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Cahill on the Hill: Top Investigation Developments August 2026

September 18, 2026

EXECUTIVE SUMMARY

This is an overview of important developments in investigative activity on Capitol Hill from the past month. There continues to be bipartisan focus on prediction market platforms and Wall Street's ties to Jeffrey Epstein. Democratic lawmakers pursued investigations relating to alleged misuse of public office to favor private companies. Both parties remain focused on oversight of artificial intelligence.

1. Continued Inquiries About Prediction Markets

On August 5, Ranking Member of the Senate Committee on Energy & Natural Resources Martin Heinrich (D-NM) and eight other Democratic senators wrote to CFTC Chairman Michael Selig urging increased oversight of prediction market platforms with respect to wildfire-related event contracts. The senators warned that such event contracts could create "perverse incentives" that tempt people "to commit arson in order to make sure their bets are successful."[1] They asked Chairman Selig to "lead the charge to rein in these contracts" and "put in place common-sense guardrails to prevent people from profiting as wildfires threaten communities."[2]

The August letter was not the first to raise questions about prediction markets, which have drawn bipartisan interest. In June, Sen. John Curtis (R-UT) and Sen. Adam Schiff (D-CA) wrote Chairman Selig a letter following a report in *The Wall Street Journal* that Polymarket used deceptive marketing tactics to promote its platform.[3] The House Committee on Oversight and Government Reform (House Oversight Committee) opened an investigation in May into potential insider trading on prediction markets based on reporting in *The New York Times* that "more than 80 Polymarket users placed suspiciously timed bets."[4] Chairman James Comer (R-KY) sent letters to Polymarket and Kalshi seeking information about "how the platforms verify the identities of domestic and foreign account holders, enforce geographic restrictions, and monitor suspicious trading activity."[5]

2. Ongoing Investigations into Wall Street's Ties to Jeffrey Epstein

Underscoring the ability of the Minority to investigate and draw attention to an issue even without subpoena power, on August 4, Ranking Member of the Senate Finance Committee Ron Wyden (D-OR) released a report examining alleged ties between Wall Street banks and Jeffrey Epstein.[6] The report is described as the culmination of a four-year investigation the Senator and his staff conducted in which they reviewed suspicious activity reports filed with the U.S. Treasury Department and unsealed bank records from lawsuits. The report urges the Department of Justice (DOJ), Treasury Department, Federal Reserve, and Comptroller of the Currency to conduct investigations into the banks.

But just like with prediction markets, the Epstein investigation continues to have bipartisan support. Just before publication, on September 3, Leon Black, former CEO of Apollo Global Management, sued the House Oversight

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1 https://www.energy.senate.gov/2026/8/heinrich-merkley-padilla-shaheen-schiff-rosen-cortez-masto-wyden-klobuchar-cftc-must-rein-in-wildfire-bets-on-prediction-markets
2 *Id.*
3 https://www.curtis.senate.gov/wp-content/uploads/2026/06/06.25.2026-Letter-to-Chairman-Selig-CFTC.pdf
4 https://oversight.house.gov/release/comer-launches-investigation-into-insider-trading-on-prediction-market-platforms/
5 *Id.*
6 https://www.finance.senate.gov/ranking-members-news/wyden-releases-new-report-on-failure-of-wall-street-banks-to-blow-the-whistle-on-jeffrey-epsteins-sex-trafficking-and-money-laundering-schemes

Committee in an effort to quash subpoenas in the Epstein investigation.[7] The subpoenas, which Chairman Comer had served on Mr. Black during a voluntary transcribed interview in June, followed his alleged refusal to answer questions about nondisclosure agreements (NDAs). Mr. Black ended the interview after being served. One subpoena seeks all NDAs to which Mr. Black is a party, and the other his sworn deposition. Mr. Black is challenging both, arguing that: (1) the subpoenas exceed the House Oversight Committee's authority by seeking information that does not serve a valid legislative purpose; (2) the subpoenas would compromise the privacy interests of women who are a party to the NDA; and (3) the Committee lacks statutory authority to enforce the subpoenas. Following the suit, Chairman Comer and Ranking Member of the House Oversight Committee Robert Garcia (D-CA), voiced support for holding Mr. Black in contempt of Congress.[8] Risk for those in the financial sector with ties to Epstein, whether personal or professional, remains high.

