

Cut Through, April 17, 2026: Why experts suspect insider trading in the White House
All timestamps are approximate

Crystal Andrews (00:00)

Hello and welcome to Cut Through, Crikey's spin-free analysis of Australian news, politics and power. I'm your host, Crystal Andrews. And as always, if you've been listening to us for a little while and you are not yet subscribed, haven't left a rating or are very small things you can do to help us grow as an independent media outlet in Australia. Today for this episode, I'm joined by contributor, Lachlan Keller to talk about the possibility.

that we might be seeing insider trading on major global events coming from inside the Trump administration. Lachlan, welcome to Cutthroat.

Lachlan Keller (00:32)

Thanks for having me.

Crystal Andrews (00:32)

I'm very excited to be speaking to you off the back of an article that you recently wrote for Crikey about this suspicious pattern of behavior and analysts have noticed regarding trading, particularly on oil commodities that seem to be almost too perfectly lined up to announcements made by President Donald Trump on the US-Israel war on Iran. Before we really get into the meat of this discussion, I think it's probably a good time upfront to do a bit of a

caveats and notes that we are going to maybe have to be quite careful with our language in this episode. A lot of what we're discussing is, you know, like I say, noticing the patterns and observations and not discussing things that have necessarily been definitively proven. ~ You know, even the fact that these systems are quite opaque is something that we'll get into and it's part of the discussion here. I can imagine for you writing on these topics, it can be annoying to put it bluntly to like have to use such couch language all the time.

Lachlan Keller (01:29)

No, it certainly is. we're by we're very, long way from having any definitive answers on this. ~ As we'll touch on the conversation, a few members of US Congress are, you know, alarm bells again, using catch language there too, about these patterns we are seeing. yeah, there's no investigations under underway, but we're just trying to highlight some of the concerning patterns that we are seeing.

Crystal Andrews (01:54)

Yes. And it's absolutely worth following. so for everybody listening and watching, if we sound overly cautious sometimes in this episode, that is, that's exactly why. So Lachlan, maybe a good place for us to start is with the oil trades that came just before the ceasefire announcements on the 8th of April. In layman's terms, like as much as possible, can you walk me through what happened here? Like what were the sequence of events that were raising alarms for people?

Lachlan Keller (02:20)

Yeah, certainly. I think a lot of people as the ceasefire were called, we're going to be looking at these markets to see if the pattern that had been established up until this point was going to continue. And lo and behold, it seems as though it has ~ up to roughly one billion US dollars was spent on placing bets right before, just like hours before that the ceasefire call was made. ~ Bets were made that the price of oil would fall dramatically. Now we might expect

the price of oil to fall under those conditions. The ceasefire, obviously with the war in Iran, that was sending the price of oil skyrocketing. So any tapering down or relaxing of the might cause the price of oil to plummet or to fall. And so \$1 billion in bets that that price would come down was placed just hours before the ceasefire was called.

And if you've ever seen the movie *The Big Short* with Christian Bale, that was a group of investors and financial sort of placing bets against the US economy in the lead up to the 2008 GFC. And that's exactly what's happened here. They were placing bets that the price of an underlying commodity, in this case, oil, would come down. I mentioned this was a continuation of a pattern. This is, you know, over last week's ceasefire call. But we also saw a similar

a sizable bet of \$500 million in similar bets being placed in just a few hours before Trump walked back plans ~ to attack Iranian infrastructure if the nation failed to open the straddle of Hormuz. So, you know, these were two significant bets ~ establishing quite a problematic pattern.

Crystal Andrews (04:08)

And yeah, on that point about them being significant bets, is unusually larger than what we would expect to see? Like, is that part of why some people are looking at this and saying it's more than just, reading the patterns of global events and reading the patterns of war negotiations?

Lachlan Keller (04:28)

Yeah, absolutely. The size of these bets all up between the two of them were about 1 % of total days trade in a very, very concentrated amount right before the announcement made in both instances. ~ yeah, certainly someone could have gotten very, very lucky to place such significant bets right before major announcements, but the size and the timing them definitely raises some eyebrows.

For context, both of these announcements did see the price of oil drop about 15 percent all in one go, which is a pretty significant drop on a market the size of oil, where hundreds of millions of dollars are traded every single day. Now, this isn't as I mentioned, this is a bit of an established pattern at this point. Last April, right around when Trump was announcing his Liberation Day tariff regime,

He did actually send it out all too well, unfortunately.

