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SUBCOMMITTEE ON CYBER,
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SUBCOMMITTEE ON TACTICAL AIR &
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HOUSE SELECT COMMITTEE
ON COMPETITION BETWEEN
THE UNITED STATES AND THE
CHINESE COMMUNIST PARTY

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Dear Inspectors General:

I write to you today with concerns regarding potential conflicts of interest and use of federal resources to benefit private interests within a number of federal agencies. Specifically, I am concerned that Elon Musk – named as the head of the Department of Government Efficiency (DOGE) by President Trump during his Joint Address to Congress on March 4, 2025 – continues to hold financial interests in companies directly affected by recent DOGE and federal agency actions. Managing a governmental body that is directly affecting an individual's own personal finances is an unacceptable conflict of interest and degradation of the public trust. I ask that you review the actions of DOGE and Mr. Musk in your departments and agencies where there are

potential conflicts of interest regarding Mr. Musk's companies to ensure that improper or illegal behavior to benefit those companies has not taken place.

Mr. Musk currently serves as a Special Government Employee (SGE), allowing him to avoid required divestments of financial interests that may conflict with his federal work in the Trump Administration, unlike other federal civilian employees.¹ As the head of DOGE, Mr. Musk is leading the Trump Administration's efforts to eliminate entire agencies, cut contracts with the private sector and nonprofits, and fire career civilian employees – many of which have been challenged and halted in court for unconstitutionally circumventing the power granted to Congress. To carry out these actions, Mr. Musk and DOGE have been granted vast authority to implement contract and staffing decisions at a large number of federal agencies with limited oversight.

However, Mr. Musk's companies continue to receive billions of dollars in federal contracts. A review of federal records conducted by the Washington Post found that Mr. Musk's companies have received at least \$38 billion in federal funds, including \$6.3 billion in 2024 alone. The 52 current federal contracts with Mr. Musk's companies would pay \$11.8 billion over the next several years, representing a clear conflict of interest as Mr. Musk leads the effort to cut tens of billions of dollars in federal contracts.²

Additionally, Mr. Musk's companies have been the subject of several recent complaints and investigations by your departments and agencies. Both the National Labor Relations Board and the Securities and Exchange Commission have active, ongoing cases against Mr. Musk's companies for unlawful firings and securities violations, which could lead to millions of dollars in penalties if successful.^{3 4} The involvement of DOGE and Mr. Musk at these agencies, when they are investigating his companies and considering layoffs that could greatly impede their ability to win cases, represents a clear conflict of interest that the public deserves to have investigated.

Given the broad authority that Mr. Musk has been granted by President Trump at agencies that manage contracts and regulatory proceedings involving Mr. Musk's companies, the potential for conflicts of interest and self-dealing is significant. Specifically, Mr. Musk has the following potential conflicts of interest with your departments and agencies:

¹ Anabelle Timsit and Matt Viser, "Elon Musk is a 'special government employee.' What does that mean?" *The Washington Post*, February 4, 2025, <https://www.washingtonpost.com/politics/2025/02/04/elon-musk-special-government-employee-meaning/>.

² Desmond Butler et al, "Elon Musk's business empire is built on \$38 billion in government funding," *The Washington Post*, February 26, 2025, <https://www.washingtonpost.com/technology/interactive/2025/elon-musk-business-government-contracts-funding/>.

³ Daniel Wiessner, "Musk's SpaceX loses early legal challenge to US labor board's powers," *Reuters*, March 5, 2025, <https://www.reuters.com/legal/government/musks-spacex-loses-early-legal-challenge-us-labor-boards-powers-2025-03-05/>.

⁴ Aliza Chasan, "SEC sues Elon Musk, accusing him of withholding info that cost Twitter investors millions," *CBS News*, January 15, 2025. <https://www.cbsnews.com/news/sec-sues-elon-musk-withholding-info-from-twitter-investors/>.

Department of Transportation

In 2023, the Federal Aviation Administration awarded Verizon a \$2.4 billion contract to upgrade its communications infrastructure over 15 years. However, in February 2025, Mr. Musk posted on X that he wanted to pivot the FAA's communications system to Starlink, a system wholly owned by Musk's SpaceX, and there are ongoing discussions within the FAA about handing the contract to Mr. Musk's company. At the same time, he approved a shipment of 4,000 Starlink terminals to the FAA, with one system already installed at an FAA facility in Atlantic City.⁵ This abrupt shift in the FAA's procurement policy, with a separate company already contracted to provide communications equipment, towards a company owned by Mr. Musk presents serious self-dealing questions about Mr. Musk using federal funds to support his own businesses.

Department of State

In February 2025, the State Department indicated that it intended to purchase approximately \$400 million worth of armored Tesla Cybertrucks to transport State Department personnel overseas.⁶ After public reporting of the planned purchase, the State Department said it would not proceed with the contract and claimed that it had been initiated during the Biden Administration.⁷ Public reporting, however, showed that in November 2024, the State Department had only approved \$483,000 to purchase electric vehicles, less than one eighth the amount ultimately announced in February 2025.⁸ This dramatic increase in a proposed contract for Tesla is deeply troubling given Mr. Musk's influence over federal contracts and spending.

Department of Commerce

In March 2025, the Department of Commerce announced that it would be changing requirements for the Broadband Equity, Access, and Deployment (BEAD) Program – designed to extend broadband coverage to remote parts of the country – that will expand access to the program for Mr. Musk's Starlink service and open the door to millions of dollars in federal contracts for Mr. Musk's business.⁹ The program rules were created to favor fiber-optic cable lines attached to homes, until abruptly being changed by the Administration last month. Evan Feinman, the director of the BEAD Program, wrote to staff in a departing email that Starlink would offer slower speeds at higher costs to households than fiber-optic cables.¹⁰

⁵ Oriana Pawlyk, "Musk slams a Starlink competitor amid questions about \$2.4B FAA contract," *Politico*, February 28, 2025, <https://www.politico.com/news/2025/02/28/musk-starlink-competitor-faa-contract-00206683>.

⁶ Adriana Gomez Licon, "State Department halts plan to buy \$400M worth of armored vehicles from Musk's Tesla," *Associated Press*, February 13, 2025, <https://apnews.com/article/elon-musk-tesla-biden-federal-contract-electric-vehicles-donald-trump-f8f5b07d03f6e0c9d072abd69fecedec4>.

⁷ *Ibid*

⁸ Bobby Allyn, "A new document undercuts Trump admin's denial about \$400 million Tesla deal," *National Public Radio*, February 24, 2025, <https://www.npr.org/2025/02/24/nx-s1-5305269/tesla-state-department-elon-musk-trump>.

⁹ Cecilia Kang, Federal Grant Program Opens Door to Elon Musk's Starlink, *The New York Times*, March 5, 2025, <https://www.nytimes.com/2025/03/05/technology/broadband-rules-elon-musk-starlink.html>.

¹⁰ John Hendel, "Top broadband official exits Commerce Department with sharp Musk warning," *Politico*, March 16, 2025, <https://www.politico.com/news/2025/03/16/official-exits-commerce-department-musk-warning-00232278>.

Department of Defense

SpaceX is one of the Department of Defense's primary contractors for space launch services, with DoD providing at least \$7.6 billion in funding for SpaceX since 2003.¹¹ This includes contracts of \$733 million for the National Security Space Launch program awarded in 2024 and \$23 million to provide SpaceX's Starlink internet service to Ukraine.¹² Additionally, public reporting has indicated that SpaceX has also been awarded nearly \$2 billion worth of classified contracts by DoD.¹³ As DoD has prioritized space systems development and operations in recent years, it has increasingly come to rely on SpaceX's launch capabilities. Public reporting indicates that DOGE is currently reviewing DoD contracts and budgets, providing the staff the opportunity to potentially improperly funnel additional funding to SpaceX contracts.¹⁴