3. Dr. Anthony Fauci Contempt Proceedings

On August 6, the Senate Committee on Homeland Security and Governmental Affairs, led by Chairman Rand Paul (R-KY), passed a resolution along party lines seeking to hold Dr. Anthony Fauci in contempt of Congress for invoking the Fifth Amendment and refusing to answer questions during a July hearing on the COVID-19 pandemic.[9] Departing from past practice and the statutory scheme around criminal contempt, the resolution did not seek a vote by the full Senate on whether to hold Dr. Fauci in contempt and refer him to DOJ for prosecution. Instead, it authorized Vice President J.D. Vance, in his capacity as President of the Senate, to certify the Committee's findings and make the DOJ referral himself.[10] Further complicating the matter is the full and unconditional pardon Dr. Fauci previously received from President Biden and whether Dr. Fauci was therefore legally justified in invoking the Fifth Amendment at the hearing.[11]

4. Probing Private Sector Ties to the Trump Family

Democrats in both Chambers have for over a year been seeking information about government contracts awarded to companies with reported ties to President Trump's family. Two inquiries continued this effort in August.

First, on August 4, Democratic leaders across both Chambers urged the Department of War's Inspector General to investigate recent reports that $3.2 billion in government awards are allegedly tied to President Donald Trump's

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[7] Complaint for Declaratory and Injunctive Relief, *Black v. House Committee on Oversight & Government Reform*, No. 1:26-cv-03084-CKK (D.D.C. Sept. 3, 2026).
[8] https://oversight.house.gov/release/chairman-comer-issues-statement-on-leon-black-not-appearing-for-deposition/; https://oversightdemocrats.house.gov/news/press-releases/ranking-member-robert-garcia-statement-on-holding-leon-black-in-contempt
[9] https://www.wsj.com/politics/policy/senate-panel-votes-to-hold-fauci-in-contempt-for-refusing-to-answer-questions-974dde4c?mod=article_inline
[10] https://www.hsgac.senate.gov/media/reps/chairman-pauls-contempt-resolution-against-anthony-fauci-advances-out-of-committee/; https://www.paul.senate.gov/wp-content/uploads/2026/08/ROM26376-1.pdf
[11] https://www.justice.gov/pardon/media/1385746/dl

sons.[12] The letter named several companies, ranging from start-ups to established companies, including Anduril, SpaceX, Vulcan Elements, and 1789 Capital.

Second, on August 11, Ranking Member of the House Committee on Natural Resources Jared Huffman (D-CA) and Ranking Member Garcia, House Oversight Committee, sent a joint letter to Vulcan Elements, a company in which President Trump's son is reportedly an investor through 1789 Capital.[13] The letter, which seeks extensive documents and communications, focuses on potential conflicts of interest regarding the company's reported $620 million loan from the Department of War and a $50 million equity stake that the Department of Commerce obtained in the company. The letter follows reporting from ProPublica that the loan was issued after direct intervention from the White House.[14] Notably, the letter discloses that the CEO of Vulcan Elements had voluntarily met with the Minority Committee staff in April to try to assuage their concerns. During the meeting, the CEO purportedly agreed to produce documents, but since then has failed to follow up, underscoring the risk of partial engagement with Congress when facing a request for information.

5. Increasing Scrutiny of Artificial Intelligence

On August 10, Ranking Member of the House Oversight Subcommittee on Federal Law Enforcement Greg Casar (D-TX) announced that he led 19 other Members of Congress to call on Speaker Mike Johnson to bring in CEOs from large AI companies for a hearing.[15] Following reports of frontier AI models escaping testing environments and hacking outside networks, the Members seek answers from the executives about the possible dangers posed by the new technology. More broadly, House Democrats are reportedly considering the creation of a select committee on AI should they win the majority in the midterm elections.[16] On September 3, Sen. Josh Hawley (R-MO) sent letters to the chief executive officers of Motorola Solutions, Verkada, and Axon Enterprise, expanding his investigation into artificial intelligence assisted surveillance cameras.[17] Scrutiny of AI companies continues to come from both sides of the aisle and is an increasing area of focus for Congress.

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[12] https://www.warren.senate.gov/wp-content/uploads/2026/08/2026.08.04-Letter-to-DoD-IG-re-Corruption-in-Pentagon-Awards-Process-1.pdf
[13] https://democrats-naturalresources.house.gov/imo/media/doc/2026-08-11_jh_rg_to_maslin_vulcan_re_djt_jr1.pdf
[14] https://www.propublica.org/article/donald-trump-jr-vulcan-deal-white-house
[15] https://casar.house.gov/media/press-releases/casar-leads-call-congressional-hearings-ai-ceos
[16] https://www.politico.com/news/2026/09/09/house-democrats-weigh-ai-select-committee-01068764
[17] https://www.hawley.senate.gov/hawley-expands-investigation-into-surveillance-cameras-warns-flock-competitors/

CONTACT

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