Crystal Andrews (05:23)

I'm sure everybody remembers that very well that day. It's etched in

etched in news memory.

Lachlan Keller (05:29)

And

on the same day that, around about that time, he did send out a post on his own social media platform, Truth Social, all kept saying, now is a good time to buy. And that was right before announcing a major tariff pause on major trading partners. And so of course that did raise some questions around market manipulation. People within Congress were, you know,

raising the alarms around that as well as insider trading at the time too.

Crystal Andrews (06:01)

There's also been suspicious activity on a platform called Polymarket for anyone who's not familiar with Polymarket. I am a little bit, but

This is a relatively new sort of concept, relatively new platform. Can you tell us a little bit about what it is and what its relationship with the Trump administration has been?

Lachlan Keller (06:23)

Certainly. ~ it's Polymarket and other platforms like Cal-She blockchain based what's called prediction markets for which for all intents and purposes are basically a gambling platform. ~ They do allow people to bet on regular things like sport, but then they've also raised a lot of concerns about allowing people to place bets on a wide ranging or wide range of real world events. Some of them quite frivolous and some of them with much more.

sort of intense ~ or significant impacts. ~ Now, Polymarket, just for clarity, would disagree with this assessment, saying that it is actually a form of derivatives trading, which is like ~ a contract on an underlining asset. And they say that that's because they are paying out on the contract that was made on the bet that was placed. However, Australian regulators, at least, are not convinced of this. actually have, gambling regulators in Australia have

banned polymarket from operating in the country for this exact reason. But they basically allow people to place yes or no bets, as I mentioned, on sport, but on a wide range, of events. Some of these, ~ you know, have raised controversy for being, very, very distasteful. They have been taking bets famously on whether or not dildos would be thrown onto the court of WNBA games, which is obviously extremely sexist and ~ derogatory.

But then it also leans into taking bets on real world geopolitical events such as the toppling of Nicolas

some accounts on a polymarket have, were identified placing bets that Nicolas Maduro, the now ousted former leader of Venezuela would be ousted by a certain point, a particular account created just hours before that event took place, placed a \$30,000 bet that Maduro would be out by January 31, 2026 that turned out to be

The case turned out to be proved true with just hours after the account was created and the bet was placed. And that turned into \$436,759 for the person who placed that bet. Fast forwarding to the Iran conflict, this pattern has continued. And there's been an on-chain analysis firm called Bubble Maps found certain accounts made \$600,000 betting that the ceasefire, the one that we mentioned at the top of the program.

Crystal Andrews (08:36)
Wow.

Lachlan Keller (08:52)
made \$600,000, betting that that ceasefire would, would happen, which is the same account that made \$1.2 million, betting that the strikes that would that ended up killing Supreme Leader Ali Khamenei taking place would actually eventuate. So bubble maps, again, the analysis platform that found all these said that ~ found all these coincidences.

so-called, said that these accounts had made these bets, placed them with near perfect accuracy, and they were often timed within hours of the events taking place.

Crystal Andrews (09:17)
you

It certainly, I mean, from the outside looking in an account newly, know, newly made, making one bet. And then hours later, that bet coming true being that Nicholas Maduro would be taken into custody. It seems like it really stretches the limits of what you can believe a coincidence to be. even with the general news cuts.

news coverage in the general discussions of these events that happens, you know, in sort of like the public discourse, in the news media. I mean, that is a very confident bet for such a significant amount.

Lachlan Keller (10:03)
Yeah, it certainly does raise a lot of eyebrows, particularly around the timing, the size, and then the accuracy of these bets is very, very difficult to ignore. There's, you know, leading, lending credence to the idea that someone had ~ insider knowledge of this is the actual connection between the White House or the people staff in the White House and these platforms itself. Don Jr., of course, Donald Trump's, ~ one of Donald Trump's sons.

is actually investor in Polymarket through his investment firm, 1798 Capital, and sits on an advisor to the company as an unpaid advisor ~ to the company and is a paid advisor, I believe,

to Kalshi There's also rumors about bets impacting the behavior of staffers inside the White House as well.

This one might be a bit of a stretch, but it is an unusual one that people are talking about as well. Press Secretary Caroline Levitt a few months ago ended a press conference extremely abruptly ~ when there was ~ a significant bet on these markets suggesting that she would end that morning's press conference within a particular time frame, which was 65 minutes. So if you watch the clip, you know, it's sort of carrying on as per usual. ~ And then it was wrapped up.

seemingly very, very quickly to try and make that supposedly to try and make that a time stamp. ~ There's also the the the fact that the truth social Donald Trump's social media platform is actually going to be launching its own prediction market ~ called Truthpredict. And so, you know, the White House

Crystal Andrews (11:29)
Mm.

