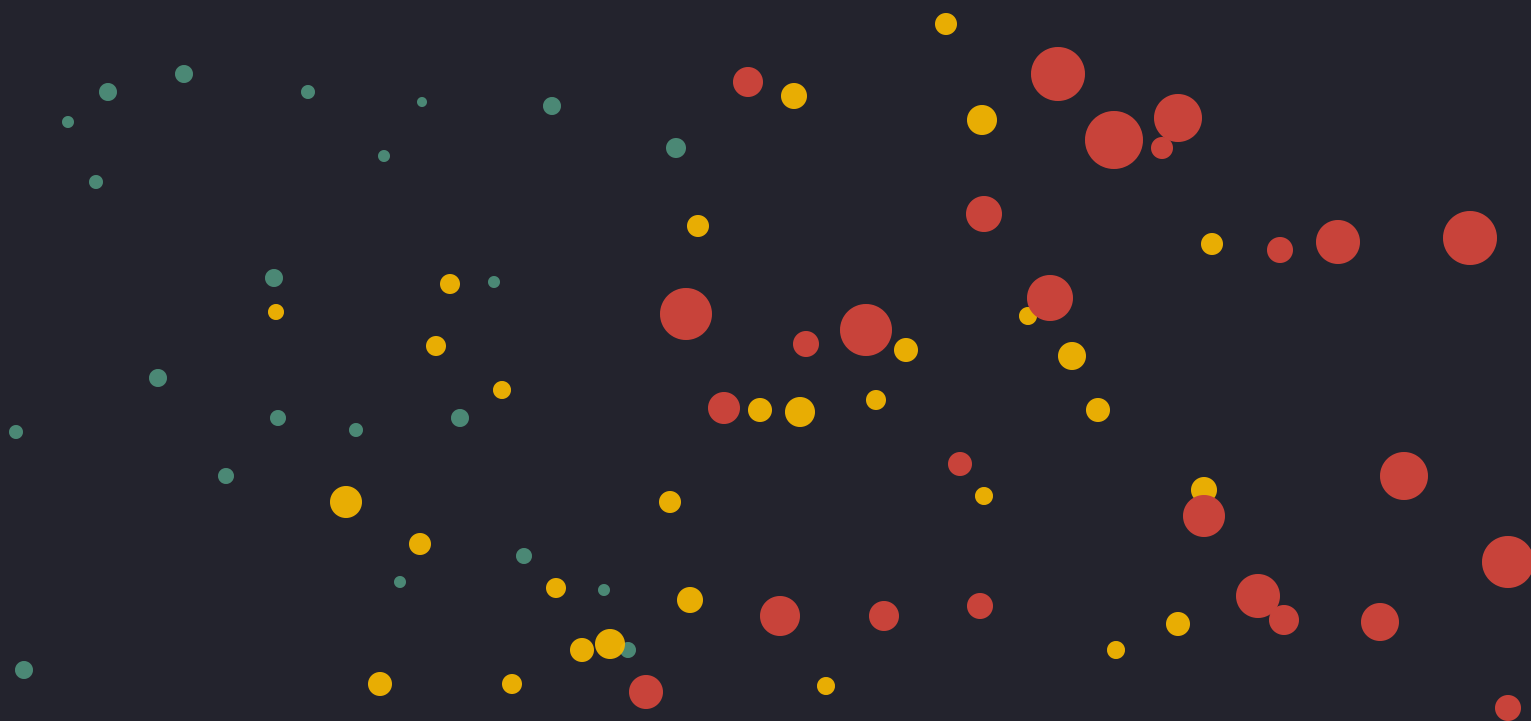


Classifying Insider Trading Risk

Analyzing the Longshot Betting Ecosystem on Polymarket



78,496

LONGSHOT BETS
EXAMINED

12,355

LONGSHOT WALLETS
CLASSIFIED

152

SUSPICIOUS WALLETS IN
MILITARY MARKETS
IDENTIFIED

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AT A GLANCE

The four wallet types behind 78,496 longshot bets on all settled Polymarket markets to 5 May 2026.

■ Orcas 556 wallets Total volume \$128M Total profit \$100M	■ Bots 760 wallets Total volume \$5.4B Total profit \$92M	■ Whales 3,278 wallets Total volume \$8.8B Total profit \$119M	■ Small Fish 7,761 wallets Total volume \$1.3B Total profit -\$114M
All longshot wallets 12,355 Total wagered \$15.6B Net profit \$197M			

CLASSIFYING INSIDER TRADING RISK: ANALYZING THE LONGSHOT BETTING ECOSYSTEM ON POLYMARKET

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EXECUTIVE SUMMARY

At least among the wallets placing longshot bets (more than \$2500 at 35 cents or less), the ecosystem of Polymarket can be divided into Whales, Bots, Small Fish and Orcas. The Whales dominate the platform, deploying massive resources across a wide range of markets to devour enormous profits. Some, however, are not true Whales, but rather Bots, working automatically and around the clock, following data trails to the richest feeding grounds. Scattered across the platform are the Small Fish, trying their luck or some perceived advantage and, in aggregate, losing out badly to the far larger competition. Darting through this feeding frenzy are the Orcas, highly specialized, incredibly successful bettors who appear, strike their target, then, often, disappear again into the depths of the blockchain.

These Orcas, defined for the first time in this report, have the profile that most precisely indicates true insider traders: high longshot win rates bets and bets placed in only a handful of markets and topics.¹ Instructively, this category of bettors captures most of the egregious cases from prior media reporting on potential insiders, while also surfacing dozens more previously unreported wallets.

Orcas are not the only longshot bettors in these markets, nor are they invisible to other Polymarket users. We argue that Bots, automated wallets that bet around the clock, and Whales, which trade across many markets in large volumes at high speed, build their strategies in part by tracking Orcas (i.e. the true insiders) and mimicking their bets.

We found that in the markets surrounding major military events, Orca wallets consistently placed their bets first, with Whales and Bots following behind. This is consistent with sophisticated traders monitoring the public blockchain for insider-like signals and piggybacking on them at scale. Orcas earn the highest returns on their bets, but highly capitalized Whales and Bots take home most of the overall profits.

This also demonstrates the national security and political integrity risks of insider trading on military and political prediction markets: If financial speculators can quickly observe insider bets and act on them in real time, then so can militaries and intelligence agencies around the world. With so many Whales and Bots also profiting off these illegal actions, ordinary bettors, the Small Fish, are left at a structural disadvantage.

Paradoxically, however, this is also the redeeming feature of Polymarket: the same data transparency that allows Whales and Bots to legally capitalize on the information advantage of others allows researchers and journalists to uncover potential insider trading.

However, if we want to follow the Orcas home, so to speak, we soon run into problems. The money trail from prediction markets is pseudonymous and frequently ends at a company that holds funds for thousands of customers at once, with the trail leading to the institution, not the person, who cannot be determined without subpoena power. Law enforcement investigations into suspected insider trading can take months. Meanwhile, other users can observe and capitalize on those accounts' activity in real time. Limiting the type of people who can bet on prediction markets or relying on law enforcement investigations to enforce these bans will not be enough to tackle the threat and impacts of insider trading. Only outright bans on the types of markets most vulnerable to insiders can appropriately deal with the structural problems we uncover here.

If financial speculators can quickly observe insider bets and act on them in real time, then so can militaries and intelligence agencies around the world.

¹ In nature, orcas are highly successful predators and specialize in certain types of prey according to their ecotype.

KEY FINDINGS

We identify three main types of wallets that make longshot bets, using the number of markets and topics they bet on, their overall success rate, and the timing of bets: Orcas, Whales and Bots. Further analysis of Orca behaviour supports our hypothesis that they are the most likely insiders.

- **More than half of Orcas made their first longshot bet within two days of creating an account on Polymarket,** a possible sign they joined specifically to trade on privileged information.
- **Orcas wager more per longshot bet, despite the risks and low probabilities, and longshots dominate their total activity.** Although Orcas spend less on the platform overall, their average longshot bet exceeds that of Whales and Bots. Longshots make up 43% of their betting versus a small fraction for the other two types.
- **Orcas earn the highest returns on their investment.** Orcas post far higher returns than Whales and Bots, an average of 132% compared to losses of 2% and 1% respectively.
- **Orcas betting on military markets are less crypto-native and prefer cashing out into fiat currency.** Compared with Whales and Bots, Orcas were less likely to use decentralized exchanges, like Uniswap, and more likely to use centralized exchanges such as Coinbase, to cash out their Polymarket winnings into fiat currency.
- **Timing points to piggybacking on Orca bets.** Around the June 2025 and February 2026 US-Israel strikes on Iran, Orca's placed longshot bets that consistently preceded other large bets in the affected markets, consistent with Whales and Bots monitoring the public blockchain for insider-like signals and following with larger sums.

This analysis has important implications for law enforcement, regulators and policymakers.

- **There are only 152 Orca wallets** who placed longshot bets in **military and defense markets**. Collectively, they won \$8 million. At this scale, these specialized wallets, the most likely potential insiders, could be investigated by law enforcement to determine whether there are any true insiders.
- **The observed responses by Whales and Bots to insider signals create real implications for national security.** Because every Polymarket trade is visible on a public blockchain in real time, an insider betting on confidential military information is effectively broadcasting that information to foreign adversaries. Copycat behaviour amplifies these signals, making them virtually impossible to contain.

Our analysis supports other research showing that Polymarket is far from a level playing field.

- **Even within longshot wallets, profits are extraordinarily concentrated.** The top 1% of longshot wallets captured 47% of profits (\$306M) while half lost at least \$1,200.
- **The most profitable longshot wallets often form clusters, transacting with each other on Polymarket.** Linking wallets through their on-chain transactions revealed 681 wallets operating as 215 clusters. There are just 22 clusters composed of 139 wallets which dominate the group of top 1% most profitable accounts.

RECOMMENDATIONS

We recommend that legislation and platform-level rules consider the following:

- 01 Identification verification for all users:** Polymarket should be required to collect government-issued identification for all bettors, enabling the identification of suspicious participants. The use of non-public government information for private gain is prohibited for government employees, including military personnel, making traceability critical for enforcement of Polymarket's new integrity rules.
 - 02 Conditional payouts for high-risk bets:** Bets identified as suspicious could be held and not paid out until the bettor's identity is verified and any potential conflicts of interest are assessed. If ID collection is not feasible, this approach could be applied selectively to high-risk bets.
 - 03 Restrictions on high-risk market types:** Certain categories of markets, particularly markets with group outcome makers, are structurally vulnerable to insider trading. The analysis suggests these risks are systematic rather than isolated, and restricting or prohibiting these markets should be considered.
 - 04 Limits on market precision:** Increasingly precise markets heighten insider risk by making non-public information more actionable and profitable. Where outright bans are not feasible, reducing the number or specificity of markets may help mitigate these risks.
-

INTRODUCTION

In April 2026, the Anti-Corruption Data Collective published our first [analysis](#) of insider trading risks in political markets on Polymarket. Our primary unit of analysis in that investigation was the longshot bet, defined as a wager of \$2,500 or more cumulatively over one hour, placed at a price of 35 cents or lower. In practical terms, these were large bets placed on outcomes the market overall viewed as unlikely, but that would generate substantial payoffs if successful.

