

# All Bets are Off as Polymarket Faces Lawsuit Over Influencer Campaigns

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On Friday, the National Association of Consumer Advocates (“NACA”) filed a lawsuit against Polymarket, its CEO, and its CMO alleging that the company’s influencer campaigns violate consumer protection laws. The lawsuit cites a POLITICO report that found various influencers hyped Polymarket’s “accuracy” on social media without disclosing that they were being paid, as well as a Wall Street Journal investigation into viral videos that used simulated versions of Polymarket’s platform to suggest the creators had placed winning bets.

Here’s an overview of some of the key allegations in the complaint:

- **Undisclosed Paid Endorsements:** The defendants paid influencers to post about the Polymarket platform without disclosing their material connection to the company. For example, the CMO reportedly used a personal PayPal account to send at least \$350,000 to influencers between January 2025 and February 2026. The defendants also allegedly wrote posts for some influencers and sometimes asked them to promote specific bets.
- **Fake Betting Videos on Simulated Platforms:** The defendants paid influencers to produce videos showing themselves placing fake bets on a simulated version of the Polymarket platform. The videos created the impression that it was easy to make money on the platform. The defendants exerted substantial control over the videos, providing guidance on format and content, reviewing finished videos, and sometimes requiring reshoots. In some cases, the defendants reportedly prohibited influencers from disclosing they were being paid.
- **“Clipping” Scheme to Make Ads Go Viral:** The defendants employed a “clipping” scheme to make their influencer advertising go viral. For example, the defendants recruited individuals to create short clips from influencer content and disseminate them on social media using fake accounts, paying clippers \$1 per 1,000 views. The defendants instructed clippers to make content “feel natural and native to the platform,” explicitly directing them: “Do NOT make the videos feel like ads or promotions.”
- **Targeting College Students:** The defendants aggressively targeted college-aged consumers through on-campus marketing. They collaborated with an agency to find college students who were paid \$500–\$2,000 per campaign to promote Polymarket to their peers. The defendants offered to pay fraternities directly for signing up users at \$15 per user, offered \$150 payments for access to chapter meetings to present about the platform, and provided branded merchandise and party sponsorships.

NACA alleges that Polymarket’s conduct violates Washington, DC’s Consumer Protection Procedures

Act. Among other things, it asks the court to award equitable relief, including equitable restitution, disgorgement of profits, and a permanent injunction against the defendants' use of the practices described in the complaint.

We only have one side of the story and it's too early to tell how this case will turn out, but this case—like the lawsuit against Gymshark that we [posted](#) about earlier this month—demonstrates the importance of ensuring that influencer campaigns comply with the FTC's Endorsement Guides. The FTC may have temporarily stepped away from the table, but plaintiffs' lawyers and consumer groups are doubling down.