Lachlan Keller (11:47)
is very much aware of these platforms. It does feed into an ongoing pattern of them using cryptocurrency. They've got several cryptocurrency businesses. So it's really operating within a similar wheelhouse that the White House is used to operating in.

Crystal Andrews (12:02)
that example you gave of Carolyn Leavitt, I think that's one of the most salient ~ stories for me about how these prediction markets are different to the way that we might understand something like sports betting, which is obviously, you know, extensively covered in Australia. Crikey has done a lot on, you know, gambling ad reforms and you know, the gambling industry in Australia, which does seem to, ~ a significant portion from that comes from sports betting. And the way I saw the difference

between the two explained is that something like sports betting on the outcome of a game is that you bet against the house. Whereas prediction markets like Cauchy and Polymarket and maybe Truthpredict is where you are betting with or against other people kind of more like a trading market. Which means that there are people who have ~ more strings to pull about

what the outcomes of those events or incidents might be. And yeah, maybe it seems like a fine line, but that story of Carolyn Leavitt really sings home to me. This is just, there are people who can make the decision about what the outcome will be more so than what we might think of a traditional sports game, footy, rugby, or something like that.

Lachlan Keller (13:14)
you know, this is obviously raising concerns around insider trading, but it also just seems like a poor business model or platform model. If you're giving your participants the ability to influence the outcome of the things they are betting on, you know, if people using this platform lose some

money, you know, I'm, you know, I'm not going to lose any sleep over that. But as far as they're concerned, that would surely undermine the trust in the participants in the platform itself.

So it's going to be interesting to see how long this is able to play out for with that sort of system of play.

Crystal Andrews (13:50)

Hmm. But I guess on the other hand, you know, that's part of probably the appeal of what draws people to these platforms thinking that, okay, like this is, know, and that's the way it's marketed. if you think you're well connected, if you think you've got the jump on information, like you could make a lot of money here. ~ and I guess it takes, you know, both those who, ~ might have.

what they believe is good information and also fools who think that they can play the odds, so to speak. And it needs all of those people to kind of keep kicking on and to make the system, the whole system work. to kind of bring it back to that caveat we made at the beginning.

You know, we don't definitively know for sure that insider trading is going on. Although maybe if you've been listening up to this point and hearing some of the indicators, maybe it doesn't feel like that to you. But you know, that is technically the answer at this point. And it feels like with crypto betting markets in particular, that is kind of part of the design that it is sort of opaque, that it is not easy to...

regulate or maybe there's a fear of regulating these new platforms. what's the regulation landscape around these things like in the US?

Lachlan Keller (14:59)

Well, cryptocurrency, you know, technology is able to move far faster than regulation. I've been covering cryptocurrency on and off for a long time now and just we still don't think we've seen any major overarching regulation ~ in many jurisdictions. Australia, think, is probably one of the more strict jurisdictions in the world, but certainly in the US. we're looking at

some more regulations coming down the pipeline and Trump's second term. ~ But it's really very much a gray area just because it's able to move so quickly. There's still concerns about, know, is a certain thing going to be registered as security? Is it going to be ~ some other form of commodity? Is it a currency? But there's still, you know, not a lot of guidance as to exactly what these things ~ even are. We are seeing, you know, some lawmakers in the US

speak out against Polymarket in particular here. I've just got a comment from Connecticut Senator Richard Blumenthal who wrote to the CEO of Polymarket, Shane Copland, saying that Polymarket has become an illicit market to sell and exploit national security secrets unlike any in history and by extension a potential honeypot for foreign intelligence services watching for those same suspicious bets and wages.

These are very serious concerns, not just about how the concerns about insider trading, it actually goes beyond that. What he was sort of suggesting here is, as we were mentioning, if it's giving participants the ability to impact the outcome of events, you could also look at it the other way. And he's sort of saying that depending on the popularity of a certain bet that is maybe giving guidance to what national security may actually be

becoming further down the pipeline. We actually had some reports of two men in Israel, one a citizen, one in the military who was facing disciplinary action for using military secrets to bet on the outcome of ~ a certain military actions in Israel. Similarly, there was an Israeli journalist who was threatened, his family was threatened and his safety was threatened for reporting on rocket strikes.

