel accuses two of using military secrets to place Polymarket bets

In January, an anonymous trader made hundreds of thousands of dollars for placing suspiciously well-timed bets ahead of the arrest of Venezuelan leader Nicolás Maduro. A month later, authorities in Israel charged two people for using classified information to place bets on Polymarket about upcoming attacks on Iran when the countries fought a 12-day war last June.

The millions flowing into the market related to the toppling of Iran's supreme leader were made on an overseas exchange operated by Polymarket, meaning it is outside the reach of regulators in Washington.

BUSINESS

They quit their day jobs to bet on current events: A look inside the prediction market

The Trump administration has granted approval for Polymarket to open a U.S.-based platform, but it has yet to fully publicly launch. Most American traders who use Polymarket access the site through a virtual private network that shields a user's identity and location.

Most prediction markets, which have surged in popularity in recent months, are federally regulated by the Commodity Futures Trading Commission. The agency views this new-fangled form of betting a "futures contract," not a type of gambling.



Election betting on prediction markets apps is set to boom ahead of midterms

Under U.S. commodity trading laws, making trades based on death and war are illegal, since those kinds of bets create a financial reward for violence, human suffering and geopolitical instability.

This constraint was on display over the weekend in the way another major prediction market, Kalshi, responded to a market tied to when Khamenei would be out, a prospect that attracted more than \$54 million in trades.



TECHNOLOGY

TV antennas and Super Bowl rehearsals: How prediction market traders seek an edge

When Khamenei's death was confirmed, those who placed bets on Kalshi on the leader's ouster expected a payout, but it never happened. Instead, trading on the market was paused while the company conducted a "further review of the situation."

Later, Kalshi CEO Tarek Mansour wrote on X that the company would be refunding fees collected on the Khamenei market.

"We don't list markets directly tied to death," Mansour wrote. "When there are

markets where potential outcomes involve death, we design the rules to prevent people from profiting from death. That is what we did here."

In messages sent out to users who placed bets before and after the Iranian leader's death, Kalshi said it will issue partial refunds amounting to the last traded price before his death was confirmed, so it did not run afoul of U.S. laws prohibiting markets where people can profit from death and assassinations.

Kalshi's decision created an uproar among traders, who felt like they had been duped.

They were all the more infuriated having watched the company heavily promote the Khamenei market for days on social media.

"Getting rugged on a 100% correct prediction because of a fine-print 'death carveout' is wild," said a user who goes by "pepe" on the online forum Discord for Kalshi traders. "Centralized oracles will always bend to compliance over reality."

Others were less generous, deriding Kalshi's actions in the Khamenei market as evidence that the platform is "a scam."

Amanda Fischer, a former official at the Securities and Exchange Commission who now works at the financial reform group Better Markets, told NPR that Congress needs to act to stop "perverse incentives and chaos caused by betting on death and destruction."

She added: "Prediction markets are promoting opportunities to bet on events that can only be seen as a proxy for war or assassination. The confusion and outcry over how the Khamenei-related wagers would resolve underscores that this betting market shouldn't exist in the first place."

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