# Congress of the United States

## House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM 2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

MAJORITY (202) 225–5074 MINORITY (202) 225–5051 https://oversight.house.gov

April 8, 2025

Mr. Charles L. Young III Acting General Counsel U.S. Department of Defense 1400 Defense Pentagon Washington, DC 20301

Dear Mr. Young:

We write with significant concerns about Elon Musk's clear conflicts of interest at the Department of Defense (DOD). In an unprecedented arrangement, President Donald Trump has bestowed expansive and unlawful authority to Mr. Musk, an unelected billionaire. Mr. Musk is redirecting billions of taxpayer dollars to fund his own financial interests while slashing federal employees, programs, and services on which all Americans depend. Mr. Musk also remains in charge of a sprawling private-sector business empire that continues to rely on billions of dollars in government funding and has been charged with managing his own conflicts of interest. The Trump Administration has failed to make public Mr. Musk's financial disclosure filings, hiding the true extent of his conflicts from the public. We demand documents and information to bring such conflicts to light, as well as immediate action to address this corrupt arrangement that threatens accountable, democratic governance.

As of February 2025, Mr. Musk and his companies have received a combined total of at least \$38 billion in contracts, loans, subsidies, and tax credits from the federal government and state governments. In fact, Mr. Musk's businesses have been more reliant on government funds than many of his competitors.<sup>2</sup> Mr. Musk's businesses, which span various industries including the transportation, health, telecommunications, and defense sectors, are also subject to the regulatory jurisdiction of numerous federal agencies, including the Department of Justice and the Department of Transportation, and several of his companies are presently under federal investigation for safety, labor, or other serious violations.<sup>3</sup>

<sup>&</sup>lt;sup>1</sup> Is Elon Musk's Government Role Unconstitutional? What the Supreme Court Might Say, ABC News (Feb. 17, 2025) (online at https://abcnews.go.com/Politics/elon-musks-government-role-unconstitutional-supreme-court/story?id=118846052); White House Says Musk Will Police His Own Conflicts of Interest, Bloomberg (Feb. 5, 2025) (online at www.bloomberg.com/news/articles/2025-02-05/white-house-says-musk-will-police-his-own-conflicts-of-interest).

<sup>&</sup>lt;sup>2</sup> Elon Musk's Business Empire is Built on \$38 Billion in Government Funding, The Washington Post (Feb. 26, 2025) (online at www.washingtonpost.com/technology/interactive/2025/elon-musk-business-government-contracts-funding/).

<sup>&</sup>lt;sup>3</sup> U.S. Agencies Fund, and Fight With, Elon Musk. A Trump Presidency Could Give Him Power Over Them., The New York Times (Oct. 21, 2024) (online at www.nytimes.com/2024/10/20/us/politics/elon-musk-

Mr. Musk continues to profit from taxpayer dollars and now finds himself in charge of determining which federal contracts the government will keep and which will be cut—an arrangement that runs afoul of the law. In an attempt to shield Mr. Musk from transparency and accountability, the Trump Administration has designated him as a Special Government Employee (SGE), a type of temporary executive hire that can only perform limited duties. Mr. Musk's power at the Department of Government Efficiency (DOGE) is expansive, and President Trump has explicitly stated that DOGE is "headed by Elon Musk." Mr. Musk's authority to make sweeping reforms—some of which have already been deemed illegal in court—is clearly consistent with the duties of an "officer of the U.S." rather than an SGE. Officers of the U.S. are high-level positions that wield significant authority, and, as such, require Senate approval, which Mr. Musk lacks.<sup>7</sup>

Mr. Musk is further circumventing federal ethics laws to avoid filing the public financial disclosures required of senior Administration officials. Ethics laws prevent political appointees, including SGEs, from taking part in any matter that might impact their personal finances, per 18 U.S. Code § 208. The law, however, has not stopped Mr. Musk. On the contrary, Mr. Musk's ability to enrich himself through DOGE is a textbook example of corruption at the taxpayers' expense.

At DOD, where Mr. Musk's companies have benefitted from contracts and been under investigation, and are angling for vast amounts of new business, his control of DOD operations and defiance of recusal laws directly benefit his businesses. The known conflicts of interest presented by this arrangement, which are illegal and must be addressed immediately, include:

#### Financial Benefits to Musk's Companies from DOD

Mr. Musk's space exploration company, SpaceX; its affiliated satellite internet service, Starlink; and Mr. Musk's car company, Tesla, have enjoyed \$13.5 billion

federal-agencies-contracts.html).

<sup>&</sup>lt;sup>4</sup> Elon Musk's Business Empire is Built on \$38 Billion in Government Funding, The Washington Post (Feb. 26, 2025) (online at www.washingtonpost.com/technology/interactive/2025/elon-musk-business-governmentcontracts-funding/); As Musk Works to Slash Federal Spending, His Own Firms Have Received Billions in Government Contracts, ABC News (Feb. 10, 2025) (online at https://abcnews.go.com/US/musk-works-slashfederal-spending-firms-received-billions/story?id=118589121).