~ entering through ~ Israel, piercing the Iron Dome, I believe, and that actually changed the ~ likelihoods of some bets that others were placing on the platform. And so those ~ that journalists did face threats to his safety for just reporting on what had happened. So it does seem as though you can read it both ways. It influences people to

behaving a certain way, but you can also infer a lot from the odds that are being made on PolyMarket's sake, they say that it does operate in full compliance with applicable law. This is in the US at least. And our insider trading rules are the exact lines of the CFTC, that's the Commodity Futures Trading Commission, and courts draw for derivatives markets. That was Olivia Chalos, PolyMarket's Deputy Chief Legal Officer.

running a response to Senator Blumenthal there. But yeah, the situation's just moving very quickly and it's a bit of a race to catch up with what regulation they can do.

Crystal Andrews (18:15)

Hmm.

I don't think it's a surprise that Polymarket would say, no, we fully comply like nothing to see here. I mean, is there an explanation for, you know, for any of this that we're seeing and observing that would make it not insider trading? Like what would we expect to see in some of these cases if this was just, you know,

many people organically coming to the same conclusion and moving their money accordingly in an aboveboard kind of way? Has there been much thought put into like what those differentiators are?

Lachlan Keller (18:55)

I mean, it's technically possible that a group of people over this timeframe would have been extremely lucky with these very sizable bets. But just given the scope of the money involved and the timing, like if it was within the day of a lot of these trades going through around the call ceasefire or particular strikes, it is technically possible that this is just very, very fortunate bets. But it is just because of the, I think the strength of the pattern that we're seeing and these

On Polymarket, the accounts are within hours of the bets being placed. They're creating the accounts in order to place these bets, which are then proven true ~ to the tune of sometimes hundreds of thousands in a recurring sort of way. So like we said at the top, these are very opaque markets. It's very difficult to ~ conclusively without the powers that courts and maybe subpoenas and the like are able to ~

provide. So it is possible, but I would say quite unlikely given at the scope of evidence we're looking at.

Crystal Andrews (19:59)

And I presume that the response to some of these allegations and reporting from the Trump administration and maybe others in the Congress is also, you know, very strenuous denial that any of this is taking place.

Lachlan Keller (20:13)

Yeah, certainly. ~ There's been, you know, generic statements of the like, but we've also seen in the last couple of days in response to the outcry around polymarkets that the White House actually sent out around an email to ~ internal staff just reminding them that they are not able to or not legally allowed to bet or use these platforms. But yeah, we've seen

a few just sort of general statements that affect that they recognize that no trading should be done and any action is done for the good and betterment of the American people.

Crystal Andrews (20:45)

The classic all staff email is kind of a bizarre way to like respond to something as serious as this. I mean, I guess, you know, absurdity is kind of the theme of the American government at the moment.

I also want to pivot a little bit and talk about the Trump cryptocurrency meme coin, which is kind of adjacent to some of this conversation, but also, you know, related in other ways. have a new article coming on Crikey. I think by the time this episode is up, it will be live and I'll link it in the episode description. ~ Looking at, you know, kind of the story of the Trump coin and how the Trump family has profiteered off the back of his.

presidency and their time in politics. Can you give us kind of a bit of a teaser of that piece? What is the story here and what's interesting about this to you?

Lachlan Keller (21:37)

Yeah, certainly. So I've covered this particular angle around ~ the Trump family's crypto business ventures in the past when I was writing about this last year, I think they they had enriched themselves I should say had earned. Seven hundred fifty million dollars from various crypto related business ventures ~ between the inauguration. that point, I've seen some reporting and I haven't.

again, haven't finished the report just yet, but that has ballooned out to over \$1 billion in the roughly 12 months since. So that pattern certainly continued. But ~ I think the Trump meme coin is probably the most concrete example of that. So it is a meme coin. And if you're not familiar with the term, ~ it's it was sort of a cryptocurrency that was really popularized by ~ Dogecoin.

and Elon Musk ~ a number of years ago now. a little while ago, people realized that a cryptocurrency project in order to generate ~ value really just didn't have to necessarily offer any particular practical application or service, but you were really able to make a great deal of money trading on the attention that a particular project was able to generate. Now we're seeing this a little bit in stock markets where some ~

traditional companies might have a greater value where they're traded maybe on their sentiment rather than necessarily underlying value. able to turn that really up to

