

TRUMP & MUSK

17 MONTHS LATER



Democracy
Defenders
Fund

OCTOBER 2026

TRUMP & MUSK

17 MONTHS LATER

CONTENTS

Overview 3

Government Contracts7

Regulatory Relief and Encouragement 9

Artificial Intelligence and Data Centers13

Space Exploration and Launches.....14

Energy Production15

Electric Vehicles15

Tariffs and Import Restrictions16

Lingering Questions 17

How to Restore Public Trust19

Acknowledgments20

October 2026



democracydefendersfund.org

OVERVIEW

This report provides an in-depth look at the relationship between Elon Musk and the federal government over the 17 months since he left his “special government employee” role as head of the Department of Government Efficiency (DOGE). Democracy Defenders Fund reviewed federal contract databases, regulatory filings, court documents, financial disclosures, and hundreds of news articles from outlets including *Reuters*, *Bloomberg*, *The Wall Street Journal*, *The Washington Post*, and *Wired*. We cross-referenced these records against public announcements from the White House, federal agencies, and Musk’s own companies to map the full scope of the administration’s engagement with his business empire.

The findings are striking: In the 17 months since his bitter public rift with President Donald Trump, Musk has repaired his relationship with the President and seen his net worth more than double, aided by at least **\$10 billion** in new government contracts and grants along with repeated regulatory relief from the Trump Administration.¹ At least 11 executive departments and 14 independent agencies have taken actions benefiting his businesses. These include fast-tracked, sole-source SpaceX contracts from the Pentagon; the Justice Department’s argument that citizen groups cannot sue a Musk company over alleged environmental violations; and FCC action clearing the way for Starlink to compete in the mobile-carrier market. The report also traces how Musk’s companies have become embedded in federal operations, from Grok’s integration into defense systems to Starlink’s role in Ukraine’s military communications, the latter raising questions about the risks of placing critical infrastructure under the control of a single private citizen.

The central finding is that the current government ethics framework allows the world’s richest person—a major political donor and former government official—to earn billions from federal contracts while his companies receive favorable treatment across government. The same framework may leave room for other wealthy individuals to exercise comparable influence. This report outlines legislative steps Congress can take to close pay-to-play loopholes and bar government contractors from serving as special government employees. It also raises urgent questions about whether it’s in the public interest for unelected individuals to wield such concentrated influence over government policy, defense, and infrastructure.

Even Republicans have begun questioning whether Musk’s influence has gone too far. “We’re putting too many eggs in one company’s basket when it comes to our space assets,” [said](#) Sen. Kevin Cramer, R-N.D., referring to SpaceX’s role in national security matters. Members of Congress from both parties have [called](#) for investigations into Musk’s [role](#) in the recent slowdown of satellite connections used by Ukraine’s military. “We’ve got to call the witnesses, got to bring them in, put them under oath, and get to the bottom of it,” [said](#) Rep. Brian Fitzpatrick, R-P.A.. “We cannot just move past this.”

Few would have predicted 17 months ago, after Musk and Trump’s headline-grabbing [fall-out](#) and Musk’s departure as head of Trump’s Department of Government Efficiency, that their alliance would be what it is today. Their relations improved after senior administration officials, including Vice President J.D. Vance and White House chief of staff Susie Wiles worked behind the scenes to put the vitriol behind them, *The Wall Street Journal* [reported](#).

The rapprochement between Musk and Trump was on display in late September when Musk was conspicuously [seated](#) at the head table with Trump and Chinese President Xi Jinping at a White House state dinner for Xi. Four months earlier, Musk was one of only two business executives [invited](#) to join the President on Air Force One when he traveled to China for a state visit. The [other 15](#) U.S. business leaders making the trip traveled to China on their own.

¹ Including, \$4.2 billion SpaceX Golden Dome [contract](#) (05/29/2026), \$2.3 billion SpaceX Golden Dome [contract](#) (05/26/2026), \$1.6 billion SpaceX [contract](#) for expanded military satellite launches (07/29/2026), \$946 million SpaceX [contract](#) for missions to the International Space Station, \$739 million in Commerce Department internet access [grants](#) for Starlink (04/2026), \$200 million [contract](#) for military use of xAI (07/14/2025), and \$20.5 million for Starlink use by various government agencies, including the Departments of State, Homeland Security, Justice, and others, detailed below. These contracts and grants amount to \$10 billion in new federal funding.



More recently, Musk sat beside Trump at a White House meeting with 19 tech and venture capital executives on September 29. A day later, Defense Secretary Pete Hegseth announced Musk would co-lead a three-person Pentagon advisory panel on how to prepare the military to fight the wars of the future—an appointment that quickly triggered conflict-of-interest concerns.

The following week Trump awarded Musk and three other tech executives the National Medal of Science. Trump effusively praised Musk at the October 8 ceremony, calling him a “national treasure” and “our modern-day Thomas Edison.”

For his part, Musk has largely refrained from criticizing Trump and his Administration since the rift and cemented ties with the President by privately pledging in the summer to spend upwards of \$100 million to elect Republicans in the midterm elections in November. By mid-October, Musk had far exceeded that amount, spending more than \$445 million this election cycle on behalf of the GOP, making him by far the largest known political donor in U.S. election history.

Musk appears to be helping the GOP in other ways as well. A recent study found that Musk’s Grok chatbot, when forced to choose a candidate in the midterm elections, picked the Republican 92 percent of the time.

Alex Gibney, director and producer of a new documentary on Musk, described the relationship between Trump and Musk this way in an interview on Zeteo: “They have a marriage of convenience. Trump has the power to keep Musk in the money and Musk has the money to keep Trump in power.”

Musk demonstrated his eagerness to stay in Trump’s good graces in early October after the President declared that “artificial intelligence” should be called “super intelligence.” In contrast to tech officials dismissive of Trump’s rebranding effort, Musk responded by announcing he would rename his AI company to reflect the President’s terminology.

Musk also followed Trump’s lead in criticizing Ukraine for targeting Russia’s oil refineries, which Trump blames for high diesel prices in the United States. “Time for Zelensky to go,” Musk posted on X in mid-October, referring to Ukrainian President Volodymyr Zelenskyy.

At about the same time as Musk’s post, Ukraine began experiencing a slowdown of Starlink and its military-grade version Starshield. Both systems have been vital to Ukraine’s military in the war triggered by Russia’s 2022 invasion. Some drones flying at high speeds lost their satellite connections and started dropping from the sky. Russian troops could now more freely travel along routes that had been subject to drone attacks. Amid a bipartisan uproar, Trump called Musk and asked him to lift restrictions, *The Wall Street Journal* reported. Normal service was restored on October 24.