We found these longshot bets to be disproportionately successful in political markets with outcomes determined by small groups of individuals or by institutions with many potential insiders. Both these scenarios come with more widespread risk of trading on insider information. Military markets stood out, with 52% of longshot bets paying out compared to a baseline of 14% across the platform.

The returns on such insider trades can be enormous. A military insider alleged to have leveraged classified information to successfully trade on Polymarket is [accused](#) of making a staggering \$400,000 profit from approximately 13 bets related to Venezuela and the January 2025 U.S. raid that kidnapped Nicolas Maduro. At the same time, other recent research, including by the [Wall Street Journal](#), shows that few Polymarket or Kalshi users ever profit from their wagers, and the profits are made by a fortunate few.

This report classifies the wallets making longshot bets on Polymarket and identifies which longshot bets are most likely to have been made by true insiders. In doing so, it builds on our earlier findings to reveal more detailed information about the systemic risks of insider trading on Polymarket, with a special focus on high-risk military and defence markets. It offers regulators, policymakers, analysts and observers alike insights into behaviour and activity on Polymarket, including who among the longshot bettors captures the most profits, the tactics they deploy and their relationship to potential insiders. To do so, we examine 78,496 longshot bets and the 12,355 wallets that placed them, using data on all settled markets on Polymarket up to May 5, 2026. We also dig into how the wallets were funded and where winnings went on the wider crypto blockchain.

The primary aim of this analysis is to offer investigators, whether in the media, academia, civil society, law enforcement or regulators, a framework for determining the likelihood of a wallet being controlled by a government, military or industry insider, allowing them to focus their investigative resources more effectively. However, as we will see, and as our last report proposed, investigative and enforcement-based approaches to tackling insider trading on prediction markets platforms have severe limits. Policymakers must act to prohibit markets on event categories including government actions, war and elections, where insider trading and other abuses threaten not only the integrity of prediction markets, but of democratic processes, national security and government decision-making.

1. CONCENTRATED PROFITS

Recent investigations demonstrate how prediction markets create an uneven playing field that disadvantages everyday Polymarket users. For example, a recent investigation from the [Wall Street Journal](#) found 67% of all profits go to just 0.1% of accounts and more than 70% of Polymarket users lose money.² Such professional traders exploit advantages in information, algorithms, as well as capital to dominate trading and take home most of the winnings.

In this report, we first extend this analysis by evaluating whether this concentration of profit appears among potential market insiders, who we term “longshot wallets,” e.g. those users who placed longshot bets (see Box 1). Our previous work identified [significant anomalies](#) in the win rates of such bets on political markets, in particular those related to military and defense matters. This focus is especially relevant because high win rates among longshot bets are harder to explain without the presence of insider information. Our analysis looked at all settled Polymarket markets until May 5, 2026, within which 12,355 wallets together made 78,496 longshot trades.

BOX 1: LONGSHOT BETS AND WALLETS

Longshot Bet:

Market price: $\leq 35\%$ probability (35 cents or lower)

Bet size: $\geq \$2,500$ (cumulative over a 1-hour period)

Longshot Wallet: Any wallet that made at least one longshot bet during the analysis period.

As prices theoretically reflect probabilities, longshot trades should win at a rate equal to the price of the longshot bet. The average price across all longshot bets is 25 cents, meaning the expected average win rate would be 25%. In reality, the win rate across all longshot bets was 13.1%. As discussed in [our previous report](#), the longshot win rate in certain types of markets (such as military and defense) is higher than expected, with longshot bets in military and defense markets winning more than half the time.

We find that among longshot wallets, profits are highly concentrated. Similar to research looking across all wallets, we find the top 1% of longshot wallets took home 47.3% of overall profits for this group of wallets. As shown in Figure 1, **89.8% of profits are concentrated in the top 10%**, or just 1,236 wallets (shown in dark and medium blue).

In fact, despite betting substantial sums of money, only 42.7% of longshot wallets made money or broke even. For those who lost money, the costs add up. **The bottom 50% incurred a net loss of \$449.9 million**, with each wallet losing \$1,203 or more.

² This aligns with a different study by [Solidus Labs](#) that found that less than 1% of wallets on Polymarket are capturing nearly 50% of all profits.

The Top 1% of Longshot Wallets Took 47% of the Overall Profits

Each square = 1% of all profit won by longshot wallets | Total positive profits were \$646.7M | 57% of wallets lost money

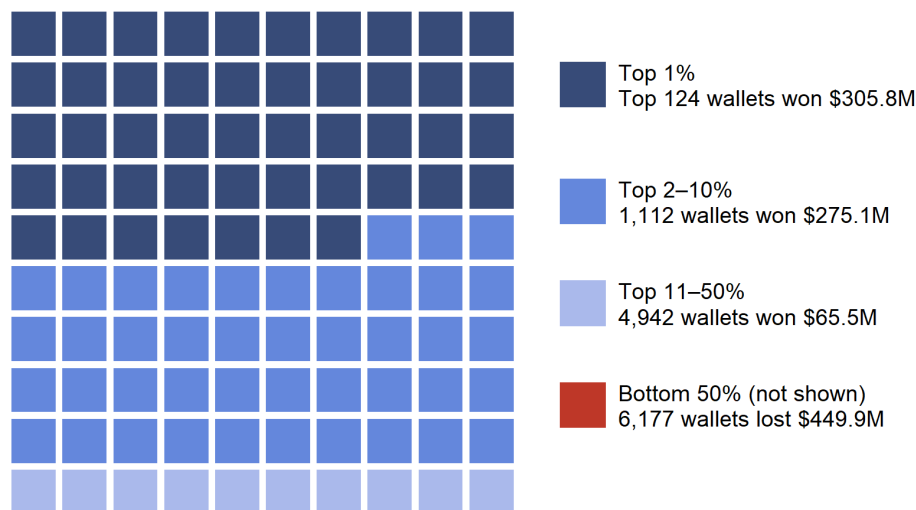


FIGURE 1

We also find that the most profitable longshot wallets are often linked. While each wallet on Polymarket may look independent, they often send funds to one another or receive funds from the same source, indicating they are linked together in some way financially. Single users can create multiple wallets on Polymarket, meaning that a cluster of connected wallets may realistically be controlled by a single user. Using publicly available data from Polygon blockchain (see Box 3), we apply cluster analysis to analyze these connections.

In all, we identify **215 clusters connecting 681 wallets** formed using the conservative definition shown in Box 2. If we treat each connected cluster as a single entity, the profit share for the top 1% rises to 50%, while the top 10% capture 91.4% of profits. The most successful cluster, consisting of 21 wallets, made combined profits of \$9 million.

BOX 2: LONGSHOT WALLET CLUSTER DEFINITION

Longshot wallets form a longshot wallet cluster if they fulfill one of two criteria

1. A longshot wallet directly transferred >\$1,000 to another longshot wallet
2. Two longshot wallets share three or more third party nodes. These third party nodes must:
 - a. Transfer >\$1,000 or more with both wallets
 - b. Be either a personal wallet or another Polymarket account
 - c. Not be considered a hub, a counter party touching 10 more longshot wallets, a sign the wallet is a shared service or an unlabeled exchange or infrastructure wallet.

BOX 3: POLYGON DATA

On Polymarket, users purchase contracts on event markets using a cryptocurrency stable coin. Originally, users made their trades using USDC, a cryptocurrency coin tied to the value of the US dollar. Recently, Polymarket switched to pUSD (Polymarket USD), a Polymarket specific stable coin.

Just as all trades on Polymarket are written into the ledger of the Polygon, the blockchain also records all transactions to and from the Polymarket accounts that place the bets. However, many Polymarket users use mixing infrastructure, such as hot wallets, relayers and bridges, to fund or cash out their accounts. This makes following the money just by using data from Polygon more challenging, as a single transaction of interest is mixing with hundreds of other transactions at the same time.

Luckily, a variety of tools have been created to help trace illicit money on the blockchain and solve just this issue.

ACDC first used Polygon data to examine how accounts making longshot bets are funded and identified the wallet or exchange where any winnings were cashed out. We then used cryptocurrency tracing tools offered by Crystal Intelligence to continue to follow the money along the Polygon blockchain and even onto other blockchains, such as Ethereum.

While these tools shine light onto the paths funds took, even ten degrees away from the original Polymarket account, at some point the trail usually goes cold at an exchange or hot wallet, making determining the true origin or final destination of the funds impossible without subpoena power.

This transparency applies specifically to Polymarket Global. Polymarket US uses US dollar fiat currency and their order book is not transparent in the same way. Kalshi wallet-level data has to be requested via Kalshi Research, since their trades are done internally in US dollar fiat currency and not on chain. Identifying transactions into or from the individual user accounts on these platforms is also not possible.

2. CLASSIFYING & COMPARING LONGSHOT WALLETS

In this section, we distinguished longshot wallets with a higher risk of insider information being used to place bets from those whose performance may be better explained by sophisticated quantitative strategies or other forms of automated trading. The goal is not to conclusively prove insider trading by specific wallets, but to develop a set of indicators that helps separate narrowly concentrated, unexpectedly successful longshot betting from other types of trading behaviour.

POTENTIAL INSIDERS: ORCAS

Among profitable longshot wallets, one group is of particular interest: traders whose success rate is both high and concentrated in markets where informational advantages may be at play. We call these wallets Orcas. Like their namesake aquatic mammal, Orcas are precise, selective predators rather than high-volume feeders. They do not spread bets across many markets on the platform in the hope of catching occasional wins, but instead strike narrowly and land with unusual accuracy.

Traders acting on specialized, non-public information possess an edge that is valuable only within a limited set of markets, and that produces win rates difficult to attribute to luck. We therefore use two observable characteristics to flag wallets whose behaviour is most consistent with insider activity: the concentration of their betting within less than 100 markets and two topics, and unusual accuracy (over 75%) of their longshot bets.³ We do not claim that any individual Orca is necessarily an insider, as there could be other explanations for these observed traits.

HIGH-VOLUME ACCOUNTS: WHALES

The second category of profitable longshot wallets exhibits different behaviour. Whereas Orcas win narrowly and accurately, Whales win broadly. Like the filter-feeding giants they are named for, these traders take in volume rather than targeting individual prey. They profit less from being right about any particular longshot bet than from deploying enough capital across enough markets that their absolute returns are large even when their accuracy is unremarkable.