National Aeronautics and Space Administration

Like the Department of Defense, NASA maintains extensive contracts with SpaceX for space launch services and other products. On February 1, 2025, after Mr. Musk began his work at DOGE, NASA announced it had selected SpaceX for an approximately \$100 million contract to provide launch services for the Near-Earth Object Surveyor mission, which will monitor objects that could potentially impact Earth.¹⁵ Mr. Musk has also advocated for the early dismantling of the International Space Station in the next two years, which SpaceX is currently contracted to deorbit in early 2031.¹⁶ In total, SpaceX CEO Gwynne Shotwell has said the company has approximately \$15 billion in NASA contracts.¹⁷ This number is likely to increase as NASA continues to rely heavily on SpaceX for key components of its Artemis Moon exploration program. Public reporting indicates that DOGE staff are currently embedded in NASA developing budget and personnel cuts, giving them the opportunity to potentially impact future SpaceX contracts.¹⁸

¹¹ Desmond Butler et al, "Elon Musk's business empire is built on \$38 billion in government funding," *The Washington Post*, February 26, 2025,

<https://www.washingtonpost.com/technology/interactive/2025/elon-musk-business-government-contracts-funding/>.

¹² "Elon Musk's US Department of Defense contracts," *Reuters*, February 11, 2025,

<https://www.reuters.com/world/us/elon-musks-us-department-defense-contracts-2025-02-11/>.

¹³ "Exclusive: Trump Air Force nominee arranged satellite contract in manner that favored Musk's SpaceX," *Reuters*, February 7, 2025,

<https://www.reuters.com/world/us/trump-air-force-nominee-arranged-satellite-contract-manner-that-favored-musks-2025-02-07/>.

¹⁴ Patrick Tucker, "Pentagon officials are bracing for Musk's DOGE," *Defense One*, February 14, 2025,

<https://www.defenseone.com/policy/2025/02/pentagon-officials-are-bracing-musks-doge/403037/>.

¹⁵ National Aeronautics and Space Administration, "NASA Awards Planetary Defense Space Telescope Launch Services Contract," February 21, 2025,

<https://www.nasa.gov/news-release/nasa-awards-planetary-defense-space-telescope-launch-services-contract/>.

¹⁶ Jeff Foust, "Musk calls for deorbiting ISS 'as soon as possible,'" *Space News*, February 20, 2025,

<https://spacenews.com/musk-calls-for-deorbiting-iss-as-soon-as-possible/>.

¹⁷ "Elon Musk's US Department of Defense contracts," *Reuters*, February 11, 2025,

<https://www.reuters.com/world/us/elon-musks-us-department-defense-contracts-2025-02-11/>.

¹⁸ Michael Sainato, "Nasa cuts raise fears of handing more influence to SpaceX owner Musk," *The Guardian*, March 18, 2025,

<https://www.theguardian.com/science/2025/mar/18/nasa-cuts-elon-musk-spacex>.

General Services Administration

In February 2025, the General Services Administration installed a Starlink terminal at the agency's Washington headquarters at the request of DOGE staffers and for their use. The installation happened within days of the request, compared to the typical weeks- or months-long process needed for security and procurement review.¹⁹ DOGE and GSA have not provided any explanation for why GSA's existing internet would be insufficient to support the handful of DOGE staffers working in the GSA headquarters. In addition, Starlink terminals have now been installed across the White House complex.²⁰ Specific requests by DOGE staff and Mr. Musk to use federal funds for the purchase of equipment manufactured by Mr. Musk's companies, or to expand the visibility of this equipment by high-profile usage at government facilities, raise significant conflict of interest questions.

Securities and Exchange Commission

In January 2025, the Securities and Exchange Commission filed a lawsuit against Mr. Musk alleging that he misled investors about his purchase of Twitter in 2022.²¹ The SEC previously won a securities fraud settlement against Mr. Musk requiring him and Tesla to each pay \$20 million in penalties.²² SEC employees were among the federal employees offered \$50,000 "buyouts" to voluntarily resign, which could impact the ability of the agency to bring and win enforcement actions like those filed against Musk. DOGE is currently active at the SEC and is reportedly working to cut additional SEC staff in the coming months.²³

National Labor Relations Board

The National Labor Relations Board is currently considering a case against SpaceX brought by eight employees who allege they were illegally fired for criticizing Mr. Musk. In response, SpaceX filed a suit challenging the constitutionality of the NLRB entirely in 2024.²⁴ The NLRB has also filed complaints against Tesla accusing the automaker of illegally discouraging workers from forming a union, including tweets by Mr. Musk himself threatening the compensation of employees who unionized.²⁵ In February 2025, the General Services Administration – acting on behalf of DOGE – attempted to unilaterally cancel the lease for the NLRB's Buffalo office,

¹⁹ David Ingram et al., "Elon Musk's Starlink has a growing footprint in the federal government," *NBC News*, March 7, 2025, <https://www.nbcnews.com/tech/elon-musk/elon-musk-starlink-growing-footprint-federal-government-rcna195400>.

²⁰ Maggie Haberman et al., "Elon Musk's Starlink Expands Across White House Complex," March 17, 2025, <https://www.nytimes.com/2025/03/17/us/politics/elon-musk-starlink-white-house.html>.

²¹ Aliza Chasan, "SEC sues Elon Musk, accusing him of withholding info that cost Twitter investors millions," *CBS News*, January 15, 2025, <https://www.cbsnews.com/news/sec-sues-elon-musk-withholding-info-from-twitter-investors/>.

²² Emma Bowman, "Elon Musk Settles With SEC, Agrees To Step Down As Tesla Chairman," *National Public Radio*, September 29, 2018, <https://www.npr.org/2018/09/29/653014733/elon-musk-settles-with-sec-agrees-to-step-down-as-tesla-chairman>.

²³ Chris Prentice, "Exclusive: US SEC plans to cut regional directors as agency prepares for DOGE scrutiny, sources say," *Reuters*.

<https://www.reuters.com/world/us/us-securities-regulator-plans-cut-regional-directors-due-trump-administration-2025-02-24/>.

²⁴ Daniel Wiessner, "Musk's SpaceX loses early legal challenge to US labor board's powers," *Reuters*, March 5, 2025, <https://www.reuters.com/legal/government/musks-spacex-loses-early-legal-challenge-us-labor-boards-powers-2025-03-05/>.

²⁵ Lora Kolodny, "Tesla accused by NLRB of creating policies to chill workers' unionizing efforts in Buffalo," *CNBC*, May 9, 2024, <https://www.cnbc.com/2024/05/09/tesla-accused-by-nlr-b-of-chilling-worker-unionizing-efforts-in-buffalo.html>.

which would greatly impede their ability to proceed with labor protection cases.²⁶ President Trump also illegally fired an NLRB board member – before she was reinstated by a federal judge in March – which would have paralyzed the agency’s ability to hear cases like the ones pending against SpaceX and Tesla.²⁷

Across a large number of agencies and regulatory bodies, the Trump Administration and DOGE have abruptly shifted federal policy to favor companies owned by Mr. Musk and limit the effectiveness of bodies actively investigating Mr. Musk. Given the lack of financial divestment by Mr. Musk or recusal from DOGE activities on the basis of conflicts of interest, these actions paint a disturbing picture whereby Mr. Musk is actively profiting from his role within the federal government. It is essential that our constituents know that federal officials are acting in the best interests of the American people, not their own financial interests.

As a result, I ask that you investigate the policy and procurement decisions made by Mr. Musk, DOGE, and the Trump Administration within your agencies to determine whether any have been made to directly benefit Mr. Musk’s companies, and to determine whether any of Mr. Musk’s financial conflicts of interest have impacted his decision-making as the head of DOGE. I look forward to staying in touch as you conduct these reviews and ensure that the federal government is not used to benefit the financial interests of officials within the Trump Administration.

Sincerely,



Mikie Sherrill
MEMBER OF CONGRESS

²⁶ Dave Jamieson, “How DOGE’s Sketchy ‘Wall Of Receipts’ Set Off Panic Inside A Federal Agency,” *HuffPost*, February 20, 2025. https://www.huffpost.com/entry/nlrb-office-lease-doge-wall-of-receipts_n_67b76046e4b05145b9c4ca05.

²⁷ Gary Grumbach et al., “A blatant violation of the law’: Judge blasts Trump’s firing of NLRB member and orders reinstatement,” *NBC News*, March 6, 2025. <https://www.nbcnews.com/politics/trump-administration/judge-trump-reinstate-national-labor-relations-board-member-wilcox-rcna195220>.