In a post on X, Musk acknowledged that SpaceX restricted Ukraine’s Starlink connection. He said the slowdown came after Ukraine violated Starlink’s terms of service by using it for offensive drone strikes—a claim Ukraine has denied. But Musk said that the U.S. government controlled any restrictions on Starshield. *Reuters* reported that the order to limit Starshield service came from inside the White House. When asked about the reported direction from the White House, Secretary of State Marco Rubio said that the report was “categorically false” and that “[n]o one at the White House ordered anyone to slow down internet or slow down speed so that certain drones couldn’t use it.” The White House has not issued an official statement.

Since the rift between Musk and Trump in the late spring of 2025, Trump has invested twice in Musk’s largest company, SpaceX, a defense contractor and space launch firm that also provides Starlink satellite service, as have other administration officials. The most recent transaction was his purchase of between \$1 million and \$5 million in SpaceX bonds on August 18, two days before he signed a national space transportation policy that directs federal agencies to support commercial launch activity. A spokesperson for the White House told *CNN* that



**SPENDING NEARLY HALF
A BILLION DOLLARS IN
THE 2026 MIDTERMS,
ELON MUSK IS BY FAR
THE LARGEST KNOWN
POLITICAL DONOR IN U.S.
ELECTION HISTORY.**

neither the President nor his family have a role in directing, influencing or providing input into managing the President's financial portfolio, and that third parties handle his financial holdings that are maintained through "discretionary accounts and invested through computer-based model portfolios that automatically replicate recognized indexes, such as the Schwab 1000."

Earlier this year, Musk's SpaceX acquired Musk's artificial intelligence company xAI in a merger valued at \$1.25 trillion, the largest ever. The merger formed SpaceXAI, now called Super Intelligence. Four months later, Musk became the world's first trillionaire when he transitioned SpaceX from its status as a privately owned company to one selling its shares on Wall Street. The market value of the combined company was pegged at \$1.8 trillion, making it the largest initial public offering in history.

On October 20, Musk revealed that merger discussions were underway between SpaceX and Tesla. Their combined value would be an estimated \$3.5 trillion. *Bloomberg* reported that "there's a push" to announce the merger in the first half of 2027 "so that it closes" while Trump is still in office. A merger of that magnitude would typically be subject to review by the Department of Justice or the Federal Trade Commission, and a future Administration might not be as friendly to Musk.

Bloomberg estimated that a SpaceX-Tesla merger could add more than \$110 billion to Musk's net worth, which has dipped since its summer peak. For much of October, Musk's net worth fluctuated between \$900 billion and \$1 trillion, according to *Forbes*. But that is more than double Musk's net worth of \$419 billion when he left the Trump Administration and nearly four times his approximate \$250 billion net worth when he hitched his wagon to Trump by endorsing him in July of 2024 over rival Democratic presidential candidate Kamala Harris. *Forbes* ranks Musk as the world's richest person by far.

By no means has Musk's association with Trump accounted for all the increase in his wealth. Before Trump was inaugurated for a second time in January 2025, the Pentagon and the National Aeronautics and Space Administration were awarding multi-billion-dollar contracts to SpaceX, and Starlink was well on its way to dominating satellite internet service.

Still, the magnitude of Musk's gains and questions about potential conflicts of interest he faced when serving in the Trump Administration as head of the Department of Government Efficiency and now faces as a member of a Pentagon advisory panel make Trump Administration actions affecting his business interests suspect, justified or not. (Although DOGE reportedly disbanded in November 2025, a recently-issued court order indicates that "[United States DOGE Service] continues to operate within the Executive Office of the President, and the Executive Order's directive that agencies give USDS 'full and prompt access' to their records remains in effect.")

SpaceX's successful track record in military contracts means that "they don't need to cheat" to win more of them, Todd Harrison, a senior fellow at the American Enterprise Institute, told *The Washington Post* in 2025 when Musk was still heading DOGE. "They don't need an unfair advantage. But the fact that Elon's in the White House is going to make people wonder if there is some unfair advantage. There will be an asterisk next to every SpaceX win. It taints everything, whether it's fair or not."

Since leaving the White House in late May of 2025, Musk no doubt has a better grasp than he did before of the inner workings of the federal government, as do the DOGE workers who followed him back to private industry or stayed in the government. Less than seven weeks after Musk's departure, Musk's artificial intelligence firm unveiled xAI for Government, now called Grok for Government, an AI product designed for federal workers. The very same day, the Pentagon signed up for \$200 million in xAI services. XAI's Grok chatbot is now widely available to federal departments.



SINCE LEAVING THE WHITE HOUSE IN LATE MAY OF 2025, MUSK NO DOUBT HAS A BETTER GRASP THAN HE DID BEFORE OF THE INNER WORKINGS OF THE FEDERAL GOVERNMENT.

AND TRUMP HAS TWICE INVESTED IN MUSK'S LARGEST COMPANY.

In late September, the President unveiled *America.gov*, a website designed to help users find information across government websites with a single search. The website, designed by Musk ally and former DOGE worker Joe Gebbia, uses two AI products. One of them is Musk's Grok. Musk, who was at the unveiling, was lauded by Trump as a "great guy."

Wired reported after the unveiling that at least two of the workers in Gebbia's department are on loan to the government and are actually employed by a recently formed nonprofit that appears to be run by James Burnham, the general counsel of Musk's artificial intelligence firm. The arrangement raises questions about whether Gebbia's department, called the National Design Studio, "is skirting rules and regulations to bring its chosen staff into government and is functioning as an arm of the tech industry as much as a government initiative," *Wired* reported.

Even President Trump has reportedly used Musk's Grok chatbot. *Time* magazine reported in early October that Trump, during a secret meeting with Musk in December 2025, consulted Grok before sending the military into Venezuela to capture President Nicolas Maduro. Grok reportedly told Trump that Maduro was a "deeply unpopular dictator and that many Venezuelans would likely celebrate his downfall." When such celebrations happened after the U.S. invaded Venezuela in January 2026, Trump apparently "came away thinking Grok was ingenious," *Time* reported.

Indeed, Musk's products are now so interwoven into the fabric of the federal government that it would be very difficult for any future administration, Republican or Democratic, to disentangle them.

Musk is not the only former DOGE member who has done well since returning full-time to private industry. *The Washington Post* reported in October that about two dozen former DOGE staffers have capitalized on their stints in the Trump Administration in private sector jobs. At least six DOGE alumni have registered on a government contracting portal, the *Post* reported. Start-ups founded by, or with key investment from, DOGE alumni have raised at least half a billion dollars in funding, the *Post* said.

"Washington is kind of vulnerable to this because a lot of our ethics laws were built in the 1970s [and] haven't been updated since," Jeff Hauser, executive director of the Revolving Door Project, told the *Post*. "There's going to need to be a serial reconsideration of ethics laws."

The extent to which Musk and his underlings may have benefited from their time at DOGE and their access to federal databases may never be fully known. The Trump Administration has refused to cooperate with investigations, including one by the Government Accountability Office, into DOGE's activities. A federal judge ruled in October that the Office of Personnel Management breached federal law by allowing DOGE to access sensitive government data in a case brought on behalf of the American Federation of Government Employees, the Association of Administrative Law Judges, and current and former federal workers. Plaintiffs were represented by Democracy Defenders Fund, the Electronic Frontier Foundation, Lex Lumina LLP, and The Chandra Law Firm LLC.

This Democracy Defenders Fund report highlights gaps in the current ethics framework that appear to favor the financial interests of Musk and his companies, allowing them to reap billions of dollars from government contracts at the expense of the American people. This report proposes reform measures that would close pay-to-play loopholes in the current legislative framework so that the current ban on political contributions is expanded to cover executives, major shareholders, and affiliated entities of federal contractors, legislation that bars key personnel of government contractors from serving as special government employees.

This report highlights gaps in the current ethics framework that appear to favor the financial interests of Musk and his companies, allowing them to reap billions of dollars from government contracts at the expense of the American people.



GOVERNMENT CONTRACTS

A Democracy Defenders Fund review of federal contract databases and announcements shows that Musk's companies have won at least \$10 billion in contracts since he left the government. That's on top of the estimated **\$6.3 billion** in contracts his firms were awarded during his stint as a special government employee.

The largest individual contracts have been **\$4.2 billion** and **\$2.3 billion** awards to SpaceX by the Pentagon as part of its Golden Dome program. The program is designed to thwart incoming missiles early in flight or even prior to launch using a space-based satellite network.

The Wall Street Journal reported that both contracts were fast-tracked through the Pentagon's "other transaction authority," bypassing many of the regulations that typically slow the process for acquiring weaponry and other technology. The *Journal* wrote that while the Pentagon opened a window for proposals from more companies for Golden Dome contracts, "the extremely specific criteria and a challenging timeline kept other potential bidders out of the mix. Some companies ultimately avoided bidding at all."

The Pentagon's contracting procedures have raised concerns. "It shouldn't be the case that you decide ahead of time that you'd like to award a contract to an individual company and then write all the criteria to make that happen," Dave Vorland, who served as the acting deputy assistant secretary of space and missile defense policy in the Biden Administration, told *Bloomberg*. "We'd like to see an industrial base that includes more than one viable company."

The contracts were awarded by the Pentagon's Space Force, which is overseen by Air Force Secretary Troy Meink. Musk sat in on Meink's interview with Trump for the role of Air Force secretary. Meink previously served as the principal deputy director of the Pentagon's National Reconnaissance Office, which built an intelligence network using SpaceX's satellites while he was there.

The close relationship between the Pentagon and SpaceX was underscored by a report in *Breaking Defense* in late September that the Defense Department, in an unprecedented move, agreed to give SpaceX exclusive access to the government's most classified space-tracking data. *Breaking Defense* reported that the arrangement has sparked concern among SpaceX's rivals that SpaceX could use the data to hone the accuracy of products and analysis it provides to non-military space operators on potential collisions among satellites and other space objects—potentially undercutting the market. *The Guardian* reported that the Pentagon's agreement with SpaceX raises a "new round of questions about whether the Trump Administration is attempting to hand over traffic control in Earth's orbit to a controversial donor." The agreement came after Musk's DOGE in 2025 "fired many of the federal government's nascent space traffic control program's staff," *The Guardian* reported.

The ties between the Pentagon and Musk were further underscored when Defense Secretary Pete Hegseth named Musk to a three-member advisory committee charged with studying what's needed for the military to fight future wars. The Pentagon official tapped to oversee the committee is Emil Michael, undersecretary for research and engineering. The *Guardian* reported that Michael made a profit of up to \$24 million selling a private investment he held in Musk's artificial intelligence company earlier this year.

Russian President Vladimir Putin disclosed in late October that Russia, which is developing its own satellite network, coordinates with SpaceX and other U.S. firms "because in orbit it is very important not to interfere with each other and to observe certain discipline and order." Putin called Musk a "real genius."

After winning Pentagon contracts worth a potential \$5.9 billion in April 2025 for a program to launch military satellites into space, SpaceX now stands to gain even more as a result of a Pentagon decision in July 2026 to increase the total number of launches from 60 to 170 over the next decade.

OUR REVIEW SHOWS THAT MUSK'S COMPANIES HAVE WON AT LEAST \$10 BILLION IN CONTRACTS SINCE HE LEFT THE GOVERNMENT.

That's on top of the estimated \$6.3 Billion in contracts awarded during his stint as a special government employee.



The Pentagon said it was tripling the contract ceiling to a total of \$17 billion for the companies competing for launch contracts.

SpaceX, already the world's [busiest](#) rocket launcher, is well positioned to win contracts for many of the additional launches, as demonstrated by the military's [announcement](#) in July that it was awarding SpaceX \$1.6 billion for the first two launches under the expanded \$17 billion program.

With its reusable Starship Rocket, SpaceX hopes to eventually populate both the [moon](#) and [Mars](#) by ferrying thousands of payloads into outer space. "Starship is 2 to 3 years away from hourly flights," Musk [predicted](#) recently. In the third quarter of 2026, SpaceX saw its revenues [grow](#) by 161 percent year over year.

The tally by Democracy Defenders Fund of \$10 billion in government contracts for Musk's firms since he left the government is conservative because it does not include the value of contracts the military has kept secret.

In August 2026, the Pentagon redacted the amount it was paying SpaceX to expand its use of SpaceX's Starshield satellite network aboard military aircraft. [Aero-News](#) reported, "documents show the Pentagon sees no near-term alternative to SpaceX's Starshield satcom for some military aircraft."

And in late 2025 and early 2026, the Pentagon [awarded](#) SpaceX and 11 other companies a combined \$3.2 billion to build the prototypes to shoot down enemy missiles after they have been launched. The Pentagon did not reveal the contract awards for the individual companies.

SpaceX's role in national security is now so essential that White House officials last year determined the government [couldn't cancel most of its military and NASA contracts](#) after Musk feuded with Trump.

Other contracts won by Musk's firms since he left government include:

- \$946 million from the National Aeronautics and Space Administration to SpaceX for [three additional missions](#) to the International Space Station.
- \$739 million as SpaceX's share of Commerce Department [grants](#) to states to expand Internet access in underserved areas. Early in the Trump Administration, Commerce [revised its criteria](#) for the program to make Musk's Starlink and other satellite internet providers eligible for more awards.
- Up to \$200 million from the Defense Department to Musk's artificial intelligence firm xAI to [enhance](#) advanced artificial intelligence capabilities in the military.
- \$20.5 million in contracts by various federal agencies, including the State Department, Homeland Security Department, Interior Department, Justice Department, and General Services Administration, for use of Starlink Internet services. At least three of the contracts ([links here](#), [here](#) and [here](#)) were sole-source awards. Contracting records show that the Pentagon paid Starlink \$502,000 ([links here](#), [here](#), and [here](#)) for installation and servicing of its equipment at the White House in a move that [puzzled](#) technology experts. At the time, the White House said Starlink was [donating](#) its equipment. In reporting the contracts, the Pentagon said they were awarded to Starlink after full and open competition.



REGULATORY RELIEF AND ENCOURAGEMENT

More important than the contract awards may be the regulatory relief afforded Musk's companies by the Trump Administration. "There's been a lot of focus on their contract wins," Todd Harrison, a defense analyst at the American Enterprise Institute, told [*The Wall Street Journal*](#). "In the bigger scheme, the regulatory wins have more systemic, long-term implications for their business model."

Consider the regulation of Musk's data centers in Memphis, Tenn. Musk's artificial intelligence company xAI [installed](#) 59 natural gas turbines for its Colossus 2 data center project in the Memphis area without securing federal clean air permits, according to communications between regulators and xAI representatives reviewed by *Reuters*. Most of the turbines are across the state line in Mississippi.

The NAACP [sued](#) xAI to halt its operations, arguing the turbines need permits because they produce emissions subject to the Clean Air Act. The civil rights group said that the turbines are polluting homes, schools and churches in historically Black communities.

But the Justice Department urged a federal judge to dismiss the suit on the grounds that Musk's artificial intelligence program Grok is [vital](#) to national security, citing its use by the Pentagon in the war with Iran. The Justice Department also [contended](#) that if the federal government chooses not to enforce the Clean Air Act against a facility allegedly violating emission regulations, then neither can citizen groups. On October 20, the federal judge hearing the case [refused](#) to dismiss it, rejecting the Trump Administration's request. Separately, the Mississippi Department of Environmental Quality is [seeking](#) \$6.1 million in fines from xAI for allegedly bypassing permitting procedures.

While the case winds its way through the legal system, Musk's Colossus 1 data center in Memphis produces computer capacity not just for Musk's enterprises but also for other artificial intelligence firms – at a very steep price. Musk's data center is charging [Anthropic](#) and [Google](#) monthly fees of \$1.25 billion and \$920 million, respectively, for providing them capacity for their AI systems. Anthropic could end up paying Musk's firm [\\$120.5 billion](#) for the computer capacity, according to a [securities registration](#).

In another example of favorable treatment, the Securities and Exchange Commission [settled](#) a case against Musk for 1 percent of what it originally sought after he allegedly violated securities laws when he purchased Twitter in 2022.

The SEC filed the [case](#) against Musk in January 2025, before President Trump took office, demanding that Musk pay a fine of \$150 million for delaying required disclosure of his stock purchases in Twitter before the acquisition.

In July 2026, the SEC settled the case for \$1.5 million. The federal judge presiding in the case approved the settlement despite [expressing](#) "significant misgivings" about whether Musk was getting a sweetheart deal. "Whether the Executive Branch (through the SEC) has done enough to hold Mr. Musk to account for his alleged violation is, like many other issues, for our citizenry to decide at the ballot box," said U.S. District Judge Sparkle Sooknanan. "The court is left to wonder whether the SEC will afford other alleged securities-law violators such solicitude."

The judge said SEC lawyers [appeared surprised](#) at a prior hearing when Musk's lawyers revealed there had been settlement talks with the regulator, implying that the favorable deal had been worked out over the heads of the SEC attorneys litigating the case.

In the months since Musk left DOGE, the Trump Administration has taken numerous other actions that benefit, or potentially benefit, him and his companies. Among them:

- The General Services Administration [announced](#) in September 2025 it was making Grok AI models accessible to federal agencies. *Wired* [reported](#) that the White House appears to have instructed GSA officials to add [the Grok chatbot](#) to a list of [approved vendors](#) "ASAP."



- The Pentagon, less than two months after Musk left DOGE, announced that xAI was one of four firms that won contracts to develop artificial intelligence workflows and address national security needs. According to a report by *NBC News*, Musk's firm was a surprise last-minute addition to the contract.
- The FBI dismantled a public corruption squad where an agent sought to open an investigation into Musk's use of his social media platform X while leading DOGE, *Fox News* reported. The agent said that by using X for government business, Musk likely violated rules designed to prevent special government employees from profiting from their government work.
- The Trump Administration, in contrast to a number of other governments, took no regulatory actions against X after *Reuters* reported that Musk's AI chatbot was generating a "flood of nearly nude images of real people" in response to user prompts, including "sexualized images of women and minors," and posting them to X.
- The National Labor Relations Board dismissed its unfair labor practice complaint against SpaceX over allegations that SpaceX fired engineers who were publicly critical of Musk. The dismissal came after the National Mediation Board handed SpaceX a major labor-law win when it agreed with SpaceX's argument that it, rather than the NLRB, had jurisdiction over labor disputes involving SpaceX. Workers have less legal recourse under the National Mediation Board than the National Labor Relations Board, *Bloomberg* reported.
- The Pentagon's inspector general in late October rejected a request by a bipartisan group of senators to investigate the disruptions in Starlink and Starshield satellite service in Ukraine.
- The Justice Department rebuffed a request from French authorities to cooperate with its criminal investigation of X's role in deepfake images, alleged bias in its content algorithm, dissemination of child pornography, and Holocaust denial.
- The Justice Department is seeking to join an effort by Musk to annul a €120 million (\$136.5 million) fine by the European Commission for breaches of online rules. The commission determined that X's verification system could mislead users about the authenticity of accounts.
- The State Department directed every American embassy and consulate across the world to launch coordinated campaigns against foreign propaganda and endorsed X as an innovative tool to help do it.
- The Occupational Safety and Health Administration found nothing improper in Nevada officials rescinding more than \$425,000 in fines for safety violations by Musk's Boring Co. for its tunneling project in Las Vegas. *Fortune* reported that just one day after the Nevada Occupational Safety and Health Administration served Boring with the fines, they were rescinded following a call from Boring president Steve Davis to Republican Gov. Joe Lombardo's office.
- OSHA in April 2026 dropped two of the three citations it issued to Tesla for workplace and safety violations following the electrocution of a Tesla worker in 2024. OSHA reduced its fine against Tesla from \$49,650 to \$9,900.
- The Pentagon sought to quash a lawsuit by *The New York Times* seeking information about Musk's security clearances on the grounds that disclosure would violate Musk's privacy interests.
- The Tennessee Valley Authority board of directors voted unanimously in February 2026 to double the amount of electricity Musk's Memphis data center could pull from the grid.
- The Justice Department in April 2026 joined in support of a lawsuit brought by Musk's xAI seeking to overturn a Colorado state law regulating artificial intelligence.
- The Justice Department in August 2026 supported an xAI lawsuit seeking to overturn a Minnesota law banning AI nudification technology. A federal appeals court halted the law, the nation's first, on October 2.
- The Treasury Department in August 2026 removed a requirement for U.S. companies and U.S. persons to report ownership information under the Corporate Transparency Act. Treasury suspended the reporting requirement in 2025 one day after Musk posted on X that he would "look into" complaints about the law.



Sen. Elizabeth Warren, D-M.A., and other Democrats have questioned whether the Treasury action was taken because Musk has used limited liability companies that disclose little about their ownership structure to disguise his spending, according to a *New York Times* investigation.

- The Federal Trade Commission pursued a probe it launched in May 2025 of the liberal advocacy group Media Matters after Musk charged that it organized an ad boycott of X. The FTC only dropped the investigation a year later after federal courts ruled against the agency.
- The Government Accountability Office reported in August 2026 that the Office of Government Ethics informed the GAO that it had no plans to review the activities of Musk and DOGE staffers while they were in government. Members of Congress had requested probes of whether Musk had conflicts of interest. Democracy Defenders Fund also requested an investigation after the initial publication of its earlier report.
- Over the objections of environmental groups, the U.S. Fish and Wildlife Service approved moving forward with a deal to give SpaceX more than 700 acres of wildlife refuge in Texas close to the company's launchpad in exchange for 683 acres SpaceX owns elsewhere.
- The National Oceanic and Atmospheric Administration reported that it was working with SpaceX and other commercial satellite companies to improve weather forecasts. The announcement came after DOGE severely cut NOAA's weather-forecasting budget and personnel.
- U.S. Ambassador to the European Union Andrew Puzder told the *Financial Times* in mid-October that European companies would face "devastating" retaliation from Washington if Brussels moves forward with plans to restrict the access of Starlink and other U.S. products to parts of the European market.
- The Federal Election Commission has taken no action on multiple complaints (here and here) against America PAC, Musk's political action committee, seemingly because it has lacked a quorum. Trump effectively put the FEC on ice, the *Washington Sun* reported, by waiting nearly a year to nominate members. His nominees have yet to be confirmed.
- The Food and Drug Administration in 2025 awarded "breakthrough" status to a Neuralink implant device designed to restore communication for individuals with severe speech impairment. Musk founded Neuralink in 2017 and is currently CEO of the company. The breakthrough designation is intended to speed up the approval process for medical devices.
- The Equal Employment Opportunity Commission, after filing suit in 2023 alleging that there was a pattern of "severe or pervasive" racism against Black employees at Tesla's plant in Fremont, Calif., agreed in January 2026 to private mediation to settle the matter.
- Federal prosecutors appear to be zealously pursuing criminal penalties against persons charged with defacing Tesla properties. In a Colorado case, the defendant's lawyers have said federal prosecutors rejected the kind of plea agreement that would be typical in such matters.

Perhaps nowhere has the favorable treatment of Musk's companies been more apparent than at the Federal Communications Commission, where Musk ally Brendan Carr is the chairman. Before he became the FCC chairman, Carr visited the SpaceX Starbase in Boca Chica, Texas, posed for a photo with Musk, and praised Musk's business practices. As the FCC chairman, Carr has sought to reverse what he categorized as the FCC's "regulatory harassment" of Musk in the Biden Administration.

When Amazon urged the FCC to reject a SpaceX proposal to launch a constellation of 1 million satellites to harness the sun to power AI data centers, Carr rebuked the SpaceX rival. Carr said on X that Amazon should focus on its own FCC-established satellite milestones "rather than spending their time and resources filing petitions against companies that are putting thousands of satellites in orbit."

In the months since Musk left the government, the FCC has authorized SpaceX to launch 7,500 additional next-generation satellites on top of the 7,500 it had earlier approved. The Starlink broadband internet constellation now has more than 10,000 active satellites and accounts for an estimated 53 percent of satellites in space. The



FCC issued a [waiver](#) so that SpaceX can offer wireless services through satellites without entering into a leasing agreement with a ground-based mobile operator. The approval will allow SpaceX to turn Starlink Mobile into a [competitor](#) to AT&T, T-Mobile and Verizon as a mobile phone carrier. As part of its competition plan, SpaceX aims to gain access to more than 80,000 cell towers in the United States, [Bloomberg reported](#).

The FCC earlier [approved](#) a joint request from T-Mobile USA and SpaceX to waive several regulatory requirements that would allow more consumer smartphones to access satellite-based services. The FCC announced that the Defense Department had [exempted](#) Starlink from its ban on routers made outside the United States. (Some Starlink routers are made in Vietnam.) It [cleared the way](#) for SpaceX's [purchase](#) of \$17 billion of satellite spectrum from debt-ridden EchoStar to enhance Starlink's direct-to-cell phone performance. The sale [ended](#) EchoStar's plans to build its own constellation in low-Earth orbit. And the FCC in September 2026 [approved](#) SpaceX's application to offer international telecommunications.

In October 2026, the FCC Wireless Telecommunications Bureau [allowed](#) SpaceX to buy radio spectrum from a company that wasn't using it. The bureau said that while it typically takes back unused spectrum for auctioning later, it was in the public interest to let SpaceX acquire the spectrum without going through an auction.

In addition to the regulatory actions listed above, the Administration took steps during Musk's time at DOGE that were seen as beneficial or potentially beneficial to his business interests. Among them:

The Consumer Financial Protection Bureau in May 2025 [withdrew](#) a proposed [rule](#) to block the brokering of sensitive user data that could have affected X, according to the [Guardian](#). In late November 2024, Musk [wrote](#) on X: "Delete CFPB." In February 2025, when DOGE imposed severe [cutbacks](#) at the agency, Musk [posted](#): "CFPB RIP." The CFPB would have had [jurisdiction](#) over X's plans to let users make financial transactions on the social media platform. Musk [launched](#) X Money in July 2026.

Within a few days of taking office, Trump began firing inspector generals, including USDA's Phyllis Fong, a 22-year department veteran who was investigating Neuralink for its treatment of animals. She was [escorted](#) out of her office after disputing her dismissal. Democracy Defenders Fund could find no indication that the Neuralink investigation is continuing.

In all, at least **11 of the 15** federal executive departments have taken actions favorable, or potentially favorable, to Musk's business interests during the Trump Administration, according to a Democracy Defenders Fund review of Administration decisions. They are the Departments of Agriculture, Commerce, Defense, Health and Human Services, Homeland Security, Interior, Justice, Labor, State, Transportation, and Treasury. At least **14** other independent federal agencies have also either taken favorable or potentially favorable actions, or failed to act on requests for investigations, regarding Musk's enterprises. They are the Consumer Financial Protection Bureau, Environmental Protection Agency, Equal Employment Opportunity Commission, Federal Communications Commission, Federal Election Commission, Federal Trade Commission, General Services Administration, National Aeronautics and Space Administration, National Labor Relations Board, National Mediation Board, Office of Government Ethics, Securities and Exchange Commission, Social Security Administration, and Tennessee Valley Authority.