Whales bet across many markets and topics, i.e. the opposite of an Orca. Their risk profile means they absorb losing longshot bets alongside winning ones, and often have a win rate lower than Orcas. We define Whales as users betting in more than 100 markets.

BOTTOM OF THE FOOD CHAIN: SMALL FISH

Rounding out the group are casual, ordinary users, the Small Fish. They bet in 100 or fewer markets, but either are not as concentrated as Orcas, betting in three or more topics, or are less precise than Orcas, with a longshot win rate less than 75%. A decision tree depicting how wallets are classified is shown in Figure 2.

³ Accuracy is not cut off at a higher percentage because some potential insiders take their winnings and continue to bet on the platform, at times losing these bets, perhaps because it was beyond their insider knowledge. However, even in such cases, these Orca wallets tend to bet in a limited number of markets and categories.

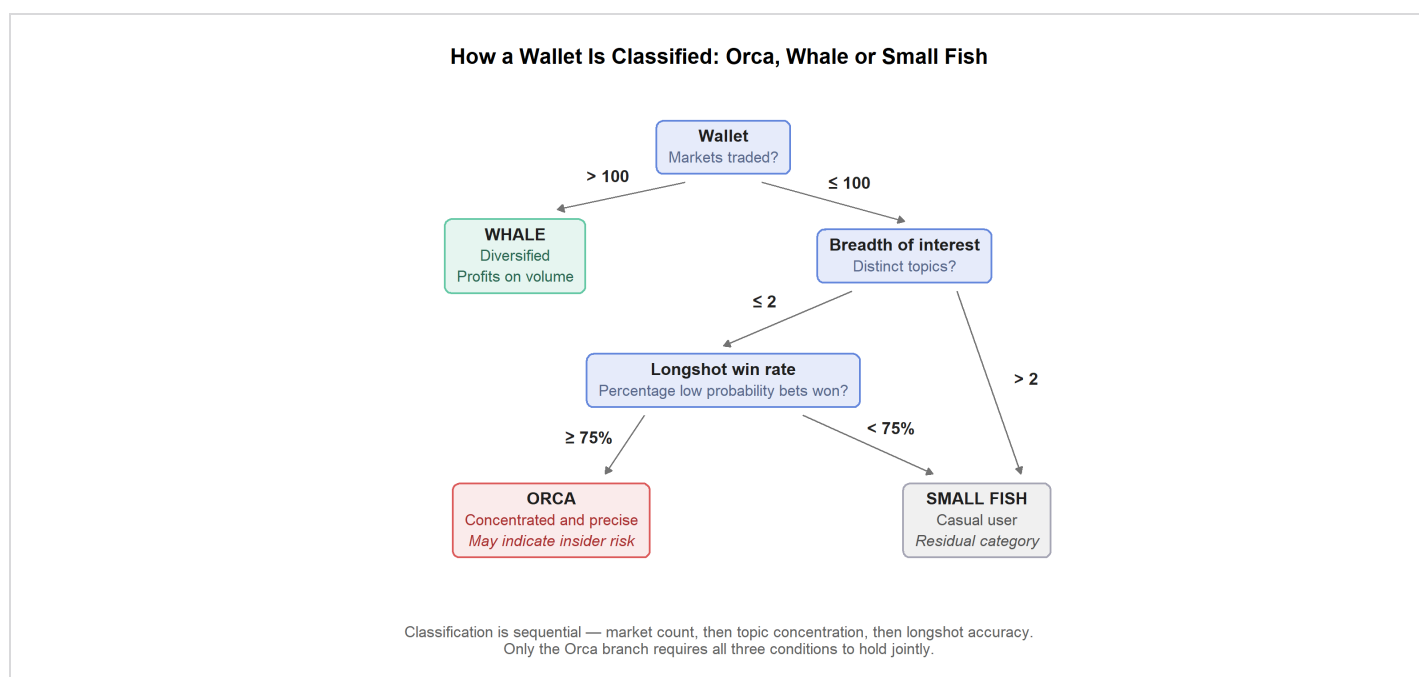


FIGURE 2

AUTOMATED WHALES: BOTS

Within the pack of Whales, we understood some were likely automated and not fully controlled by human bettors (see Box 4). The transparency of trades in real time provides ample information for algorithms to flourish. These around-the-clock AI-powered users require no sleep and can bet all hours of the day.

BOX 4: BOT DEFINITION

Automated wallet that bet each hour out of the day, evenly and without breaks.

No hour segment (such as 1-2am or 1-2pm) has less than 2% of the number of trades.

Using a conservative model for automated Bot users (Box 4), ACDC found:

- 760 wallets, or 6% of all longshot wallets, were identified as automated.
- Despite representing 6% of all wallets, automated wallets made two-thirds of all trades by longshot wallets across all markets.
- 166 of the 760 Bot wallets were part of clusters, spread over 91 distinct clusters.
- Automated wallets made 18.1% of profits and represented a quarter of the top 1% of entities when considering clusters containing at least one Bot.
- Automated wallets were more prominent in military markets, where they represented 11.6% of wallets and 28.5% of profits.

The extreme profit concentration identified in Section 1 appears to be driven to a significant degree by automated trading. Bots also amplify insider signals.

COMPARING BEHAVIOURS

We compared Bots, Whales, Orcas and Small Fish on a variety of metrics. We observe four interesting differences.

First, **more than half of Orcas make their first longshot bet within two days of creating an account on Polymarket** (Figure 3). This strongly suggests the user is joining the platform specifically to immediately capitalize on privileged information. In fact, nearly half of Orcas (45%) made their first longshot bet within one day of their first trade, compared to 6.5% of Bots and 8% of Whales.

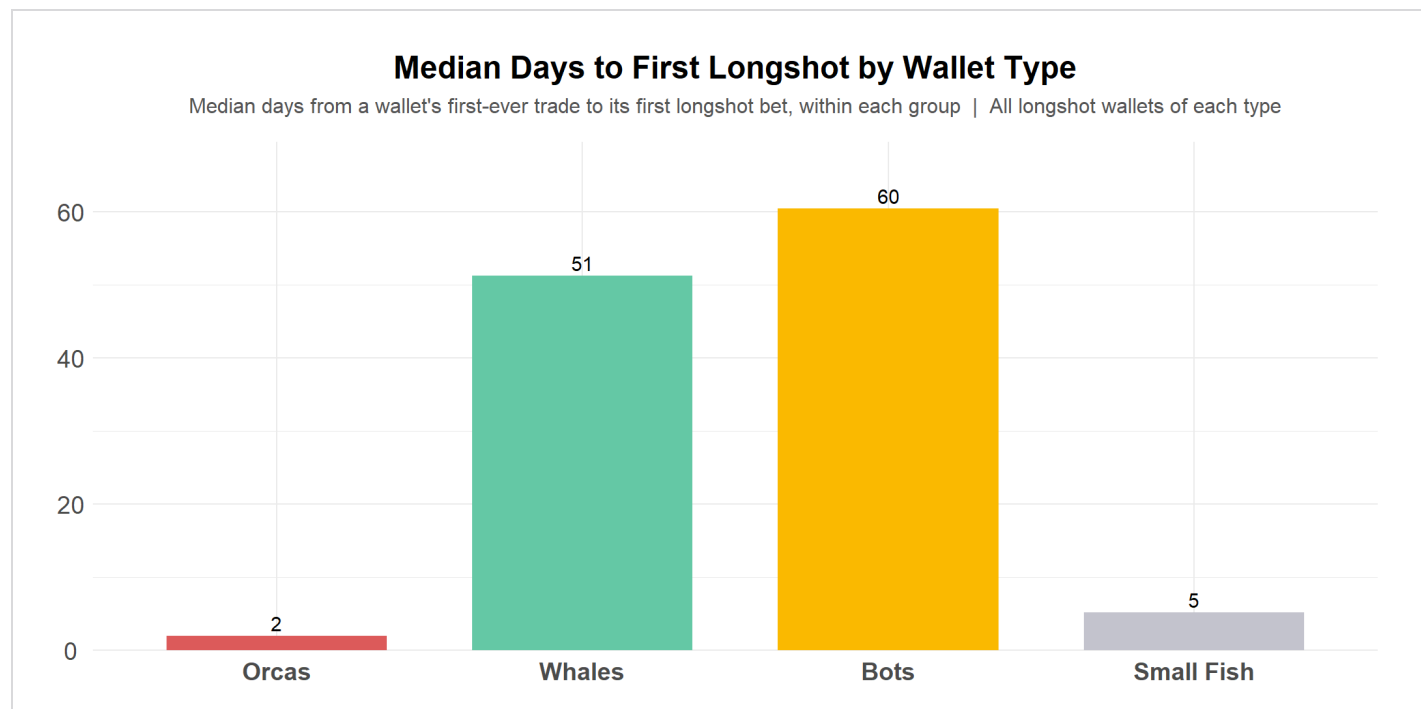


FIGURE 3

Second, **while Orcas spend less overall on Polymarket, they spend more on each longshot bet and these bets represent a higher share of their total betting volume.** This potentially indicates both that they have less capital at their disposal but also a higher willingness to risk most of their funds on low probability outcomes. The average longshot bet by an Orca wallet is around \$7,000, compared to around \$5,000 for Whales and Bots. On average, longshot bets represent 43% of all bets by Orcas, while they represent a tiny fraction of bets for Whales and Bots (see Table 1).

Surprisingly, Small Fish, which are by definition non-specialists, also place large longshot bets. However, due to their low success rate, they post a large loss (Figure 4).

TABLE 1 • AVERAGE BETTING HABITS OF ORCAS, WHALES AND BOTS ACROSS ALL MARKETS

WALLET TYPE	AVERAGE TOTAL VOLUME BET	AVERAGE VOLUME BET ON LONGSHOTS	AVERAGE % OF VOLUME BET ON LONGSHOTS	AVERAGE SIZE OF LONGSHOT BET
Orcas	\$231K	\$20K	42.8%	\$7K
Whales	\$3M	\$106K	5.7%	\$5K
Bots	\$7M	\$129K	3.3%	\$5K

Table 1: Average betting habits of Orcas, Whales and Bots across all markets

However, even with just relatively small sums, Orcas do extraordinarily well on the platform, achieving outstanding returns compared to the two other wallet types. On average, **Orcas make a return of 132% on their total bets on Polymarket** (Figure 4). The comparable figures for Whales and Bots are not only much lower, but are actually losses of -2% and -1%.

