MEMORANDUM

To: Interested Parties
Fr: Permanent Subcommittee on Investigations Minority Staff
Da: April 27, 2025
Re: Calculating Risk: Estimating the Legal Liability Elon Musk May Avoid Through His Government Takeover

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In the last three months, the world's richest man has been given unprecedented control over the federal government—an unelected, unconfirmed, unaccountable Special Government Employee with the ability to use unfettered power to further his interests as he sees fit. Elon Musk—the founder and effective head of Tesla, xAI (including X), The Boring Company, SpaceX, and Neuralink—was put in charge of the Department of Government Efficiency (DOGE) shortly after President Donald Trump's inauguration on January 20, 2025. Following the precedent set by President Trump, Mr. Musk did nothing to separate or distance himself from his immense private business empire ahead of his public work. But it is not just Mr. Musk's enormous personal wealth that poses a concern. The nature of Mr. Musk's businesses, as well as their substantial earnings from government contracts, mean that he is deeply entangled in the regulatory functions of the government he is now empowered to shape. President Trump could not have chosen a person more prone to conflicts of interest.

Since his appointment, Mr. Musk has taken a chainsaw to the federal government with no apparent regard for the law or for the people who depend on the programs and agencies he so blithely destroys. Mr. Musk has systematically infiltrated the government with an army of disciples and former business partners—giving them oversight of key functions and demanding that they fire seasoned public servants, nearly a third of whom are men and women who served honorably in uniform.[1] This chaos has unsurprisingly resulted in numerous critical errors that the Trump Administration has already tried to walk back—from "accidentally" canceling aid for Ebola prevention, to firing and then trying to hastily rehire scientists responsible for maintaining U.S. nuclear weapons and monitoring the safety of infant formula production.[2] And with sweeping access to America's confidential and sensitive data, Mr. Musk and his companies stand to gain a competitive advantage unrivaled by the worst insider trading.

The through line connecting many of Mr. Musk's decisions appears to be self-enrichment and avoiding what he perceives as obstacles to advancing his interests. Mr. Musk's position may allow him to evade oversight, derail investigations, and make litigation disappear whenever he so

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[1] *5 Reasons Federal Cuts Are Hitting Veterans Especially Hard*, PBS (Mar. 16, 2025), https://www.pbs.org/newshour/politics/5-reasons-federal-cuts-are-hitting-veterans-especially-hard.

[2] *Musk Says Work to Stop Ebola Was Accidentally Cut but Restored. Experts Raise Doubts*, NPR (Feb. 27, 2025), https://www.npr.org/sections/goats-and-soda/2025/02/27/g-s1-50929/elon-musk-ebola-usaid; *After mass layoffs, some federal agencies are trying to bring employees back*, NPR (Feb. 21, 2025), https://www.npr.org/2025/02/21/nx-s1-5304152/federal-government-layoffs-reversed; *FDA moves to rehire medical device, food safety and other staffers fired days earlier*, ASSOCIATED PRESS (Feb. 24, 2025), https://apnews.com/article/fda-layoffs-trump-doge-rehired-medical-devices-85d4743e4ce88dbe3b99c813bad4b702.

chooses—on his terms and at his command. Even before President Trump's inauguration, Mr. Musk succeeded in pressuring the head of the Federal Aviation Administration—who had the temerity to clash with him—to step down.[3] Since then, the Administration has attempted to eliminate one of his company's key regulators, remove decision-makers at another, and install ideologues throughout the government.[4]

The Permanent Subcommittee on Investigations ("PSI" or the "Subcommittee")—the chief investigative committee of the United States Senate—sought to understand the financial impact of President Trump's delegation of power on potential liabilities and scrutiny facing Mr. Musk and his companies. As a first step, the Subcommittee attempted to quantify the legal exposure presented by federal investigations, litigation, or other regulatory actions on or around January 20, 2025. The goal of this analysis is to estimate the financial liability that Mr. Musk and his companies may stand to avoid through his efforts to gut the federal workforce and exert influence over federal agencies. This analysis reveals for the first time the vast risk Mr. Musk and his companies previously faced and may yet avoid as a result of his newfound influence. The Subcommittee's key findings are as follows:

- As of January 20, 2025, Mr. Musk and his companies were subject to at least 65 actual or potential actions by 11 different federal agencies. Many other agencies have regulatory responsibilities related to Mr. Musk's companies but had no publicly known active matters in January 2025.[5]

- The Subcommittee was able to estimate potential financial liabilities for 40 of the 65 actions by eight federal agencies involving Mr. Musk and his companies. The Subcommittee's research found, for the first time, that Mr. Musk and his companies faced at least $2.37 billion in potential liability as of January 2025, including:

[3] *FAA Leader Quit Before D.C. Plane Crash — Thanks to Elon Musk*, NEW REPUBLIC (Jan. 30, 2025), https://newrepublic.com/post/190942/faa-no-leader-dc-plane-crash-elon-musk.

[4] *Elon Musk's DOGE Takes Aim at Agency That Had Plans of Regulating X*, NPR (Feb. 12, 2025), https://www.npr.org/2025/02/12/nx-s1-5293382/x-elon-musk-doge-cfpb; *Trump fires EEOC and labor board officials, setting up legal fight*, NPR (last updated Jan. 28, 2025), https://www.npr.org/2025/01/28/nx-s1-5277103/nlrb-trump-wilcox-abruzzo-democrats-labor; *The People Carrying Out Musk's Plans at DOGE,* N.Y. TIMES (last updated Apr. 7, 2025), https://www.nytimes.com/interactive/2025/02/27/us/politics/doge-staff-list.html.

[5] Agencies with authority over Musk companies but without known current actions include the Department of Defense (DOD), the National Aeronautics and Space Administration (NASA), the Consumer Financial Protection Bureau (CFPB), the Food and Drug Administration (FDA), the Federal Trade Commission (FTC), the Pipeline and Hazardous Materials Safety Administration (PHTMSA), the Fish and Wildlife Service (FWS). *These Departments Investigating Elon Musk Have Been Cut by DOGE and the Trump Administration*, L.A. TIMES (Mar. 27, 2025), https://www.latimes.com/business/story/2025-03-27/elon-musk-trump-doge-conflicts-of-interest; *DOGE has arrived at the FTC,* THE VERGE (Apr. 4, 2025), https://www.theverge.com/news/643674/doge-members-spotted-ftc-elon-musk; *Exclusive: Musk Brain Implant Company Violated US Hazardous Material Transport Rules -Documents,* REUTERS (Jan. 26, 2024), https://www.reuters.com/technology/musk-brain-implant-company-violated-us-hazardous-material-transport-rules-2024-01-26/; *Elon Musk's Business Empire Scores Benefits Under Trump Shake-Up,* N.Y. TIMES (Feb. 11, 2025), https://www.nytimes.com/2025/02/11/us/politics/elon-musk-companies-conflicts.html.

- Up to $1.59 million in civil and criminal penalties for Neuralink's alleged violations of the Animal Welfare Act while performing experiments on monkeys and pigs;
- $1.19 billion in potential liability as a result of Tesla's allegedly false or misleading statements about its autopilot and full self-driving features;
- $633,009 in fines from SpaceX's multiple failures to follow rocket launch requirements in 2023;
- A total of $713,114 in fines from 29 citations from the Occupational Safety and Health Administration (OSHA) against SpaceX, Tesla, and The Boring Company;[6]
- $281 million in potential liability from Neuralink's alleged false or misleading statements about its product risks, and many more.

- These findings do not include estimated liability for at least 25 other federal investigations or regulatory matters by three additional agencies that the Subcommittee was not able to quantify, including:
  - Actions brought by the National Labor Relations Board for alleged unlawful retaliation by SpaceX and unlawful interference with a union organizing campaign by Tesla; and
  - Multiple investigations with the National Highway Traffic Safety Administration ranging from unexpected braking or acceleration, to steering wheel detachment, to crash reports involving Tesla's autonomous driving technology.

While the $2.37 billion figure represents a credible, conservative estimate, it drastically understates the true benefit Mr. Musk may gain from legal risk avoidance alone as a result of his position in government. In addition to the 25 pending matters the Subcommittee has not yet been able to quantify, Mr. Musk and his companies could gain millions or even billions more simply by avoiding the time, legal fees, and risk of being ordered to undertake remediation efforts or change labor practices. This figure also does not include the many billions of dollars that Mr. Musk and his companies could gain in other ways, including through new contracts they may secure or the competitive advantage they may gain by collecting intelligence on competitors.

The truth is that the breathtaking scope and scale of benefits Mr. Musk is gaining from his present position may never be known, and that is by design. The silence is strategic, and it is dangerous. PSI has released this report summarizing issues meriting investigation as the basis for questions we are asking the Musk companies to answer in letters to them. This initial report sets

[6] Four of these citations were issued after January 20, 2025, but the investigations commenced prior to that date.

forth the ways Mr. Musk's entanglements are enriching him and endangering the American people.

Background

Elon Musk and His Companies

Elon Musk holds a controlling interest or majority stake in five major companies, four of which he founded: Space Exploration Technologies Corp. ("SpaceX") (and its subsidiary Starlink), Tesla Inc.,[7] Neuralink Corp. ("Neuralink"), The Boring Company, and xAI Corp. ("xAI"), which includes recently-acquired social media company X Corp. ("X").[8] These companies impact a wide-ranging cross-section of the American economy, including space exploration, rocket and satellite deployment, broadband internet access, electric vehicles, energy generation and storage, medical devices, tunnel and infrastructure projects, social media, peer-to-peer payments (through a new platform on X called X Money), and artificial intelligence.

Like any other business in the United States, these companies are subject to laws and regulations that protect consumers, the environment, and the workplace. But their sensitive or potentially dangerous activities and products mean that Mr. Musk's businesses face legal requirements most do not. The government is supposed to ensure, for example, that the rockets Americans launch into space are safe, the cars Americans drive are reliable, the medical devices Americans use are effective, the transportation infrastructure Americans rely on is dependable, the payments Americans send are secure, and the financial markets through which Americans invest are fair.[9]

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[7] Mr. Musk joined Tesla as an early investor after the company was founded by Martin Eberhard and Marc Tarpenning in 2003. As part of a 2009 agreement to settle a dispute among Tesla principals, the parties agreed to allow Mr. Musk and two other executives to refer to themselves as "founders" of Tesla. *Tesla CEO Settles for "Founder" Title,* NBC BAY AREA (Sept. 21, 2009), https://www.nbcbayarea.com/news/local/tesla-ceo-settles-for-founder-title/2088887/ (last updated Oct. 14, 2009); *Tesla Motors founders: Now there are five,* CNET (Sept. 21, 2009) https://www.cnet.com/culture/tesla-motors-founders-now-there-are-five/.

[8] *Elon Musk's Business Empire Scores Benefits Under Trump Shake-Up,* supra note 5; *Elon Musk's New Boring Co. Faced Questions Over SpaceX Financial Ties*, WALL ST. J. (Dec. 17, 2018), https://www.wsj.com/articles/elon-musks-new-boring-co-faced-questions-over-spacex-financial-ties-11545078371; *Elon Musk's stake in Tesla is becoming a smaller and smaller slice of his fortune,* BUSINESS INSIDER (Mar. 19, 2025), https://www.businessinsider.com/elon-musk-spacex-tesla-stock-stakes-value-net-worth-2025-3; *How Elon Musk's SpaceX Secretly Allows Investment From China,* PROPUBLICA (Mar. 26, 2025), https://www.propublica.org/article/elon-musk-spacex-allows-china-investment-cayman-islands-secrecy; *Musk's social media firm X bought by his AI company, valued at $33 billion*, REUTERS (Mar. 29, 2025), https://www.reuters.com/markets/deals/musks-xai-buys-social-media-platform-x-45-billion-2025-03-28/.

[9] *See, e.g.,* Dep't of Com., Off. of Space & Com., *Navigating U.S. Commercial Space Regulations,* https://www.space.commerce.gov/links/resources-for-space-entrepreneurs/navigating-u-s-commercial-space-regulations (last visited Apr. 4, 2025); NAT'L HIGHWAY TRAFFIC & SAFETY ADMIN., *Home Page,* https://www.usa.gov/agencies/national-highway-traffic-safety-administration (last visited Apr. , 2025); U.S. FOOD & DRUG ADMIN., *Overview of Device Regulation,* https://www.fda.gov/medical-devices/device-advice-comprehensive-regulatory-assistance/overview-device-regulation (last updated Jan. 31, 2024); FED. HIGHWAY ADMIN., *About FHWA,* https://highways.dot.gov/about/about-fhwa (last visited Apr. 4, 2025); Press Release, Consumer Fin. Prot. Bureau, CFPB Finalizes Rule on Federal Oversight of Popular Digital Payment Apps to Protect Personal Data, Reduce Fraud, and Stop Illegal "Debanking" (Nov. 21, 2024), https://www.consumerfinance.gov/about-us/newsroom/cfpb-finalizes-rule-on-federal-oversight-of-popular-digital-payment-apps-to-protect-personal-data-

Mr. Musk's businesses are also subject to additional regulation because the U.S. government is one of his largest clients.[10] His companies have received over $38 billion in government contracts, loans, subsidies, and tax credits going back more than 20 years, and currently hold government contracts worth more than $10 billion.[11]

The Subcommittee's review included reporting on and documents from agencies that have regulatory responsibility related to Mr. Musk and his companies but did not appear to be actively investigating or engaged in other enforcement efforts against them in January 2025. These reports generally concerned past enforcement actions that had been resolved prior to January 20, 2025, and were thus outside the scope of this report. Nevertheless, a summary of some of these findings will help to provide a more complete picture of his companies' broad regulatory entanglements. These include:

- The Department of Defense (DOD) oversees many of SpaceX's contracts, but it is also responsible for vetting and approving security clearances—a process for determining whether an individual is eligible to access classified national security information—for Mr. Musk and his employees.[12] DOD's Office of the Inspector General, the Air Force, and the Under Secretary of Defense for Intelligence and Security, as of late last year, separately initiated reviews over concerning reporting practices.[13]

- One of NASA's largest contractors is SpaceX. Mr. Musk has advocated for ending support for the International Space Station so that NASA can turn its attention toward more missions to Mars—presumably on one of SpaceX's proprietary spacecraft.[14]

- The Fish and Wildlife Service (FWS) has evaluated SpaceX's operations at its Boca Chica site due to the proximity to important migratory bird habitats and the endangered Kemp's ridley sea turtle breeding grounds, expressing concerns to SpaceX in May 2023

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reduce-fraud-and-stop-illegal-debanking/; U.S. SEC. & EXCH. COMM'N, https://www.sec.gov/ (last visited Apr. 9, 2025).

[10] A list of active government contracts held by Mr. Musk's companies is available in the Appendix.

[11] USA Spending, *Recipient Profile: Space Exploration Technologies Corp*., https://www.usaspending.gov/recipient/8a3a5525-3218-a488-db0e-4823241ceb90-P/all (last visited Apr. 3, 2025); USA Spending, *Recipient Profile: Tesla Motors Inc.,* https://www.usaspending.gov/recipient/3dfaa5c4-bdce-2863-3dd8-59f70c79b0c7-P/all (last visited Apr. 3, 2025); USA Spending, *Recipient Profile: The Boring Company LLC*, https://www.usaspending.gov/recipient/864a41fe-84e2-d359-5ebb-433bbf1d577c-R/all (last visited Apr. 3, 2025); *Elon Musk's business empire is built on $38 billion in government funding*, WASH. POST (Feb. 26, 2025), https://www.washingtonpost.com/technology/interactive/2025/elon-musk-business-government-contracts-funding/.

[12] *Elon Musk and SpaceX Face Federal Reviews After Violations of Security Reporting Rules,* N.Y. TIMES (Dec 17, 2024), https://www.nytimes.com/2024/12/17/technology/elon-musk-spacex-national-security-reporting.html; CONG. RSCH. SERV., R43216, SECURITY CLEARANCE PROCESS: ANSWERS TO FREQUENTLY ASKED QUESTIONS, https://www.congress.gov/crs-product/R43216 (last updated Oct. 5, 2023).

[13] *Elon Musk and SpaceX Face Federal Reviews After Violations of Security Reporting Rules,* supra note 12.

[14] *These departments investigating Elon Musk have been cut by DOGE and the Trump administration,* supra note 5.

about new hazards to shorebirds created by the company's hovercraft transport.[15] The previous year, FWS completed their assessment of the same site for a Federal Aviation Administration (FAA) license, further outlining the scope of their enforcement authority.[16]

- The Pipeline and Hazardous Materials Safety Administration (PHMSA) under the Department of Transportation regularly handles special transportation permits for SpaceX and Tesla, but in 2024, fined Neuralink $2,480 for failing to register as a transporter of hazardous material and for improperly packaging hazardous waste.[17]

- The Consumer Financial Protection Bureau (CFPB) has received nearly 300 consumer complaints related to Tesla's products and services in the last three years alleging a variety of unfair or possibly unlawful activities, including undisclosed fees, high-pressure sales tactics, and repossessions.[18] While none of these complaints appear to have resulted in enforcement actions, lending and leasing practices—the subject of nearly two-thirds of the 300 complaints against Tesla—have in recent years led to tens of millions of dollars in CFPB penalties for other car manufacturers.[19]

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[15] *SpaceX's Assault on a Fragile Habitat: Four Takeaways From Our Investigation,* N.Y. TIMES (July 7, 2024), https://www.nytimes.com/2024/07/07/us/politics/spacex-boca-chica-takeaways.html; Letter from Charles Ardizzone, Field Supervisor, U.S. Fish & Wildlife Serv., to Matthew Thompson, Director, Environmental Health and Safety, SpaceX (May 1, 2023), https://static01.nyt.com/newsgraphics/documenttools/db992bffc56cf4b0/d1b2f28e-full.pdf.

[16] U.S. DEP'T OF INTERIOR FISH &WILDLIFE SERV., Final Biological Conference Opinion in the matter of SpaceX Starship/Super Heavy Launch Vehicle Program at the SpaceX Boca Chica Launch Site, Cameron County, Texas (May 12, 2022), https://www.fws.gov/sites/default/files/documents/5-12-2022%20SpaceX%20Final%20BCO_signed%20with%20appendix%20A-D.pdf.

[17] PIPELINE & HAZARDOUS MATERIALS SAFETY ADMIN., *Hazardous Materials Approvals Search Page*, https://www.phmsa.dot.gov/approvals-and-permits/hazmat/approvals-search (follow hyperlink; then filter "Company Name" by "Tesla" and "SpaceX; select the search button.); *Exclusive: Musk brain implant company violated US hazardous material transport rules -documents,* supra note 5.

[18] Consumer Complaint Database, U.S. CONSUMER FIN. PROT. BUREAU, https://www.consumerfinance.gov/data-research/consumer-complaints/search/ (filter "Company Name" by "Tesla, Inc." and "Date CFPB Received the Complaint" from 04/03/2022 to 04/03/2025).

[19] Since 2016, companies like Toyota, Hyundai, and Nissan have been required to collectively pay $45 million for a variety of unlawful practices ranging from illegal loan pricing, credit reporting failures, and collections and repossession—all of which bear a striking resemblance to the consumer complaints filed online against Tesla. Press Release, U.S. Consumer Fin. Prot. Bureau, CFPB and DOJ Reach Resolution With Toyota Motor Credit To Address Loan Pricing Policies With Discriminatory Effects (Feb. 2, 2016), https://www.consumerfinance.gov/about-us/newsroom/cfpb-and-doj-reach-resolution-with-toyota-motor-credit-to-address-loan-pricing-policies-with-discriminatory-effects/; Press Release, U.S. Consumer Fin. Prot. Bureau, CFPB Orders Hyundai to Pay $19 Million for Widespread Credit Reporting Failures (July 26, 2022), https://www.consumerfinance.gov/about-us/newsroom/cfpb-orders-hyundai-to-pay-19-million-for-widespread-credit-reporting-failures/; Press Release, U.S. Consumer Fin. Prot. Bureau, Consumer Financial Protection Bureau Settles with Nissan Motor Acceptance Corporation for Illegal Collections and Repossession Practices (Oct. 13, 2020), https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-settles-nissan-motor-acceptance-corporation-illegal-collections-and-repossession-practices/

Mr. Musk's Conflicts of Interest

In 2024, Mr. Musk contributed over a quarter of a billion dollars to support President Trump and Republicans' election efforts.[20] Immediately upon assuming office, President Trump signed an Executive Order creating DOGE and tasked Musk to lead the initiative.[21] DOGE is not a federal department authorized by any act of Congress, but has played a role in the Trump Administration's firing of tens of thousands of federal employees, canceling thousands of grants and contracts, dismantling federal agencies established by Congress, and accessing millions of Americans' sensitive personal data, likely including tax, Social Security, healthcare, employment, and other personally identifiable information.[22] Mr. Musk's actions since January 20, 2025 are at odds with the Office of Government Ethics Standards of Conduct, which apply to "every employee" and raise serious concerns about his compliance with federal conflicts of interest and financial disclosure laws.[23]

Relevant Laws

Congress has enacted a series of laws to ensure that officials who serve in the federal government are not influenced by their personal or financial interests.[24] Despite the breadth and depth of Mr. Musk's power and influence, the Trump Administration maintains that Mr. Musk is merely a "Senior Advisor to the President."[25] The Administration represented in federal court that, in that role:

> Mr. Musk has no greater authority than other senior White House advisors. Like other senior White House advisors, Mr. Musk has no actual or formal authority to make government decisions himself. Mr. Musk can only advise the President and communicate the President's directives.[26]

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[20] *Elon Musk spends $277 million to back Trump and Republican candidates*, CBS NEWS (Dec. 6, 2024), https://www.cbsnews.com/news/elon-musk-277-million-trump-republican-candidates-donations/.

[21] Exec. Order No. 14,158, 90 Fed. Reg. 8,441 (Jan. 20, 2025); *Trump taps Musk to lead a 'Department of Government Efficiency' with Ramaswamy*, NPR (Nov. 12, 2024), https://www.npr.org/2024/11/12/g-s1-33972/trump-elon-musk-vivek-ramaswamy-doge-government-efficiency-deep-state.

[22] House Comm. on the Budget, *The So-Called "DOGE"* (Mar. 11, 2025), https://democrats-budget.house.gov/resources/fact-sheet/so-called-doge; *The Federal Work Force Cuts So Far, Agency by Agency*, N.Y. TIMES (Apr. 1, 2025), https://www.nytimes.com/interactive/2025/03/28/us/politics/trump-doge-federal-job-cuts.html; *DOGE Cuts Update: 121 Contracts Worth $350M Eliminated in Days*, NEWSWEEK (Apr. 1, 2025), https://www.newsweek.com/doge-cuts-update-today-contracts-cancelled-2052525; *The government already knows a lot about you. DOGE is trying to access all of it*, NPR (Mar. 11, 2025), https://www.npr.org/2025/03/11/nx-s1-5305054/doge-elon-musk-security-data-information-privacy.

[23] 5 C.F.R. § 2635.101 (b).

[24] 18 U.S.C. § 208(a); 5 C.F.R. § 2635.101.

[25] *State of New Mexico v. Musk*, No. 25-cv-00429 (D.D.C.) (Decl. of Joshua Fisher, ECF No. 24-1, Feb. 17, 2025).

[26] *Id*.

As a Special Government Employee (SGE), Mr. Musk may only serve for a maximum of 130 days in a 365 day period.[27] Generally, SGEs who have an active role in policy making are expected to file either a confidential or public financial disclosure.[28] SGEs filing confidential disclosure reports may only be exempted from submitting a financial disclosure report if their duties make it a "remote" possibility that the SGE "will be involved in a real or apparent conflict of interest."[29]

Mr. Musk, as an SGE, is subject to both federal conflicts of interest and financial disclosure laws.[30] Federal law prohibits government employees—including SGEs—from "personally and substantially" participating in official matters where they or specific individuals and entities close to them have a financial interest.[31] An employee's participation is "personal" if their participation includes "direct and active supervision" in a matter and "substantial" when their "involvement is of significance to the matter."[32] Under the law, waivers are permitted but can only be granted if the "financial interests [] are too remote or too inconsequential to affect the integrity of the services of the employees."[33] Since being reelected, President Trump has yet to issue an ethics Executive Order, as he did in 2017, and as his predecessors have done.[34]

There is no indication that Mr. Musk has filed a financial disclosure form as required by law, made any attempts to remedy his conflicts of interest through recusal or the divestiture of assets, or received a waiver from the White House. Instead, the Trump Administration has left it up to Mr. Musk to determine whether he has conflicts of interest.[35] On February 3, White House Press Secretary Karoline Leavitt, referencing comments by President Trump, said, "if Elon Musk comes across a conflict of interest with the contracts and the funding that DOGE is overseeing, then Elon will excuse himself from those contracts, and he has again abided by all applicable laws."[36] One week after Ms. Leavitt's statement, President Trump fired the Senate-confirmed

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[27] 18 U.S.C. § 202(a); *The White House says Elon Musk is a "special government employee." Here's what that means*, CBS NEWS (Feb. 6, 2025), https://www.cbsnews.com/news/elon-musk-special-government-employee-what-does-that-mean/.

[28] *See*, *e.g.* 5 U.S.C. §§ 13103, 13109; 5 C.F.R. § 2634.202 (defining the term "public filer"); 5 C.F.R. § 2634.904(a)(2) and (b) (defining the term "confidential filer").

[29] 5 C.F.R. § 2634.904(a)(2), (b).

[30] 18 U.S.C. § 208(a); 5 U.S.C. § 13101 et seq.

[31] 18 U.S.C. § 208(a).

[32] 5 C.F.R. § 2640.103(a)(2); *see also* CONG. RSCH. SERV., LSB10250, EXECUTIVE BRANCH ETHICS AND FINANCIAL CONFLICTS OF INTEREST: DISQUALIFICATION Jan. 31, 2019).

[33] 18 U.S.C. § 208(b); 5 C.F.R. § 2640.101

[34] Exec. Order 13,989, 86 Fed. Reg. 7,029 (Jan. 20, 2021); Exec. Order 13,770, 82 Fed. Reg. 9,333 (Jan. 28, 2017); Exec. Order 13,490, 74 Fed. Reg. 4,673 (Jan. 21, 2009).

[35] Interview of President Trump and Elon Musk by Sean Hannity, "The Sean Hannity Show" (Feb. 18, 2025); *White House Says Musk Will Police His Own Conflicts of Interest*, BLOOMBERG (Feb. 5, 2025), http://bloomberg.com/news/articles/2025-02-05/white-house-says-musk-will-police-his-own-conflicts-of-interest.

[36] *On Musk's potential conflicts, White House eyes untenable solution,* MSNBC (Feb. 6, 2025), https://www.msnbc.com/rachel-maddow-show/maddowblog/musks-potential-conflicts-white-house-eyes-untenable-solution-rcna190973.

Director of Office of Government Ethics—the office tasked with providing advice and education on federal conflicts of interest and financial disclosure laws.[37]

At the helm of DOGE, Mr. Musk arguably wields more power over the federal government than any Senate-confirmed cabinet level official.[38] DOGE, which has not disclosed all of its staff or the source of the funds being used to pay them, is run out of the Executive Office of the President.[39] Numerous lawsuits are currently challenging the constitutionality and legality of Musk and DOGE's actions.[40] As one federal judge described, Mr. Musk "is essentially a private citizen directing an organization that's not a federal agency to have access to the entire workings of the federal government to hire, fire, slash, contract, terminate programs, all without any congressional oversight."[41]

Despite numerous requests from members of Congress, the Trump Administration has failed to provide any relevant documents or information, the authorities relied upon for these actions, or an explanation of how Mr. Musk is navigating the conflicts they inherently pose.[42] The Subcommittee has also requested related information from Mr. Musk's companies about their relationships with DOGE and handling of these conflicts, and has yet to receive a satisfactory response from any of Mr. Musk's companies.[43]

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[37] *Trump ousts director of Office of Government Ethics,* CBS (Feb. 10, 2025), https://www.cbsnews.com/news/trump-office-of-government-ethics-director/.

[38] *The almighty Musk: How the world's richest man became Washington's most powerful bureaucrat*, CNN (Feb. 14, 2025), https://www.cnn.com/2025/02/14/politics/elon-musk-most-powerful-bureaucrat-washington/index.html.

[39] Exec. Order No. 14,210, 90 Fed. Reg. 9,669 (Feb. 11, 2025); *DOGE's Millions: As Musk and Trump Gut Government, Their Ax-Cutting Agency Gets Cash Infusion*, PROPUBLICA (Feb. 20, 2025), https://www.propublica.org/article/doge-trump-musk-funding-foia-congress-transparency; *The People Carrying Out Musk's Plans at DOGE*, supra note 4.

[40] *See, e.g., Public Citizen, Inc. v. Trump,* No. 1:25-00164 (D.D.C. Jan. 20, 2025); *New Mexico v. Musk,* No. 1:25-00429 (D.D.C. Feb. 13, 2025); *Does 1-26 v. Musk,* No. 8:25-cv-00462 (D. Md. Feb. 13, 2025); *American Pub. Health Assoc. v. Office of Management and Budget,* No. 1:25-cv-00167 (D.D.C. