

Press Coverage | March 25, 2026

'The Pulse' on Legality of U.S. Sports Prediction Markets

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[Stephen C. Piepgrass](#)

Stephen Piepgrass, leader of Troutman Pepper Locke's Regulatory Investigations, Strategy + Enforcement Practice Group, was quoted in the March 25, 2026 *CasinoBeats* article, "['The Pulse' on Legality of U.S. Sports Prediction Markets.](#)"

- "Arizona filing criminal charges against Kalshi represents an escalation of enforcement," lawyer Stephen Piepgrass told *CasinoBeats*. "Relative to other state regulators, this was a very aggressive move by the Arizona Attorney General's office, as other state regulators have, to date, pursued actions in civil court seeking to enjoin the operation of prediction markets. This will test the theory that there are strategic reasons for states so far avoiding that course of action."
- ...
- Piepgrass said that states have so far avoided going down the criminal charges route, as criminal cases are generally much harder to win.
- In criminal cases, there "are principles like the 'rule of lenity,' that apply when interpreting criminal laws, but do not apply in civil cases. Under the rule of lenity, any ambiguity in the interpretation of a statute must be resolved in favor of that criminal defendant and against the state prosecuting the offense," said the experienced lawyer.
- Given the differing judgments made in federal courts, Piepgrass believes that "a judge may well apply the rule of lenity and dismiss these charges."

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