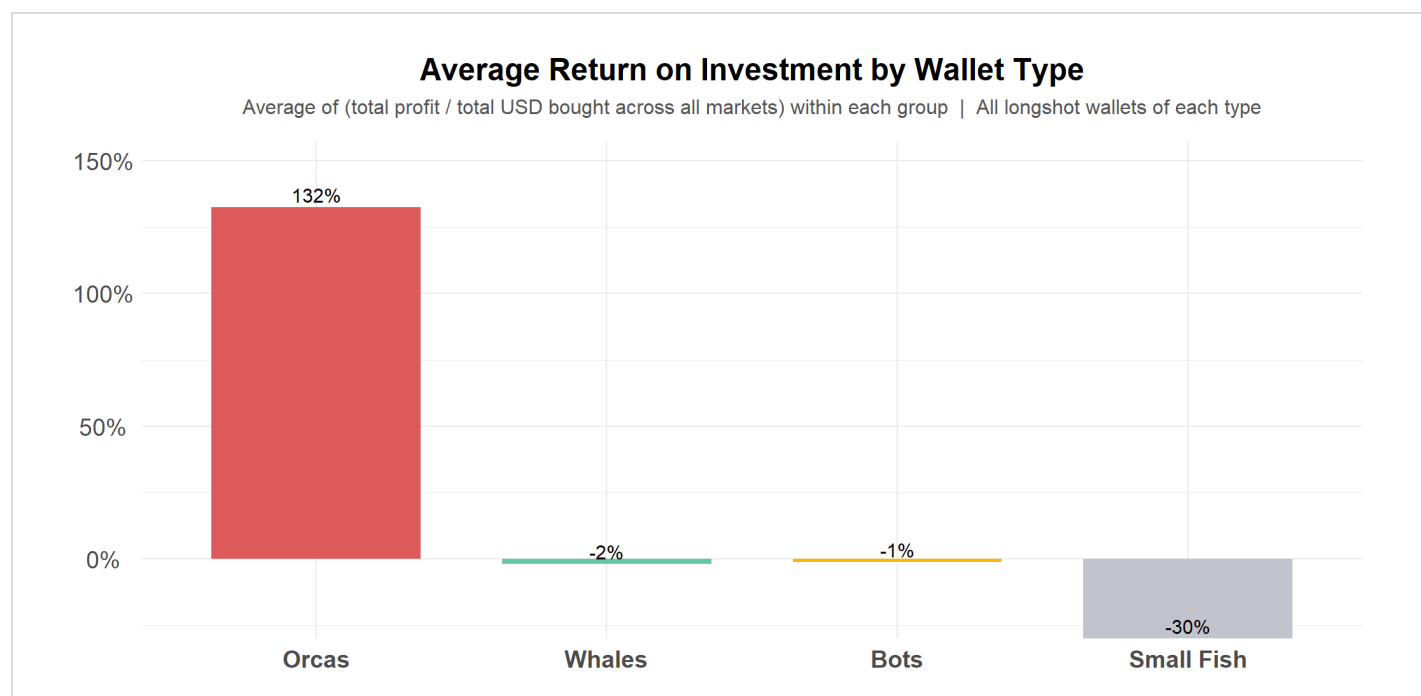


FIGURE 4

Taken together, we see that **Orcas comprise just a small share of the total number of longshot wallets, but take home a disproportionate share of the profits**, more than triple their share (Figure 5). Whales take home less than one and a half times their share. In the reverse, Small Fish, representing almost two-thirds of all longshot wallets, only take home 19% of the profits, just less than a third of their share. This is well explained by their average return of investment of -30%.

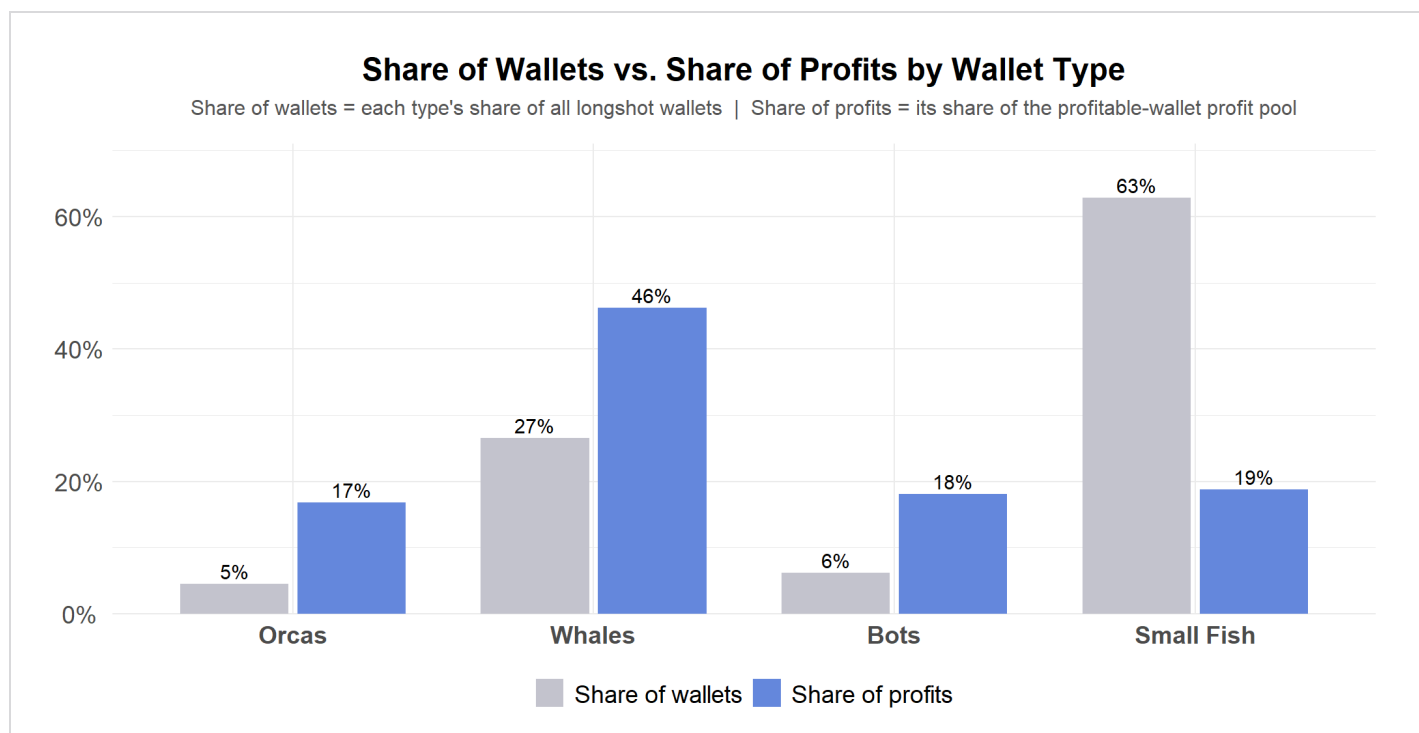


FIGURE 5

3. INSIDERS IN MILITARY MARKETS

In our previous report, ACDC found that military markets have the highest longshot success rate and present an outsized insider trading risk. To better understand the distinction between Whales, Bots and Orcas, we drilled down into this single topic. Our analysis shows that military markets are especially profitable for longshot betters. The median return for longshot wallets that bet on military markets is positive, \$98, while the median return for longshot wallets who bet only on other markets is a loss of \$1,493.

Our findings suggest that Whales and Bots may be capturing the majority of profits when insider knowledge enters the information ecosystem. This is a perfectly legal means of profiting from the illegal actions of others. But there are even more grave national security implications. **As every trade on Polymarket is visible in real time, an insider who uses confidential or secret military information to place bets may be exposing that information publicly.** Whales and Bots are not the only ones who may react to that information, as it is equally available to military adversaries. The reactions of Whales and Bots can amplify the signal, making it more likely that betting on insider information is noticed by adversaries.

ORCA WALLETS IN MILITARY MARKETS

We found 152 Orca wallets that placed bets in military markets.⁴ These wallets placed \$2 million on military longshots with a win rate of 97.2% and earned profits of \$8 million, averaging \$52,514 per wallet.

Given the national security implications of military insider trading, investigating these wallets would be resources well spent. This is a far more manageable volume compared to the 560 total wallets making successful longshot bets in military markets. Even within the Orcas subset, there may be lucky new users, well-informed users, or users watching for signs of insider activity. Only unmasking the true identity of the users with the subpoena power held by law enforcement agencies can definitively identify the true insiders.

BOX 5: THE BUBBLEMAPS CLUSTER

Bubblemaps, a blockchain analytics firm, has [shown](#) that nine linked accounts generated \$2.4 million in profits from Iran war bets, with a 98% win rate. We checked our criteria against this cluster⁵ and found that the majority of the wallets and associated profits fulfilled our definition.

- Six of the nine wallets identified by Bubblemaps qualified as Orcas. They earned almost all the profits.
- Two wallets did not win any of their longshot bets. They earned only 5% of the profits made by the group.
- One wallet did not make any bet that qualified as a longshot, and earned 10% of the profits.

⁴ Because potential insiders would have an informational advantage, we defined an Orca within the context of military markets as one with a 75% or higher longshot win rate in military markets specifically, alongside the caps on the number of markets and categories.

⁵ The coordination between these wallets appears to be more sophisticated than the large, direct, first-layer coordination we used to group longshot wallets into clusters. They are possibly using indirect connections, routed through several intermediary hops, or involving amounts too small to meet our thresholds. Detecting these relationships requires dedicated expertise and blockchain-forensics tools, such as Bubblemaps or Crystal Intelligence, applied on a case-by-case basis.

DO WHALES FOLLOW ORCAS?

Out of 1,432 longshot wallets betting on military markets, there are 152 Orcas, 482 Whales and 166 Bots together in the Polymarket ecosystem. In order to test whether Whales and Bots are listening for signals made by potential insiders and responding accordingly, we examined the sequencing of bets by Orcas, Whales and Bots. If Orcas bet after Whales or Bots, this might indicate smaller traders betting with the Whale and Bot consensus, rather than asymmetric information held by an Orca. But if Orcas bet first, placing their bets against the current market sentiment and were later found to be correct, this may indicate they had access to an informational advantage that made the bet far less risky than it appeared to the rest of the market. The transparency of bets in real time allows whales and orcas to see bets on the platform and respond, and there exist numerous whale watcher and insider risk tools that provide alerts when high volume, profitable wallets or wallets with insider risk indicators, akin to whales and orcas, place bets.

Wallets betting on military markets show two major spikes in activity, aligning with the June 2025 and February 2026 US and Israeli strikes against Iran. In both periods, Polymarket hosted a number of markets on whether strikes would occur, each with a different end date. All of these markets resolved on the dates of the strikes themselves (June 21, 2025 and February 28, 2026). Anyone with prior knowledge of the events could have profited across any number of these markets.

In both cases, longshot bets by Orcas preceded longshot bets by Whales and Bots. This supports the hypothesis that Whales and Bots, which observe transactions on the blockchain, may enter the market in response to signs of insider trading like risky longshot bets by fresh or low-activity wallets, akin to Orcas.

Figure 6 focuses on the June 2025 strikes and Figure 7 on the February 2026 strikes. Each chart shows Orcas (red), Whales (green) and Bots (yellow). The horizontal axis marks the date a wallet placed its first winning longshot bet, and the vertical axis shows the cumulative volume that wallet bet on the winning outcome, both longshot bets and other bets, across all military markets that ended because of the strikes on those dates. The size of each dot indicates how many longshot bets the wallet placed in any market that ended on the specified date.

The June 2025 markets of Figure 6 are quieter than February 2026 markets, but the few wallets involved makes the pattern clearer to observe. The first longshot is made by an Orca more than a week before the strikes. Additionally, an Orca placed a bet 13 hours before the strike that was followed up by a major Bot total bet of more than \$200,000 and another Whale betting \$100,000. This Orca, and another betting similarly, will be discussed later as part of a case study.

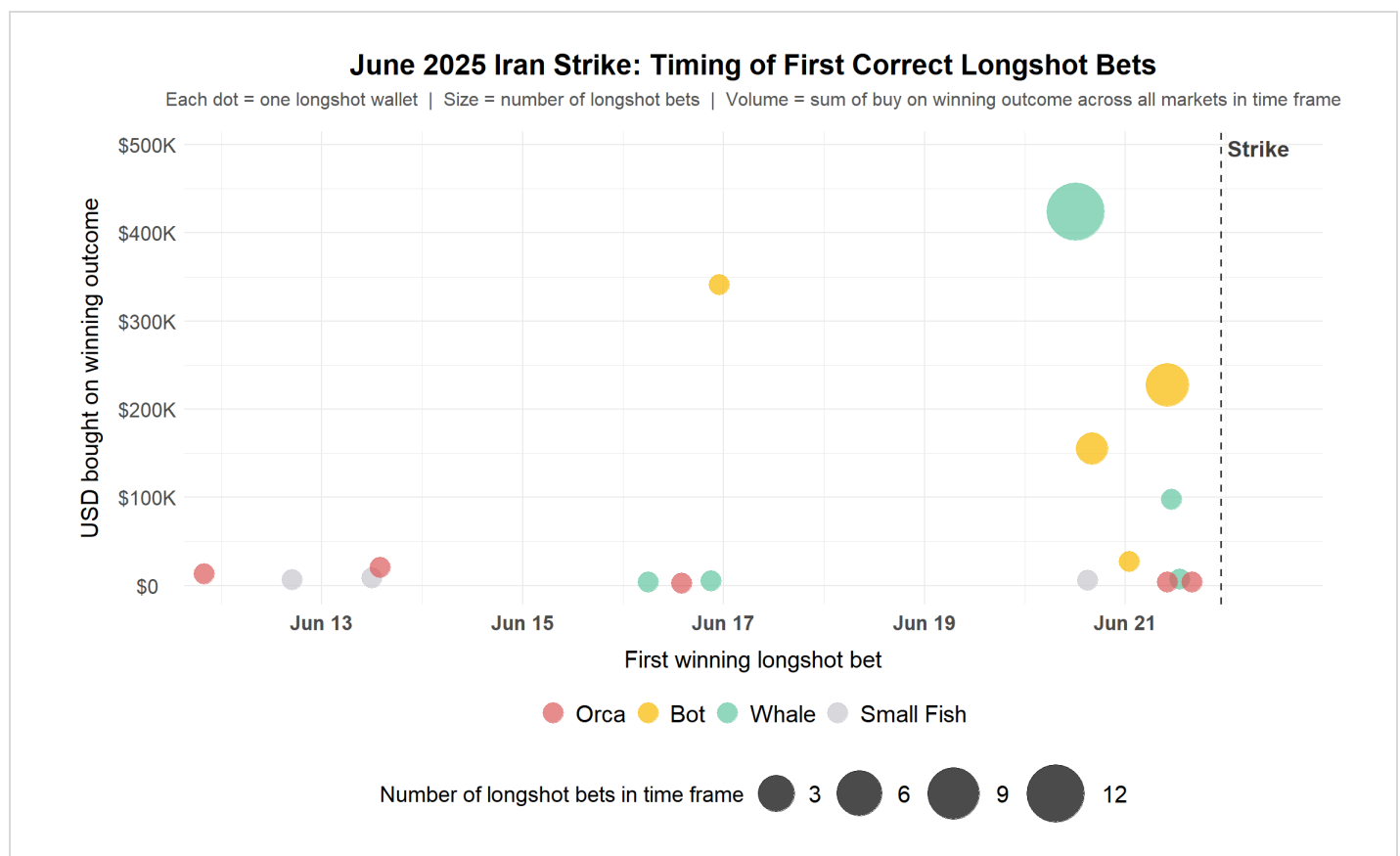


FIGURE 6

The February 2026 markets, shown in Figure 7, have significantly more trading happening and longshot bets being placed. The first Orcas to make longshot bets make them before the first Whales and Bots, though given this happened a month before the strikes this may have been more luck than information advantage. The most interesting activity happens around February 16, when a flurry of Orcas make their first bets, with Bots then Whales making their first longshot bets shortly after. Over the coming days, Whales and Bots that accumulate millions on winning outcomes place their first longshot bets, with the initial flurry of Orca longshots appearing to create a bounce effect. There is another significant flurry of activity in the 48 hours leading up to the strike, with 20 new Orcas placing longshot bets, compared with only eight Whales or Bots.

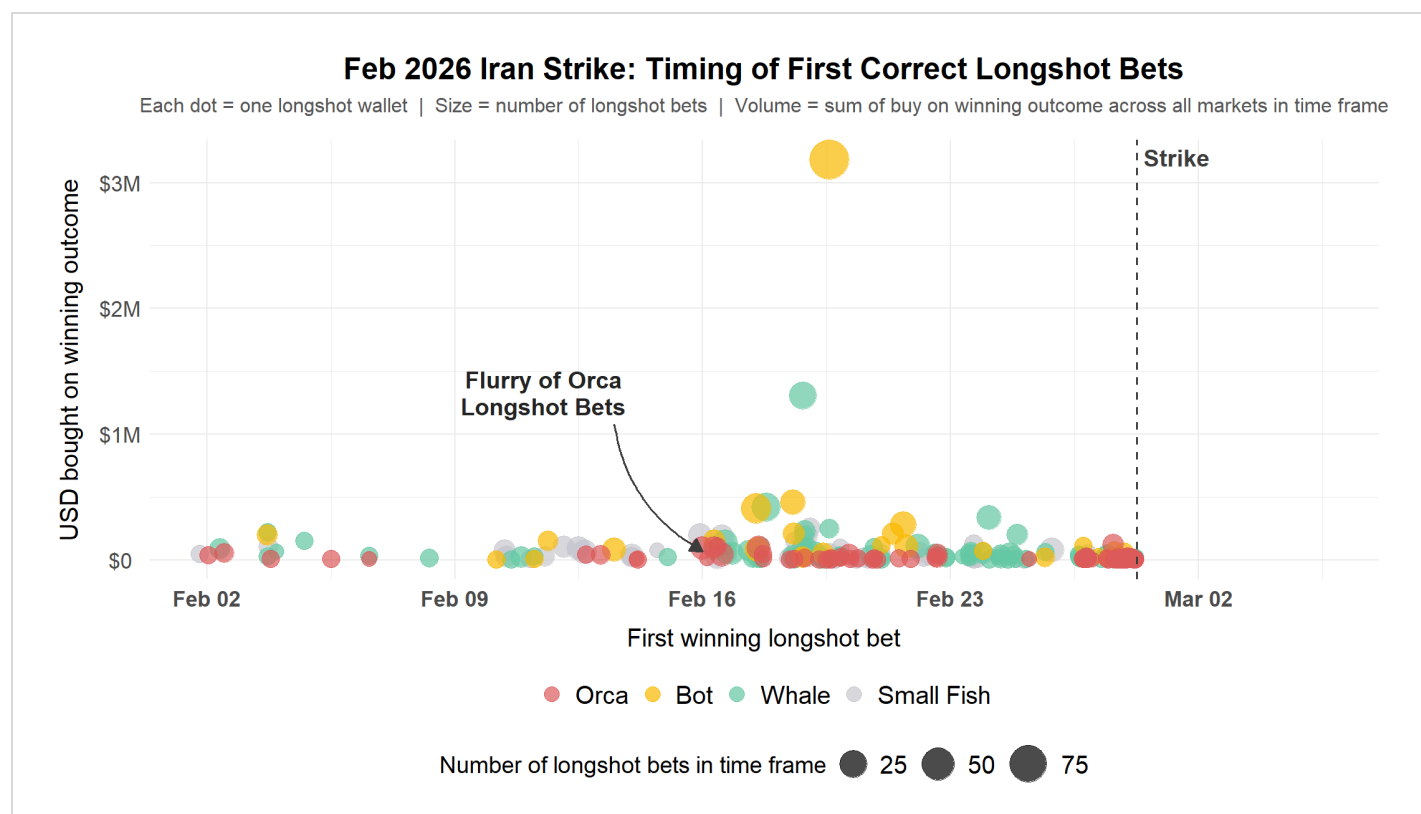


FIGURE 7

WHO PROFITS FROM MILITARY MARKETS?

Despite in some cases starting the cascade that led to Whales and Bots taking longshot bets, only a small portion of profits made by longshot wallets betting in military markets are made by Orcas. Orcas represent **10.6% of all longshot wallets betting on military markets, but only 6.9% of profits**. Given these proportions, if there is insider activity, other copycat wallets, such as Whales and Bots, are likely reaping the majority of the profits. Profits are concentrated in a small group of top performers, and Whales and Bots dominate this group. **There are no Orcas in the top 1% and they are under-represented in the top 10%**, where Bots and Whales represent the majority of top 10% wallets.

However, in this case profit concentration is about volume, not returns. Consistent with a profile of non-professional traders with insider knowledge but lower capital volumes at their disposal, Orcas place more of their funds on risky longshots and make higher returns. Figure 8 shows their average returns are roughly 167 times larger than the other two categories. **Forty-seven percent of Orcas that bet in military markets at least doubled their money**, while Bots and Whales are making a few percent at best. The median Orca bet only \$34,631, while the median Whale bets 100 times this, at \$3.3 million.

Orcas would be dominating profits if they had the same initial investment as Whales and Bots, as their returns on investment are significantly higher. This capital advantage is how Whales and Bots can dominate profits, even over those potentially with asymmetric knowledge advantages.