<sup>&</sup>lt;sup>5</sup> The White House, Remarks by President Trump in Joint Address to Congress (Mar. 4, 2025) (online at www.whitehouse.gov/remarks/2025/03/remarks-by-president-trump-in-joint-address-to-congress/).

<sup>&</sup>lt;sup>6</sup> Is Elon Musk's Government Role Unconstitutional? What the Supreme Court Might Say, ABC News (Feb. 17, 2025) (online at https://abcnews.go.com/Politics/elon-musks-government-role-unconstitutional-supremecourt/story?id=118846052); Tracking the Lawsuits Against Trump's Agenda, The New York Times (Mar. 8, 2025) (online at www.nytimes.com/interactive/2025/us/trump-administration-lawsuits.html).

<sup>&</sup>lt;sup>7</sup> Is Elon Musk's Government Role Unconstitutional? What the Supreme Court Might Say, ABC News (Feb. 17, 2025) (online at https://abcnews.go.com/Politics/elon-musks-government-role-unconstitutional-supremecourt/story?id=118846052).

<sup>&</sup>lt;sup>8</sup> Musk's Starlink Gets FAA Contract, Raising New Conflict of Interest Concerns, CNN (Feb. 25, 2025) (online at https://www.cnn.com/2025/02/25/business/musk-faa-starlink-contract/index.html).

- in federal benefits from DOD since 2003. This includes at least \$9.5 billion in direct contract funds Mr. Musk's companies have received from DOD. 10
- On April 4, 2025, SpaceX was awarded a \$5.9 billion contract to support U.S. Space Force rocket launches and satellite operations through 2029. 11
- SpaceX is in the running to lead a missile defense project titled "Golden Dome"—an effort in which the Pentagon could spend \$100 million annually. 12
- SpaceX is positioned to benefit from a potential restructuring of the U.S. Space Force's missile-tracking satellite program, which was designed to have multiple contractors but may be shifted to rely on SpaceX for a significant portion of the work. 13
- Mr. Musk's SpaceX secured a \$102 million Air Force contract to study how SpaceX rockets could deliver cargo across the globe. A former SpaceX employee, now a Pentagon official in the Trump Administration, is working to expand this program in favor of SpaceX.<sup>14</sup>

### **Compromising of DOD Investigations of Musk's Companies**

• Prior to the start of the second Trump Administration, DOD's Office of Inspector General, the Air Force, and the Pentagon's Office of the Under Secretary of Defense for Intelligence and Security all reportedly initiated separate reviews of whether Mr. Musk and his company SpaceX have repeatedly failed to comply with requirements for reporting the details of meetings with foreign leaders. 15

<sup>&</sup>lt;sup>9</sup> For purposes of this document, references to SpaceX include subsidiaries such as Mr. Musk's satellite internet service, Starlink, and the reference to "financial benefits" may include contracts, loans, subsidies, and/or tax credits. *Elon Musk's Business Empire is Built on \$38 Billion in Government Funding*, The Washington Post (Feb. 26, 2025) (online at www.washingtonpost.com/technology/interactive/2025/elon-musk-business-government-contracts-funding/); *see also SpaceX, ULA, Blue Origin Clinch \$13.5 Billion-Dollar Pentagon Launch Contracts*, Reuters (Apr. 4, 2025) (online at www.reuters.com/business/aerospace-defense/spacex-ula-expected-clinch-multibillion-dollar-contract-key-pentagon-launch-2025-04-04/).

<sup>&</sup>lt;sup>10</sup> U.S. Agencies Fund, and Fight With, Elon Musk. A Trump Presidency Could Give Him Power Over Them., The New York Times (Oct. 21, 2024) (online at www.nytimes.com/2024/10/20/us/politics/elon-musk-federal-agencies-contracts.html); see also SpaceX, ULA, Blue Origin Clinch \$13.5 Billion-Dollar Pentagon Launch Contracts, Reuters (Apr. 4, 2025) (online at www.reuters.com/business/aerospace-defense/spacex-ula-expected-clinch-multibillion-dollar-contract-key-pentagon-launch-2025-04-04/).

<sup>&</sup>lt;sup>11</sup> *Id*.

<sup>&</sup>lt;sup>12</sup> Musk Is Positioned to Profit Off Billions in New Government Contracts, The New York Times (Mar. 23, 2025) (online at www.nytimes.com/2025/03/23/us/politics/spacex-contracts-musk-doge-trump.html).

<sup>&</sup>lt;sup>13</sup> Pentagon May Turn to Musk's SpaceX for Military Satellites, The Washington Post (Apr. 7, 2025) (online at www.washingtonpost.com/business/2025/04/07/spacex-musk-pentagon-satellite-missiles/).

