

**EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA**

EXECUTIVE ORDER N-4-26

WHEREAS ensuring that public officials and others involved in decision making use their positions exclusively to advance the public good, and do not use their positions and access to confidential information for personal gain, is critical to maintaining public trust in the integrity of government; and

WHEREAS the emergence of predictive markets, in which individuals can bet on the occurrence of certain events, including governmental actions, has brought into sharp focus the risk that governmental insiders can use their knowledge for personal enrichment; and

WHEREAS these risks, and the potential harm they pose to public trust in government, are underscored by several recent high-profile instances of predictive market participants making significant money based on actions taken by the federal government, prompting significant and reasonable speculation that the individuals involved are federal government insiders; and

WHEREAS, as just one example, an individual precisely predicted multiple events related to the United States' military intervention in Venezuela, war with Iran, and military operations targeting drug cartels—and extremely unlikely outcome for someone without insider knowledge—and pocketed tens of thousands of dollars in profit in the process; and

WHEREAS the erratic, and at times self-contradictory, statements and actions by the current federal administration and its failure to enforce any meaningful ethical standards present particularly unique risks of abuse of predictive markets by government insiders, but those risks are not limited only to federal officials; and

WHEREAS California has robust ethics rules for public officials, including conflict of interest rules in the Political Reform Act of 1974 and the prohibition on incompatible activities for public officials; and

WHEREAS, given the current public attention on predictive markets and risks of their abuse by governmental insiders, formally affirming that these prohibitions extend to the use of any non-public information obtained due to public service to personally profit, or assist another person in profiting, from participation in predictive markets will reinforce public trust that state government officials are focused exclusively on advancing the public good.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes of the State of California, do hereby issue the following Order to become effective immediately:

IT IS HEREBY ORDERED THAT: All gubernatorial appointees are strictly prohibited from using any non-public information obtained due to their public service to personally profit or assist another person, including spouses, children, other family members, former business partners, or others, in profiting from participation in predictive markets. Gubernatorial appointees are directed to consult with their agency or department ethics officer and/or the Governor's Office of Legal Affairs should they have any question about compliance with this Order.

I FURTHER DIRECT that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 27th day of March 2026.




GAVIN NEWSOM
Governor of California

ATTEST:


SHIRLEY N. WEBER, PH. D
Secretary of State