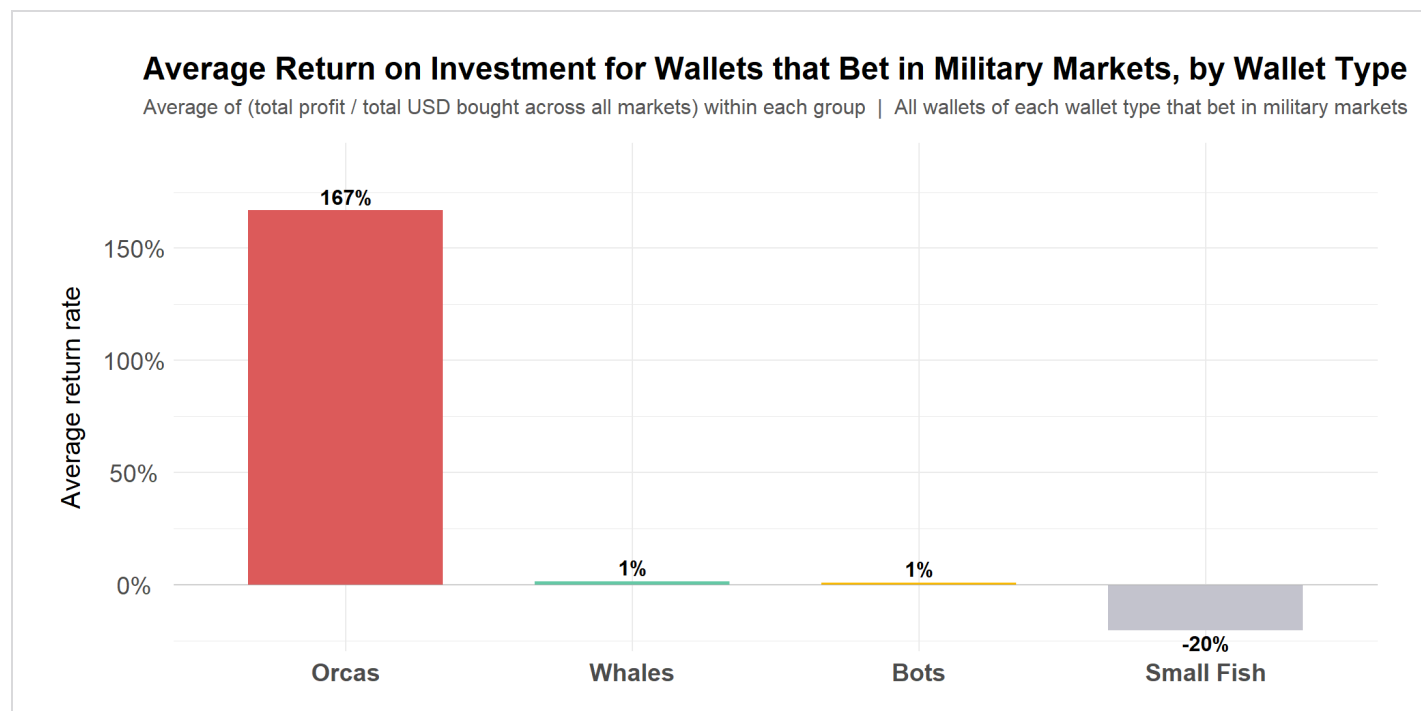


FIGURE 8

4. FUNDING & WITHDRAWALS

While other prediction markets operate with US dollars, Polymarket uses cryptocurrency. In addition to betting behaviour, another window onto potential insiders may come from watching what they do after a winning position resolves. Users have the option to use nationally-based, regulated cryptocurrency exchanges that use Know Your Customer compliance and anti-money laundering regulation, more akin to traditional banking. They also have the option to use de-centralized or offshore exchanges that do not undergo this compliance, along with a variety of crypto tools that can create distance and add layers between their winnings from Polymarket and their fiat currency accounts, making it even more challenging to identify the user and any potential suspicious activity. In the case of the U.S. soldier [charged](#) with trading on classified information on Venezuela, prosecutors allege that he moved the bulk of his proceeds off Polymarket the same day, routed them to a foreign cryptocurrency vault and then deposited the funds into a newly created brokerage account.

BOX 6: CRYPTO INFRASTRUCTURE

Polygon data shows transactions into a wallet and shows where the wallet cashes out, with viewing the rest of the chain possible with further crypto analysis. Similarly to traditional finance, there are a variety of types of crypto companies, accounts and exchange businesses that are used to send and receive cryptocurrency. Different users may have preferences to use different styles of companies and accounts depending on their goals. In order to deposit funds onto their Polymarket wallet to place bets on Polymarket, users will use the wider crypto infrastructure to move funds from another crypto wallet, or converting to crypto from an account based in the world of traditional finance.

- **Exchange (or centralized exchange):** A company such as Coinbase, Binance, OKX, Bitget or Kraken where users buy, sell and convert cryptocurrency, including swapping between crypto and traditional fiat money, like the US dollar. Because these are regulated businesses that typically verify their customers' identities, funds passing through them can, with the appropriate subpoena power, often be traced back to a named individual.
- **"Hot wallets":** Infrastructure wallets that exchanges use to pool many customers' funds together and are not unique to a given customer.
- **Decentralized exchange (DEX):** A platform such as Uniswap that swaps one cryptocurrency for another automatically through code, with no company holding the funds and no identity checks. Trades happen directly on-chain between wallets.
- **Bridge:** A service that moves funds from one blockchain to another. For example, moving funds from the popular chain Ethereum onto Polygon so that someone can place a bet on Polymarket. On the Polygon chain, the only visible counterparty is the bridge itself, not where the money originated. This effectively breaks the on-chain trail at the point of crossing without using more sophisticated tracing tools.

We labelled each wallet that sent or received funds to or from a longshot wallet on Polygon using a library built from tools that label cryptowallets. This is a first-layer assessment as it only captures the immediate source or destination, not the full chain to determine the origin source of the funds or its ultimately final destination. To focus just on those markets most susceptible to insider trading, for the analysis below we only look at longshot wallets that bet on military matters.

Compared with Whales and Bots, Orcas display distinct behaviours in their choices of exchanges, bridges, decentralized exchanges (DEX) and other cryptocurrency infrastructure

INFLOWS

Figure 9 shows the percentage of wallets that used each of the top five exchanges, bridges and DEX as an inflow, funding mechanism, to the Polymarket wallet. Compared to Whales and Bots, Orcas are often funded from Relay.link. Relay.link is a cross-chain bridge that moves money from other blockchains, such as Ethereum, onto Polygon to bet on Polymarket. Because the funds cross from another chain, Polygon data shows only the bridge as the source, not the true origin. That makes these wallets far harder to trace than longshots that fund directly from exchanges (Binance, OKX, Coinbase, Bitget, Kraken) or DEX swaps like Uniswap, but in certain cases, it's possible to follow the funds using crypto currency tools.

Orcas are also more likely than Whales and Bots to receive funds from Coinbase. This suggests they convert their initial capital from fiat currency rather than bringing in funds from the wider crypto ecosystem, a sign they may be non-crypto natives. They are also far less likely to use Uniswap, a decentralized exchange. Decentralized exchanges are based on code rather than something more akin to a traditional financial institution with customer service, which may be intimidating for new crypto users. Both these signs suggest Orcas may be less familiar or have a shorter history with the wider crypto ecosystem than Whales and Bots.

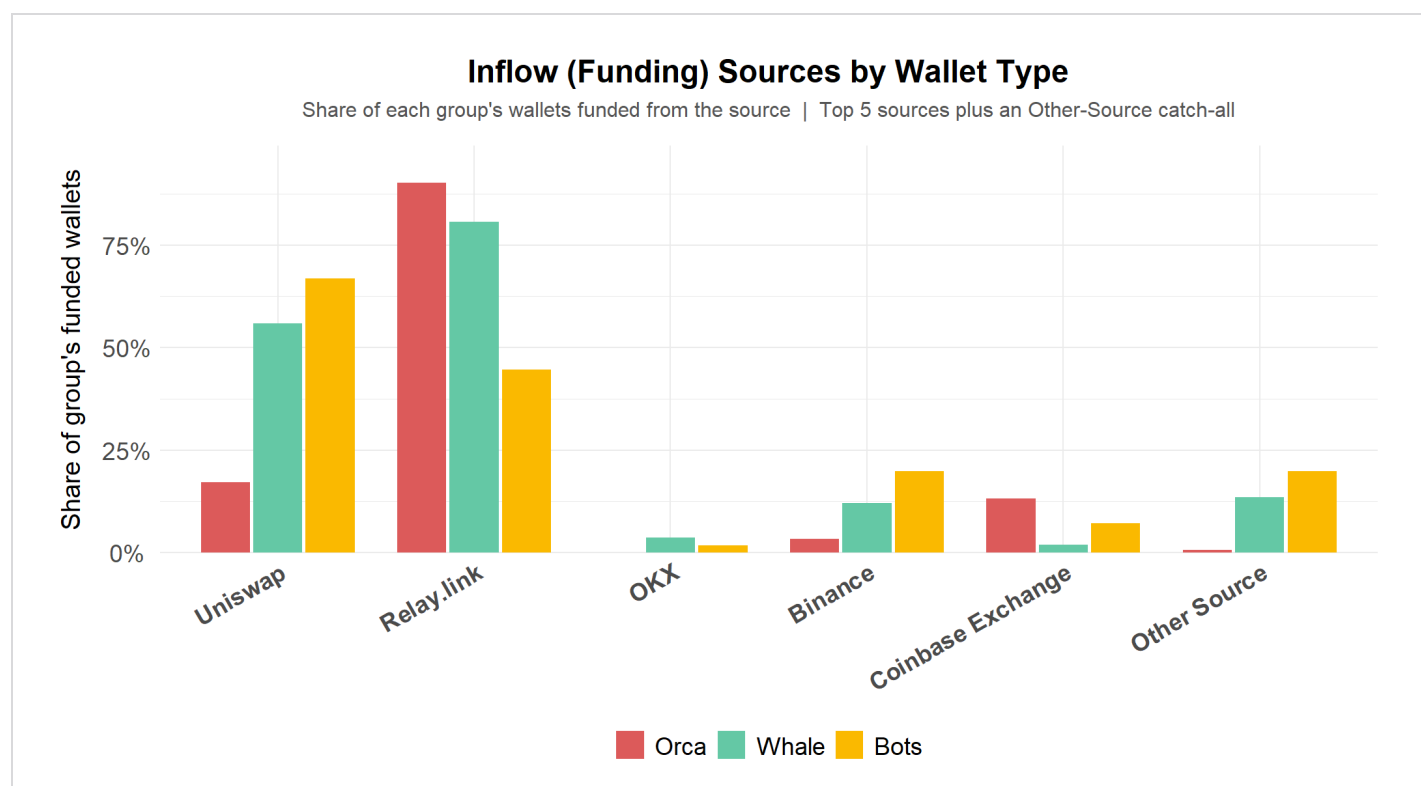


FIGURE 9

OUTFLOWS

Figure 10 shows the share of a group's wallets that ever used each exchange, bridge or DEX to cash out their winnings. We see a similar pattern to inflows, but a higher reliance on Coinbase. This may suggest Orcas are more likely to convert winnings to fiat currency via Coinbase, versus recycling it into the wider crypto ecosystem.

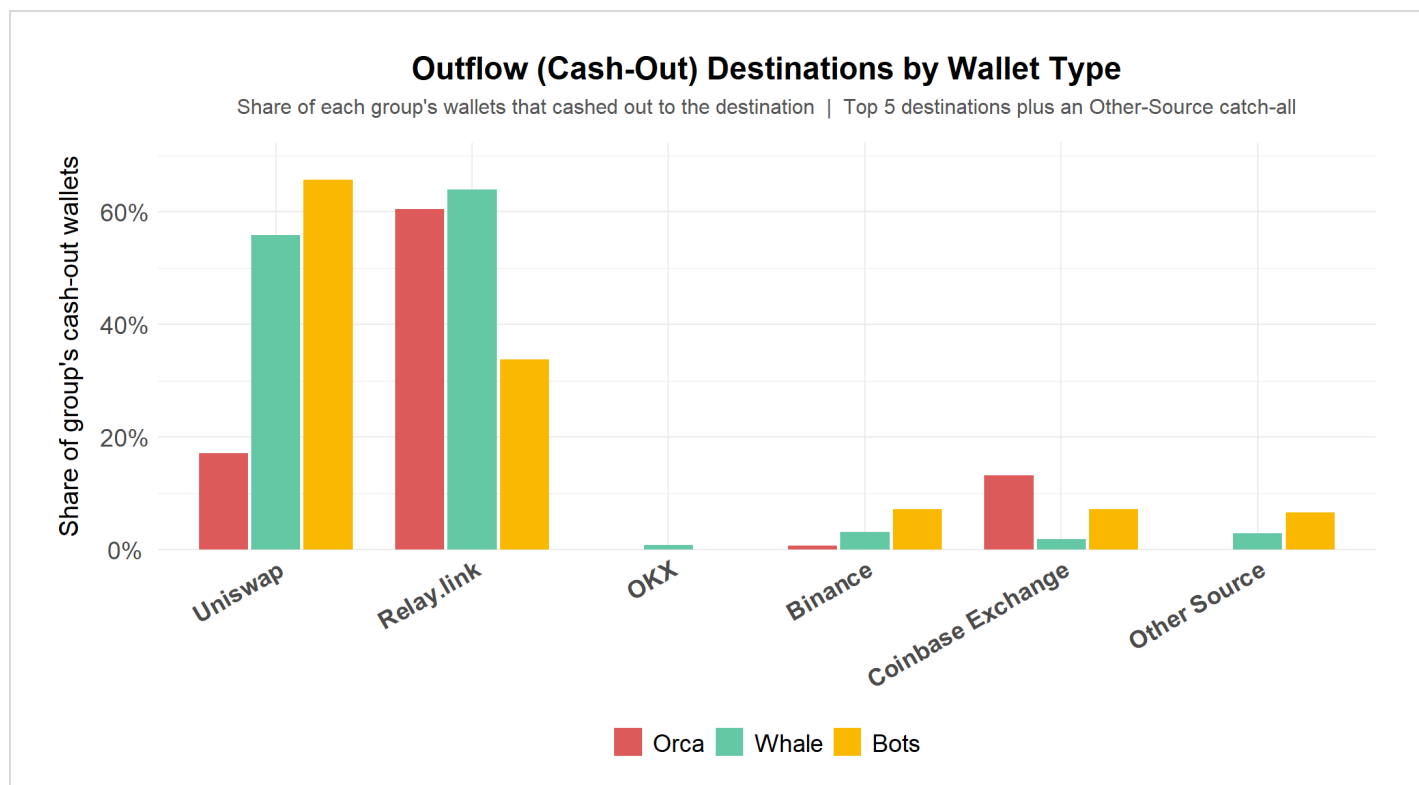


FIGURE 10

CASE STUDY: FOLLOWING THE MONEY THAT BET ON IRAN

Blockchain analytics tools such as Crystal Intelligence can unlock insights into the flow of funds to these Polymarket wallets, but they are still limited. The transparency of the blockchain means every trade is visible, as is every transaction completed by a Polymarket account to fund and cash out their account. However, uncovering who they are, who they are linked to and the ultimate source of their funds remains elusive in many cases.

For law enforcement, even widely publicized cases of potential insider trading take months to result in criminal charges. A Google employee was [charged](#) in May 2026 by the US Department of Justice for insider trading on trades that took place between October and December 2025. Media reporting [identified](#) the account in early December 2025, six months before the eventual charges. In the highly-publicised case of the U.S. soldier betting on Venezuela, there was a three month gap between media reporting and filing of criminal charges.

In crypto, following the money is possible but often unsatisfying: every transaction is visible on-chain, yet the trail rarely leads to a real-world identity or even a personal wallet with a single owner.

Orca 0x88e6

To illustrate this, we revisited an Orca, 0x88e6, identified in [reporting](#) by Paper Trail Media and Der Standard as user “0xoracle” based on the June 2025 case study from our previous report.

The user “0xoracle” placed their first longshot bet the day of the strikes. They placed their last bet only one hour before the strikes. “0xoracle” bet almost \$4,000 in total, with some bets at prices as low as five cents, equating to a 5% probability. After the strikes happened, “0xoracle” won over \$20,000.

One of the objectives of the strike was to destroy the Fordow nuclear facility, an outcome also offered as a market on Polymarket. Prior to the strikes, “0xoracle” had not placed a bet in this market. Even if they were an insider, they wouldn’t have known the outcome of the strikes before they actually occurred. An hour after the strikes, “0xoracle” then placed a bet on the destruction of Fordow. In the evening of the strike, they bet more than \$14,000 on the destruction of Fordow.

Prices fell as public sentiment remained uncertain about Fordow’s status. “0xoracle” continued to bet more than \$4,000. After several days, the markets were settled when it was confirmed the facility had been destroyed and “0xoracle” won again, over \$13,000.

BOX 7: “OXORACLE” PROFILE

Based on an analysis of all of “Oxoracle”'s trades on Polymarket, they are an Orca.

1. They bet in only 13 markets
2. They placed bets in 2 categories, political and culture
3. Their longshot win rate was 100%

Their initial investment was \$8,819. The wallet joined Polymarket the day of the strikes, with no prior trading history when it made the initial longshot bet on the Iran strike. In the end, “Oxoracle” squanders their winnings, making losses in all but one subsequent market not related to the Iran 2025 strikes.

The Origins of “Oxoracle”'s Funds

Using Crystal Intelligence, we found the wallet was funded prior to its longshot bets with \$8,767 routed through SushiSwap, a decentralized exchange that in this case converted standard USDC into USDC.e. USDC.e was a bridged form of the USDC dollar stablecoin that Polymarket required for trades at the time, before the platform's later move to pUSD. This initial funding, shown in black in Figure 11, financed the wallet's Polymarket bets (yellow, orange and green). The wallet won, receiving several times its stake back from Polymarket (the dotted yellow, orange and green lines). The wallet continued betting in other markets (marked in red), but returned less than was originally bet (marked by dotted red), losing the initial capital.

Tracing the source of the funds that “Oxoracle” (wallet 0x88e6) sent to SushiSwap leads to wallet 0xeeb17, shown at the far left of Figure 11 as the endpoint of the black funding line.

“Oxoracle” was not the only trader on the June 2025 markets funded this way. A second, highly profitable Orca, 0xc0a, drew on the same source: money flowed from 0xeeb17 to SushiSwap to its Polymarket account (the light grey lines mark multiple inflows along this identical route). 0xc0a then collected substantial winnings from Polymarket on the bets it placed with those funds, shown by the blue (bets) and dotted blue (winnings) lines.

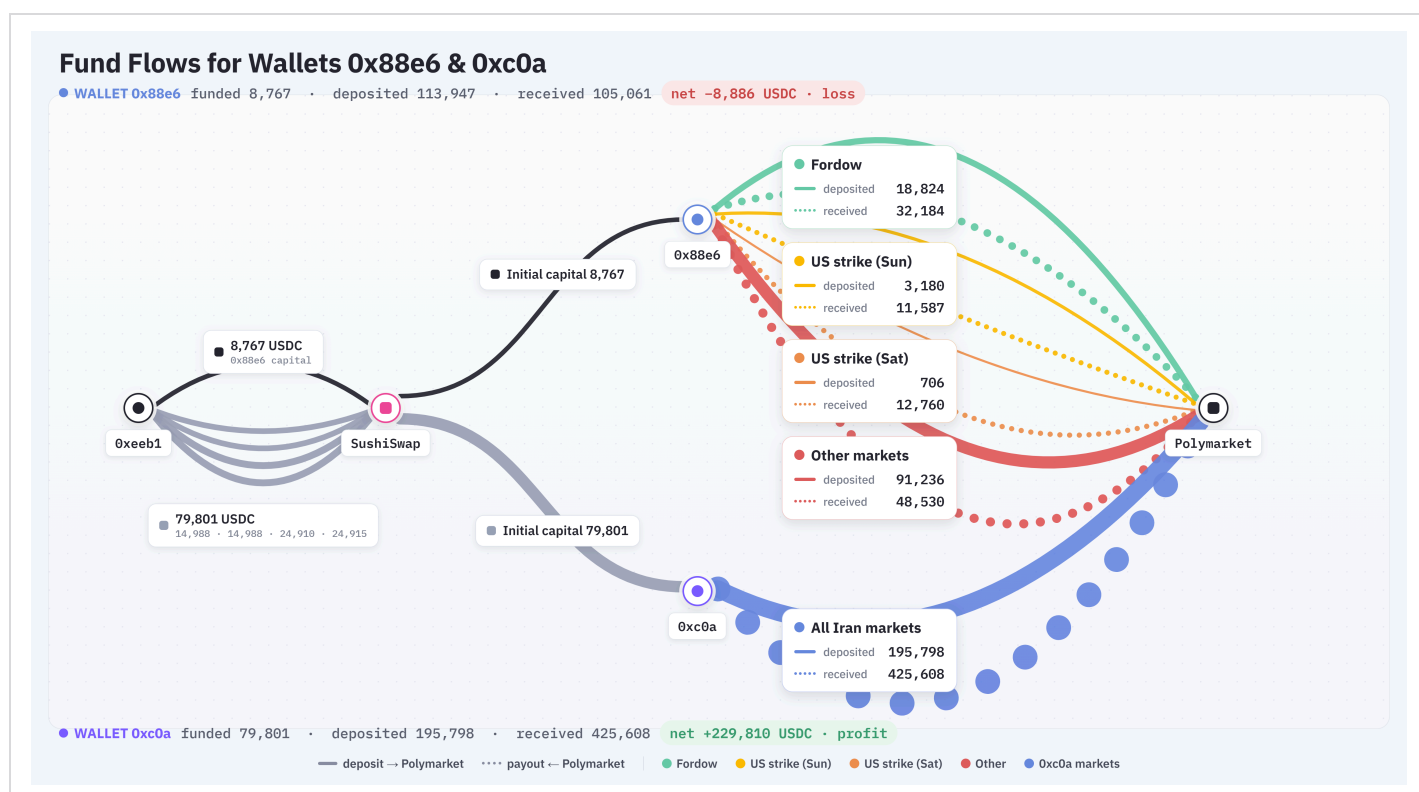


FIGURE 11

Figure 11: The flow of funds that inflow into wallets 0x88e6 and 0xc0a and their subsequent bets to Polymarket and winnings from Polymarket, based on Crystal Intelligence data.