<sup>&</sup>lt;sup>14</sup> Musk Is Positioned to Profit Off Billions in New Government Contracts, The New York Times (Mar. 23, 2025) (online at www.nytimes.com/2025/03/23/us/politics/spacex-contracts-musk-doge-trump.html).

<sup>&</sup>lt;sup>15</sup> Elon Musk and SpaceX Face Federal Reviews After Violations of Security Reporting Rules, The New

## Musk/Trump Corruption and Dismantling of DOD

- More than 20,000 DOD employees have been placed on administrative leave after accepting deferred resignation from Mr. Musk's "Fork-in-the-Road" initiative.
- President Trump's Secretary of Defense has reportedly called for a reduction in DOD's workforce by a further 50,000 to 60,000 personnel, including the termination of 5,400 probationary employees. <sup>16</sup>
- President Trump illegally fired DOD's Inspector General, the agency's independent watchdog responsible for conducting oversight of any potential waste, fraud, abuse, or corruption associated with Mr. Musk.<sup>17</sup>
- President Trump broke from tradition and purged the chairman of the Joint Chiefs of Staff, Air Force General C.Q. Brown, as well as five additional senior military officers: Admiral Lisa Franchetti, chief of Naval Operations and the highest-ranking officer in the Navy; General James Slife, vice chief of staff and second in command of the Air Force; and the top lawyers for the Air Force, Army, and Navy. This purge of seasoned military officers, who had earned bipartisan support, instantly wiped away decades of military experience and threatened the nonpartisan nature of these roles, which are meant to be apolitical. <sup>18</sup>

In order to ensure that DOD is complying with federal ethics and other relevant laws with respect to Elon Musk, please provide the following information, documents, and answers to the following requests by April 22, 2025:

1. A list of all matters under the Department's purview in which any of Mr. Musk's businesses <sup>19</sup> has any interest, stake, or engagement;

York Times (Dec. 17, 2024) (online at www.nytimes.com/2024/12/17/technology/elon-musk-spacex-national-security-reporting.html).

<sup>&</sup>lt;sup>16</sup> Officials Shed Light on 'Active Process' to Shrink DOD's Workforce by More than 50,000 Personnel, DefenseScoop (March 18, 2025) (online at https://defensescoop.com/2025/03/18/dod-civilian-workforce-reductions-process-doge-hegseth/).

<sup>&</sup>lt;sup>17</sup> Inspector General Vacancies After Trump Firings Draw Questions About Agency Oversight, ABC News (Feb. 6, 2025) (online at https://abcnews.go.com/US/inspector-general-vacancies-after-trump-firings-draw-questions/story?id=118507727).

<sup>&</sup>lt;sup>18</sup> Letter to Secretary Pete Hegseth, Department of Defense, from Ranking Member Gerald E. Connolly, Committee on Oversight and Government Reform (Feb. 24, 2025) (online at https://oversightdemocrats.house.gov/sites/evo-subsites/democrats-oversight.house.gov/files/evo-media-document/2025-02-24.GEC%20and%20MFA%20to%20Hegseth%20re%20DOD%20Firings%20FINAL.pdf); *Trump Fires Top US General in Unprecedented Pentagon Shakeup, Reuters* (Feb. 22, 2025) (online at www.reuters.com/world/us/trump-pushes-out-top-us-general-nominates-retired-three-star-2025-02-22/).

<sup>&</sup>lt;sup>19</sup> For purposes of this document, "Mr. Musk's businesses" refers to businesses in which Mr. Musk is CEO or owner or otherwise has an ownership interest.

- 2. A detailed and complete list of all steps DOD is taking to ensure compliance with all relevant conflicts of interest and ethics laws pertaining to Mr. Musk's businesses;
- 3. All documents and communications related to procurements under DOD's jurisdiction in which any of Mr. Musk's businesses is a party;
- 4. A detailed and complete list of all actions DOD is taking to ensure that Mr. Musk is not permitted access to information that would threaten national security or give Mr. Musk's businesses an advantage over competitors;
- 5. A detailed and complete list, including names, titles, and length of service with the federal government, of any DOD federal employees or contractors terminated, placed on administrative leave, transferred, or in any way removed from their positions by, or on the recommendation or orders of, DOGE, an agency DOGE team, or Elon Musk who were involved in any investigation into any of Mr. Musk's businesses; and
- 6. A detailed and complete list of all exemptions DOD programs have received from President Trump's funding and hiring freezes.

The Committee on Oversight and Government Reform is the principal oversight committee of the House of Representatives and has broad authority to investigate "any matter" at "any time" under House Rule X. The Committee has legislative jurisdiction over the federal civil service, public information and records, and the reorganization of the executive branch. The information requested in this letter will inform potential legislative reforms related to matters within the jurisdiction of the Committee. If you have any questions regarding this request, please contact Committee Democratic staff at (202) 225-5051. Thank you for your prompt attention to this matter.

Sincerely,

Gerald E. Connolly

Ranking Member

cc:

Member of Congress

The Honorable James Comer, Chairman