So Trump's meme coin, is his attempt to cash in in the most concrete way on his own popularity. So just taking a statement off a website connected to the project. ~ Trump memes are intended to function as an expression of support for engagement with the ideals and beliefs embodied by the symbol of Trump and associated artwork, and are not

be the subject of an investment opportunity. ~ So it's just the way he says to invest in his popularity ~ and to mix results. ~ When it was initially launched around his second inauguration, initially generated 300 million dollars. However, we have seen a significant drop in the price of that currency now. So anyone who's still left holding that much currency at this point.

has got a much worse return on their ~ money than they would have if they had sold earlier on. But this is also not just an investment vehicle for Trump himself, it's also a way to garner favor with the president. Shortly after the coin was launched, ~ they began to auction off the opportunity to have dinner

~ with Trump at his Mar-a-Lago golf course for high number holders of this currency. Now, actually, as we speak, there's going to be a second draw or at least another draw for a similar gala to be held at Mar-a-Lago to be held at a later date. This one with actually with a keynote speaker by ~ Mike Tyson, the famed boxer. So there's quite a lot of memes and personality. ~

Crystal Andrews (24:48)
Well.

Lachlan Keller (24:52)
really floating around this project. But it was criticized as a way to garner favor and the president's ear by investing directly in this currency and in basically creating a new form of lobbying. By putting your money in this project, you're able to just signal to the president if you have enough cash, hey, I'm with you. See all this amount of money I'm willing to give you. For instance, there was a company called Freight Technologies.

that even just out on the record invested \$20 million saying that it was a way to advocate for ~ favorable trade policies when there was a new trade regime in North America being negotiated.

once the investment in that currency reached a certain point, I believe it was \$30 million, that would trigger a payout to Trump ~ personally. So he's profiting significantly from this coin in terms of his actual money, as well as ways to just tap him on the shoulder and say, hey, look, I'm willing to invest in the project. And this is all tied up very much in his ~ cryptocurrency-based

company that he runs called World Liberty Financial. Now this company issues its own currencies called stable coins. Now that one hasn't really, I should say what stable coin is first. That's a currency that's pegged to the value of a particular currency, usually the US dollar. And that holds its ~ value by being backed by ~ underlying assets. ~ So because of it does need to back up that asset. It holds significant stock of popular cryptocurrencies like Bitcoin and Ethereum.

which does raise another issue of here's a company that the president owns or at least that I'm part owner of that holds huge swathes of assets that are likely to gain or like track and value based on policies that he himself is able to implement. that raises all sorts of issues around market manipulation, conflict of interests.

All of these sorts of things because any policy decision the Trump makes the price of Bitcoin go up can actively increase the value of that that asset

Crystal Andrews (27:06)

And, you know, it's fascinating how like all of that sits under what on its surface, I think a lot of people who don't have, you know, as much of a detailed understanding of these topics would look at, you know, trunk coin and be like, yeah, it's a meme. It's a joke. Like this isn't a serious, this isn't a serious thing. This is like kind of a gag. what that is the top layer of is, is this whole other system of ways that, ~ there is money influencing political decisions being extracted

from the political process for him and his family personally. it really is, it goes a lot deeper than what I think you would think if you just look at, know, dollar sign Trump and what its price point is at on any given day.

Lachlan Keller (27:48)

And because it is a bit silly, it's a bit quote unquote fun, it's very easy to dismiss, ~ know, in a bit of a cliché, but in a divided political environment over in the States, it's very easy to behind behind like, this is just like a cryptocurrency, you don't need to take it seriously. We don't need to, you know, ~ do any enforcement around it. But in the meantime, like, yeah, it is silly. It's very silly. But it's also earning people as participants hundreds of millions of dollars.

Crystal Andrews (28:01)

Mm.

Lachlan Keller (28:18)
while they're doing it.

Crystal Andrews (28:20)

I mean, really parallel to his entire political project from, from the beginning, really something that people kind of looked at as a bit of a joke and turned out to be much more, much more serious. Lachlan, I really appreciate you walking me through some quite carefully, carefully guard railed topics and some really, you know, technical, technical, ~ concepts, but I think it's something that's really important for people to be following and hopefully we've

provided a good first entry point for people to keep following your work, which we'll have more on Crikey soon. So thank you so much for your time today.

Lachlan Keller (28:57)

No, thanks very much for having me. It was a lot of fun.