BOX 8: 0XC0A PROFILE

Based on an analysis of all of 0xc0a trades on Polymarket, they are an Orca.

1. They bet in only 5 markets
2. They placed bets in a single topic all focused on military activities related to Iran 2025
3. Their longshot win rate was 100%

Their initial investment was \$79,988. Their highest profits were on less precise markets than those with the highest risk for insiders, winning more than \$165,000 profits on whether the US and Israel would attack Iran before July, not a specific day. Their total profits were \$229,809. This places it in the top 5% most profitable longshot wallets and 13th most profitable military Orca. The wallet joined Polymarket ten days before the strikes, with no prior trading history when it made the initial longshot bet on the Iran strike. After the strikes, it never bet again.

Figure 12 demonstrates the flow of funds into the wallet and subsequent returns on their successful bets. The yellow lines represent the amount bet in each market, with the green lines representing the multi-fold returns back to the wallet from winning bets.

Wallet 0xc0a Fund Flow

Wallet 0xc0a funding 79,801 USDC via Sushi Swap, deposited total of 195,798 USDC into Polymarket, won total of 425,608 USDC from Polymarket, **net profits 229,810 USDC**. No outflow past proceeds.

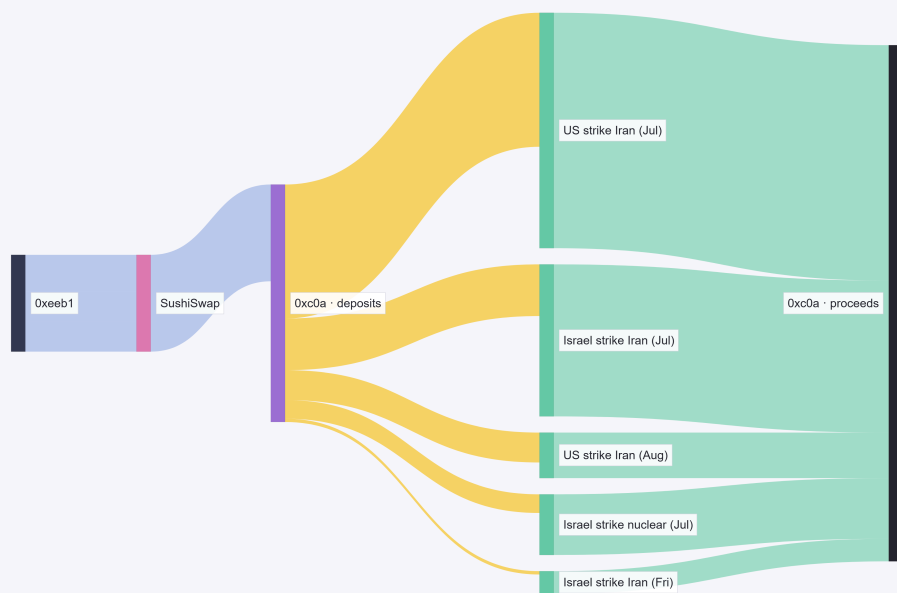


FIGURE 12

Figure 12: The flow of funds that inflow into wallets 0xc0a and its subsequent bets to Polymarket and winnings from Polymarket, based on Crystal Intelligence data.

Wallet 0xeeb17 that funds each account (at the far left of Figure 11) appears to be a **routing wallet**: a wallet that does not belong to an end user but exists to move funds between services, forwarding money onward for a particular user, similar to a “hot” wallet. It holds many currencies, including Ethereum, USDC, Tether (USDT) and Bitcoin among others, and operate across multiple blockchains, including Polygon, Ethereum and Base. On Polygon, its behaviour is consistent with a routing wallet rather than an individual trader: it draws funds from relayers (services that forward transactions or funds on someone else’s behalf), bridges and cross-chain exchanges, then forwards large sums onward to SushiSwap and Polymarket.

Its profile on Crystal Intelligence is further evidence this is a routing wallet. Of roughly \$26 million in total inflows, \$6.8 million came from a relayer and a further \$1.2 million from the Relay.link bridge, while cross-chain exchanges such as Mayan Finance contributed \$6.1 million. On the outflow side, the apparent routing wallet 0xeeb17 sent \$20 million to SushiSwap, the same path taken in our case study, and \$5.9 million to Polymarket and Polymarket accounts. Figure 13 breaks down these inflows and outflows.

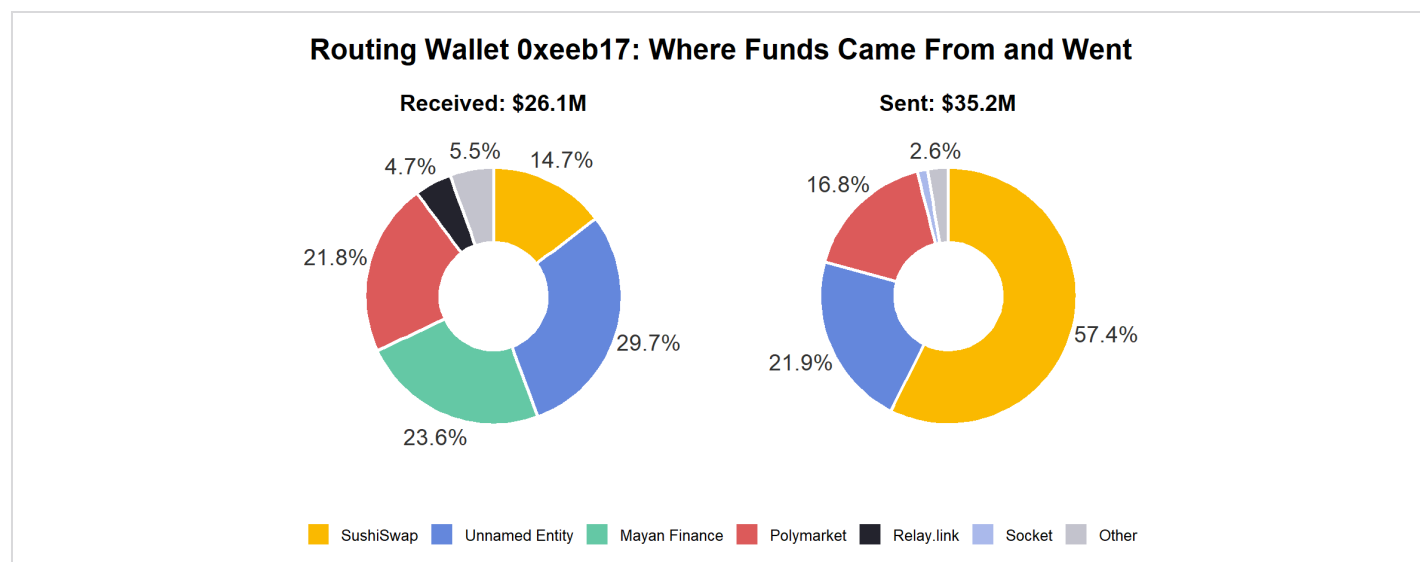


FIGURE 13

Figure 13: Breakdown of the source and destination of funds sent and received by routing wallet 0xeeb17, according to Crystal Intelligence data. On the left is the percentage of received funds from exchanges, relayers, Polymarket and unidentified sources. On the right is the percentage of sent funds to exchanges, relayers, Polymarket and unidentified sources.

Two orcas using this routing wallets does not indicate they are connected or related in any way, simply that they are using the same infrastructure to fund their accounts. Given the routing wallet is not unique to any one person, it cannot be used to identify the end user easily. As a result, this is where the trail ends. Law enforcement, with subpoena power and access to exchange records, may be able to push further, but routing wallets, shared hot wallets and the other tools used to shuttle funds across the crypto ecosystem are precisely what make that tracing so difficult.

5. CONCLUSION

The transparency that makes Polymarket data available to researchers and journalists is precisely what allows sophisticated traders to watch for insider-like signals and move in behind them with far larger sums. This ripple effect not only has national security implications, but deepens the inequality of the system, favouring those with technology and capital resources.

Those acting on non-public information may place the first bets, but they are rarely the ones who profit most. The bulk of the gains flow to larger wallets, positioned to capitalize on others' information advantage, in some cases legally profiting directly from illegal conduct that someone else has committed.

Transparency is not the same as accountability. The money trail from a Polymarket account is pseudonymous and routinely dead-ends at an exchange or hot wallet, beyond reach without subpoena power. And even when investigators have that power, inquiries take months to resolve conduct that the public can see and act on in real time. Self-regulation leaves oversight to the platforms, whose incentives may not be aligned with cracking down on insider trading, and formal enforcement arrives after the crime. Neither can keep pace with automated trading that executes in real time. Even just one trade on classified information is quickly amplified by bots and exposed by insider and whale watchers. To those who can read the signs, this is akin to a national security leak broadcast live on social media; there is no hope of containing the situation. Only outright bans on the highest-risk market segments can adequately address the risks and the structural imbalance they sustain.

Only outright bans on the highest-risk market segments can adequately address the risks and the structural imbalance they sustain.

RECOMMENDATIONS

We recommend that legislation and platform-level rules consider the following:

-
- 01 Identification verification for all users:** Polymarket should be required to collect government-issued identification for all bettors, enabling the identification of suspicious participants. The use of non-public government information for private gain is prohibited for government employees, including military personnel, making traceability critical for enforcement of Polymarket's new integrity rules.

 - 02 Conditional payouts for high-risk bets:** Bets identified as suspicious could be held and not paid out until the bettor's identity is verified and any potential conflicts of interest are assessed. If ID collection is not feasible, this approach could be applied selectively to high-risk bets.

 - 03 Restrictions on high-risk market types:** Certain categories of markets, particularly markets with group outcome makers, are structurally vulnerable to insider trading. The analysis suggests these risks are systematic rather than isolated, and restricting or prohibiting these markets should be considered.

 - 04 Limits on market precision:** Increasingly precise markets heighten insider risk by making non-public information more actionable and profitable. Where outright bans are not feasible, reducing the number or specificity of markets may help mitigate these risks.
-