



Terra Lawson-Remer

Chair

Supervisor, Third District
San Diego County Board Of Supervisors

Agenda Item

Date: August 18, 2026

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To: Board of Supervisors

Restricting Post-Employment Lobbying and Barring County Officials from Insider Trading on Betting Platforms Like Kalshi and Polymarket (Districts: All)

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Overview

Public service is a public trust. San Diego County (County) officials are entrusted with over \$9 billion in taxpayer dollars, sensitive nonpublic information, and the power to make decisions that impact peoples' lives. County ethics rules exist to safeguard that trust by ensuring public decisions serve the public interest, not the wealthy or well-connected. At a time when corruption is running rampant at the highest levels of the federal government, the County must insist on the highest ethical standards for its own officials. We owe it to the public to update our ethics code to address loopholes and new types of insider advantage so no one can monetize the relationships and information they gained while serving the public.

The County should adopt stronger safeguards to prevent former officials from quickly turning their public service into private lobbying work. The current backstop is the state's one-year ban on direct lobbying contacts. As reported in the *San Diego Union-Tribune*, ten former County employees are currently registered as lobbyists and seven of them registered within two years of leaving County service,ⁱ well within the period many peer jurisdictions now consider too short. When officials can leave County service and soon begin lobbying their former colleagues, the public is left to question whether insider relationships and information are being used for private gain.

A one-year ban on lobbying contacts fails to fully prevent insider advantage. It often takes longer than a year for relationships to fade and for policy and procurement cycles to run their course. The "strategic consulting loophole" skirts the ban altogether by allowing departing officials to influence decisions behind the scenes so long as they avoid direct lobbying contacts. Peer jurisdictions are moving beyond one-year cooling off periods. Los Angeles County, for example, imposes a two-year lobbying ban on former elected officials and its Chief Executive Officer, bars former non-elected officials from lobbying their own former agency for two years, and adds a permanent ban on lobbying any matter an official worked on personally while in office. The County must modernize its postemployment lobbying rules as well.

The same principle applies to a newer kind of insider advantage. A County employee who accepts a \$50 gift from a contractor has to disclose it. A County employee who uses nonpublic information gained on the job to profit on a betting app like Kalshi or Polymarket has to disclose nothing, because the rule was written before apps like this existed. This is not a hypothetical risk. Nine Polymarket accounts made \$2.4 million

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betting on U.S. military action in Iran;ⁱⁱ a U.S. Army soldier was arrested this year for allegedly making more than \$400,000 on Polymarket using classified information;ⁱⁱⁱ and Kalshi itself sanctioned three political candidates for betting on their own races.^{iv} The U.S. House Committee on Oversight and Government Reform opened a formal investigation into insider trading on these platforms in 2026, and financial press has begun describing a “new class of insider trader” created by the industry.^v Governor Newsom has barred state officials from trading on inside information through these platforms,^{vi} and the U.S. Senate has voted to bar itself.^{vii} The County must take action to close this emerging ethics gap.

Today’s item directs staff to develop options for a postemployment lobbying ordinance that prohibits former County officials from lobbying the County for at least two years post-employment and bans prediction market betting tied to their County duties or nonpublic information. This action strengthens public trust and ensures County decisions are being made in the public interest and not for private gain.

Recommendations by Chair Terra Lawson-Remer

- 1) Direct the Chief Administrative Officer to develop options for an ordinance that would impose a two-year ban on post-employment lobbying and return back within 60 days.
- 2) Direct the Chief Administrative Officer to develop options to amend the County's Conflict of Interest Code to: (a) prohibit designated officials and employees from trading prediction market contracts — including but not limited to those offered on Kalshi and Polymarket — tied to any matter within their County duties or on which they hold nonpublic information; (b) require disclosure of such holdings on officials' existing economic interest statements; and (c) extend the postemployment restriction in Recommendation 1 to cover trading on contracts tied to matters an official personally worked on while at the County; and return back within 60 days.

Equity Impact Statement

Today's action reflects the County's commitment to equity by closing a gap that has historically favored those with the resources to hire former insiders. It ensures that ordinary residents, small businesses, and community organizations have the same opportunity to be heard by County officials in the decision-making process.

Sustainability Impact Statement

N/A

Fiscal Impact

Funds for this request to develop options for ordinances restricting post-employment lobbying and prediction market betting are included in the Fiscal Year 2026-27 Operational Plan based on existing staff time in the Office of County Counsel funded by existing General Purpose Revenue. There will be no change in net General Fund cost and no additional staff years.

Business Impact Statement

N/A

Advisory Board Statement

N/A

Background

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Linkage To The County Of San Diego Strategic Plan

Today's proposed action supports the Empower (Transparency and Accountability), Community (Engagement, Communications), and Equity (Economic Opportunity) Initiatives in the County's 2026–2031 Strategic Plan.

Respectfully submitted,



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Terra Lawson-Remer
Supervisor, Third District

Attachment(s)

N/A

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- ⁱ [At San Diego County, staff turn to lobbying for private clients amid lax rules](#)
 - ⁱⁱ [Suspected insider accounts net \\$2.4 million on Polymarket Iran war bets with 98% win rate, firm finds - CBS News](#)
 - ⁱⁱⁱ [Office of Public Affairs | U.S. Soldier Charged With Using Classified Information To Profit From Prediction Market Bets | United States Department of Justice](#)
 - ^{iv} [These Are The Three U.S. Politicians Banned And Fined By Kalshi For Betting On Themselves](#)
 - ^v [Comer Launches Investigation Into Insider Trading on Prediction Market Platforms - United States House Committee on Oversight and Government Reform](#)
 - ^{vi} [Governor Newsom strengthens bans on insider betting by state officials, takes aim at corruption fueled by Trump | Governor of California](#)
 - ^{vii} [Senate Unanimously Votes to Bar Members From Prediction Market Betting - NOTUS — News of the United States](#)
 - ^{viii} [At San Diego County, staff turn to lobbying for private clients amid lax rules](#)
 - ^{ix} [Suspected insider accounts net \\$2.4 million on Polymarket Iran war bets with 98% win rate, firm finds - CBS News](#)
 - ^x [Office of Public Affairs | U.S. Soldier Charged With Using Classified Information To Profit From Prediction Market Bets | United States Department of Justice](#)
 - ^{xi} [These Are The Three U.S. Politicians Banned And Fined By Kalshi For Betting On Themselves](#)
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