In addition, two other federal executive departments (Education and Veterans Affairs) provided limited or no cooperation with a Government Accountability Office [investigation](#) into whether Musk's DOGE adequately protected sensitive government data.

**IN ALL, AT LEAST 11
OF THE 15 FEDERAL
EXECUTIVE DEPARTMENTS
HAVE TAKEN ACTIONS
FAVORABLE, OR
POTENTIALLY FAVORABLE,
TO MUSK'S BUSINESS
INTERESTS DURING THE
TRUMP ADMINISTRATION.**

**At least 14 other
independent federal agencies
have also either taken
favorable or potentially
favorable actions, or failed
to act on requests for
investigations, regarding
Musk's enterprises.**



ARTIFICIAL INTELLIGENCE AND DATA CENTERS

The Trump Administration has also helped Musk's companies with many of its broad policy initiatives and an approach to regulation that has weakened government rules and oversight in hopes of spurring more commercial innovation and productivity, particularly in sectors where the United States is competing with China.

The policy initiatives and regulations regarding space weapons systems and satellite internet connectivity noted earlier in this report may pale in ultimate importance to how the Administration regulates artificial intelligence and the data centers that provide their computing capacity.

Artificial intelligence has become a key part of Musk's enterprises. His Grok chatbot is now widely available in the federal government, and increasingly used by commercial clients, although its footprint in the government is still smaller than some of its rivals. SpaceX's revenue grew a staggering 830 percent.

The chain of events was part of Trump's pattern of aligning his approach to regulating artificial intelligence and data centers to the strategic interests of technology companies, including Musk's firms. Trump's support of minimal government regulation of AI comes despite warnings from some tech executives about the potential dangers of AI. Microsoft co-founder Bill Gates said in late September that AI could lead to a billion deaths if used for the wrong purposes. Here's a look at Trump's actions regarding AI in his second term:

Three days after taking office, Trump issued an executive order replacing the Biden Administration's approach to regulating artificial intelligence, saying the action was needed to remove barriers to private-sector innovation.

In July 2025, the White House issued an "AI Action Plan" that vowed to speed up the permitting process for data centers. The plan said that in order to combat "radical climate dogma," a number of restrictions — including clean air and water laws — could be lifted. In an accompanying executive order, titled "Accelerating Federal Permitting of Data Center Infrastructure," Trump instructed the Secretary of Commerce to launch comprehensive financial support for qualifying AI infrastructure projects. The support could include loans and loan guarantees, grants, and tax incentives.

In December 2025, Trump signed an executive order targeting state-level AI regulations, arguing that they create compliance nightmares and embed "ideological bias." The order authorized federal agencies to pressure states by threatening to withhold broadband grants.

In the March 2026 White House National Framework for Artificial Intelligence, the Administration urged Congress to pass legislation to preempt state AI model development laws, establishing a single, minimally burdensome national standard.

In June 2026, Environmental Protection Agency Administrator Lee Zeldin announced that EPA would refrain from setting nationwide environmental standards on data centers.

In July 2026, EPA issued a proposal that would drop the requirement that states notify the public and seek comment before issuing air pollution permits for data centers and other industrial facilities. The EPA has also proposed letting developers start building data centers before their permits are approved.

In August 2026, the Trump Administration finalized a plan to let AI developers voluntarily submit new models to the federal government up to 30 days ahead of their public release. The Administration would then vet the models for cybersecurity risks.

In September 2026, the Administration successfully secured a unanimous agreement from G20 nations to



adopt a U.S.-proposed framework favoring a “lighter touch” toward governing artificial intelligence over rigid constraints.

On Sept. 29, 2026, Trump met with tech leaders at the White House and said they signed a [“morally binding”](#) artificial intelligence document that calls for the industry to self-police itself.

Trump announced on Oct. 4, 2026 the formation of an artificial intelligence task force to advise him on AI policy. Emil Michael, a Pentagon official named to the task force, made a profit of up to \$24 million selling a private investment he held in Musk’s xAI earlier this year, according to government ethics records, the [Guardian reported](#).

Musk has generally taken the [position](#) that AI companies should test each other’s products rather than subject them to federal regulation.

SPACE EXPLORATION AND LAUNCHES

The Administration’s [approach](#) to space transportation and launches has also generally aligned with Musk’s business interests.

Under a proposal issued by the Transportation Department in July 2026, the Federal Aviation Administration would stop subjecting space companies to environmental reviews. As *The Wall Street Journal* [reported](#), the plan would allow the FAA to “waive requirements under environmental laws and regulations as it permits commercial rocket sites, launches and spacecraft reentries.”

The agency issued the proposal as it prepares for a surge in launches in the years ahead. The FAA expected 214 launches or spacecraft reentries during fiscal year 2026, a number expected to jump to [more than 500](#) in a decade.

The proposed rule, which would [waive requirements](#) under 13 statutes, followed an August 2025 [executive order](#) that sought to streamline approval processes and significantly increase U.S. commercial space launch activities by 2030.

Shortly after the Administration proposed the rule, SpaceX [unveiled plans](#) to construct a massive, \$100 billion spaceport in Louisiana, where the company plans to launch its Starship rocket thousands of times per year. Construction of the spaceport is expected to begin by the end of 2027 near the southern coast of Louisiana’s Vermilion Parish, with the first launch targeted as soon as 2029.

[CNN reported](#) that the development would mark a dramatic shift for SpaceX and the US rocket industry — making Louisiana, which has never before hosted an orbital launch, perhaps the busiest launch hub on the planet.

Separately, the Commerce Department [effectively killed](#) research programs into pollution caused by satellites and rockets by withholding grant approvals.

Trump [signed a memo](#) in August of 2026 calling on the federal government to help drastically increase the number of U.S. commercial space launches. He directed government agencies to look at federal land for new launch and re-entry sites. *Reuters* [reported](#) that the White House wants to enable at least 1,000 launches and re-entries annually by 2030, up from 178 launches in 2025. Two days before signing the memo, the President [purchased](#) between \$1 million and \$5 million in SpaceX bonds, according to his financial disclosure statement.

FAA Administrator Bryan Bedford [disclosed](#) in May 2026 that SpaceX President Gwynne Shotwell told him SpaceX aims to reach 10,000 launches annually within five years.



ENERGY PRODUCTION

Energy production is another area where Administration actions could help Musk's business interests. Tesla's energy division could benefit from a Trump executive order issued in August 2026 prohibiting the acquisition, importation, and installation of certain foreign-produced bulk-power system electric equipment in the United States on national security grounds. Tesla sells a home battery system for storing solar or grid energy and an industrial battery unit for large electrical grids.

As financial market platform Barchart reported, "Analysts believe domestic electric-equipment manufacturers and other companies involved in U.S. energy infrastructure could benefit as utilities look for alternatives to foreign-made equipment. Tesla could be one of the companies to watch, thanks to its growing energy-storage business and expanding role in the power market. So, while Tesla is dealing with rising costs and weaker cash flow as it pours money into its futuristic ambitions, Trump's latest move could give the company a fresh potential catalyst."

ELECTRIC VEHICLES

To be fair, not all of the Trump Administration's actions have been aligned with Musk's business interests.

A \$7,500 federal tax credit for the purchase of new electric vehicles, such as Teslas, expired Sept. 30, 2025 under the provisions of Trump's tax bill that he signed into law on July 4, 2025. Trump coined the legislation the "big beautiful bill."

Following enactment of the legislation, the Administration in February 2026 formally ended federal greenhouse gas emission standards for vehicles and repealed the government policy that greenhouse gas emissions are dangerous to the public's health. Tesla opposed the action.

The bill also eliminated penalties for automakers who failed to meet Corporate Average Fuel Economy (CAFE) standards. To avoid the penalties, automakers who didn't meet the standards bought credits from automakers that did meet the standards. PlugInAmerica, a non-profit group that promotes electric vehicles, said that credit sales were set to contribute \$2.17 billion to Tesla's bottom line in 2025 and 2026. The credits are now expected to disappear entirely by 2027.

In September 2026, the Transportation Department announced it was rolling back fuel-economy standards for new vehicles. Under the new policy, automakers will be expected to meet fleet-wide averages of 35 miles per gallon by 2031, instead of 50 miles per gallon under Biden-era rules. The change is expected to increase gas consumption by 4.6 percent between now and 2050.

The Wall Street Journal reported in September 2026 that while Tesla sales in the United States have declined 16 percent this year, overall electric vehicle sales have declined by 30 percent. As a result, Tesla's share of the domestic market has increased from 41 percent in 2025 to 52 percent thus far in 2026. "What is really driving Tesla's market share recovery is that there are many fewer alternatives. Legacy automakers, looking to stem their losses, have retreated en masse from EVs," *The Wall Street Journal* quoted analysts as saying.



TARIFFS AND IMPORT RESTRICTIONS

Media reports on the impact on Tesla of President Trump's tariffs suggest that while Tesla has been hurt, it hasn't been as affected as many other automakers.

An *Automotive News* analysis published in March 2026 estimated that Trump's tariffs had cost automakers at least \$35.4 billion. Hardest hit were Toyota (\$9.1 billion in tariff costs) and Detroit's Big Three—General Motors, Ford, and Stellantis—collectively absorbing \$6.5 billion in tariff costs in 2025. Tesla was not included in the analysis.

In reporting on its 2025 quarterly earnings, Tesla said that tariffs cost the company “approximately \$300 million” in the second quarter, more than \$400 million in the third quarter, and \$500 million in the fourth quarter. That's a total of \$1.2 billion. The figures were not provided in the quarterly reports themselves but in earnings calls held by Tesla executives. Tesla did not provide an estimate of tariff costs in the first quarter of 2025, but Tesla founder Elon Musk said then that Tesla was the “least affected car company with respect to tariffs.”

The tariff exposure of automakers differs significantly across companies, driven by the share of each automaker's U.S. sales that come from foreign plants and which countries supply components for vehicles assembled domestically. In Tesla's case, all of the vehicles it sells in the United States are made in the United States, and although some components for the cars are made overseas, Tesla vehicles typically rank at or near the top of cars whose components are made in the United States.

Trump's tariffs did disrupt Tesla's plans in 2025 when it briefly suspended shipping components from China to the U.S. for the production of Cybercab and Semi trucks. And trade tensions in 2025 between the United States and Canada prompted several Canadian provinces to discontinue rebates for the purchase of Tesla's electric vehicles.

The current trade war between the United States and Canada is expected to affect automakers very differently. But, once again, Tesla is expected to fare better than many of its competitors. Trump has threatened a 50 percent tariff on all Canadian-made autos and auto parts starting in 2027. Tesla, unlike Toyota, Honda, General Motors, Ford and other automakers, has no production facilities in Canada. A Bernstein Research analysis estimated that only 7 percent of Tesla's components are made in Canada.

And since Teslas sold in Canada are increasingly coming from China, not the United States, Tesla should be mostly immune to any retaliatory tariffs imposed by Canada. Tesla made China the source of more of its Canadian sales after the two countries reached a trade agreement in January 2026 that lowered Canadian tariffs on electric vehicles from China from 100 percent to 6 percent. Tesla was expected to be a winner from the trade pact. Most Teslas being sold in Canada are made in either China or Germany, according to an analysis by a supplier of Tesla accessories. Canada is Tesla's third largest market, well behind the United States and China.

Car sales are not the only metric to look at in terms of the impact of tariffs. Tesla's energy division, which produces home battery systems and industrial battery units, accounts for about 13 percent of its revenues.

Tesla Chief Financial Officer Vaibhav Taneja said in 2025 that U.S. tariffs had an “outsized” impact on Tesla's energy business, since it sources lithium iron phosphate batteries from China for its industrial battery unit for large electrical grids. The battery is also used in some Teslas. To reduce its dependence on products from China, Tesla signed a deal in 2025 with a South Korean firm that manufactures the batteries in Michigan.



LINGERING QUESTIONS

There's no doubt that Musk's business interests have given him an [outsized influence](#) in national and world affairs.

In August 2026, Ukrainian President Volodymyr Zelenskyy [awarded](#) Musk Ukraine's Order of Freedom for his "outstanding personal merits" in protecting human life and freedom. Zelenskyy has reasons for making nice with Musk.

As PBS [reported](#), Starlink has become deeply embedded in Ukraine's military operations, with commanders and soldiers relying on satellite connectivity to communicate and coordinate operations. Starlink doesn't currently operate over Russian territory, but Zelenskyy wants Musk to reconsider the policy. That would allow Ukrainian forces to maintain satellite connectivity for longer-range drone attacks targeting Russia's military and economic infrastructure. When Zelenskyy met with President Trump at the United Nations in September 2026, he asked Trump about using Starlink to attack Russian sites. Trump [reportedly responded](#), "You have to talk to Elon about it."

In mid-October 2026, the Ukrainian military suddenly [lost](#) some of Musk's Starlink and Starshield satellite services. The action came after President Trump struck a [deal](#) with Russia to supply diesel to the world market in a move that even Republican lawmakers [criticized](#) as a betrayal of U.S. support for Ukraine in its war against Russian aggression. On the same day the slowdown began, Musk [posted](#) on X that it was "time for Zelensky to go." Trump later called Musk and asked him to lift the restrictions, *The Wall Street Journal* [reported](#). Normal service was [restored](#) on October 24.

Sen. Richard Blumenthal, D-C.T., [wrote to Musk](#) on October 22 asking for answers to the satellite slowdown. "This decision to limit critical technology for a key ally not only put Ukrainian forces at risk and their people in peril, but raises serious questions about who controls critical capabilities the U.S. government has spent billions of dollars to procure, how decisions to restrict it are made, and whether the U.S. Government's reliance on SpaceX could expose U.S. forces to similar disruptions," Blumenthal wrote. He said his staff on the Permanent Subcommittee on Investigations had begun an inquiry into the matter.

Armand Musey, president of Summit Ridge Group, a satellite industry consultancy, [told Reuters](#) that Musk is "supposed to be a business executive, with government contracts, and he's essentially making huge foreign policy decisions."

In June of 2025, Musk [turned on](#) Starlink for Iranians after the Islamic regime limited its online services following the launch of Israeli attacks targeting Iranian nuclear facilities. In January 2026, Musk made Starlink [free in Iran](#) in hopes of bolstering opposition to the government. President Trump [had asked](#) Musk to do so. "He's very good at that kind of thing, he's got a very good company," Trump told reporters.

Court documents [revealed](#) in June that the Defense Department used Musk's Grok extensively in the early days of the war with Iran to strike more than 2,000 targets in 96 hours. In response, Iran declared SpaceX's Starlink infrastructure and a Middle East ground station [military targets](#).

Closer to home, during Musk's controversial tenure as head of DOGE, almost two-thirds of Americans felt he had [too much influence](#) over the federal government. His influence in commercial sectors was on display in late September in advance of the release of a critical documentary of him. According to *The Hollywood Reporter*, YouTube, Instagram, and Facebook owner Meta all declined to run the trailer for *Musk* when initially approached by the studio releasing the film. YouTube and Meta reversed course after their rejections were publicized.

And soon millions of American families could have a direct financial stake in Musk's success. Musk [posted](#) on X on October 19 that he would donate a share of SpaceX stock to "every kid in America" next year. Trump [posted](#) on social media that Musk will give the shares to a government-operated savings accounts program for U.S. children known as [Trump accounts](#). Musk's pledge came after business rival Anthropic [announced](#) it would donate 5 percent of its shares to charity.



Open to question is whether it's in the public interest to have one person, a private citizen not elected to any office, have such enormous clout. Among the other questions raised by Musk's relationship with the Trump Administration, his myriad business interests, and his growing financial fortune:

IS IT IN THE PUBLIC INTEREST TO HAVE ONE PERSON, A PRIVATE CITIZEN NOT ELECTED TO ANY OFFICE, HAVE SUCH ENORMOUS CLOUT?

- What are the implications of Starlink's dominance of satellite internet service around the world when one person can turn off service in countries for whatever reasons he chooses?
- What power do citizens have to challenge the business practices of the world's richest man when the President and his Administration consistently side with him?
- Does it serve the public interest to have the President's approach to regulating artificial intelligence align so closely with that of the largest political donor of the 2024 election cycle and other tech executives?
- Would a merger between SpaceX and Tesla serve the public interest or would it concentrate too much power in the hands of one individual?
- Will Musk use his position on a Pentagon advisory panel on the future of warfare to promote his own business interests at the expense of U.S defense needs?
- Does the Pentagon now rely so heavily on SpaceX for space-related missions that it has become vulnerable to Musk's whims?
- Does SpaceX's close relationship with the Pentagon deter other defense contractors from investing in research and development programs that could serve national security interests because they think the odds of them winning bids are stacked against them?
- In what ways, if any, did DOGE's access to federal databases serve Musk's business interests, particularly with SpaceX and xAI?
- Will Musk's influence with the Trump Administration cause it to convince Congress to prioritize his dream of populating Mars, a move that could substantially increase the fortunes of SpaceX?
- Will Musk's clout influence federal regulators if Neuralink, Musk's brain implant company, moves beyond the experimental stage and applies for commercial applications?
- Will the federal government, which has already tried to promote Tesla, take other actions to reduce regulatory hurdles to Tesla's introduction of self-driving vehicles?

If they regain control of the House or Senate, Democrats in Congress are looking to press Musk on his time at DOGE, his relationship with the Trump Administration, his possible conflicts of interest and other matters, "Any number of committees in both chambers could stake a claim to probing a piece of Musk's dealings with the federal government," *Politico* reported.

Musk responded by threatening retaliation. "Live by the sword, die by the sword," Musk posted on X. "Those who pick fights with me should understand that I will find out who is really pulling the strings and come for them, not just their puppets."



HOW TO RESTORE PUBLIC TRUST

All of this serves to highlight the gaps that exist in the current ethics framework, which benefit individuals like Musk and his companies at the expense of the American people. To restore public trust in the integrity of government programs, Congress may wish to consider measures that would limit the ability of federal contractors to curry favor with government officials:

First, adopt legislation that closes pay-to-play loopholes so that the current ban on political contributions is expanded to cover executives, major shareholders, and affiliated entities of federal contractors. The current statutory framework, 5 U.S.C. § 30119, makes it unlawful for federal contractors to make campaign contributions to a political party, committee, or candidate for federal office, but that ban has been applied narrowly in practice, “leaving ample room for companies to route their government work through one subsidiary while leaving other affiliates, the parent corporation, major shareholders and executives free to spend on elections—including giving unlimited amounts to super PACs.”

Second, adopt legislation that bars key government contract personnel from serving as special government employees, as defined by 18 USC § 202(a). The ban would cover executives and major shareholders of companies (and of their affiliated entities) that are the recipient of a federal contract for a major system acquisition. See 10 U.S.C. § 3041 and Federal Acquisition Regulation § 2.101. It would ban covered individuals from serving as special government employees.



Acknowledgments

This report relies heavily on the work of dozens of news organizations, including the *Associated Press*, *Bloomberg*, *Breaking Defense*, the *Financial Times*, *Fortune*, *The Guardian*, *The New York Times*, *ProPublica*, *Reuters*, *Space.com*, *The Wall Street Journal*, *The Washington Post*, and *Wired*. This report also draws from Democracy Defenders Fund’s earlier report, entitled [*Cut to Shreds: How Elon Musk Profited While Decimating the US Government*](#).

We greatly appreciate Democracy Defenders Fund’s leadership and support for this project, including Co-founder and Executive Chair Amb. Norman Eisen (ret.) and Executive Director Susan Corke. We also acknowledge the hard work of Virginia Canter, Charles Green, Anna Zell, and our communications team.

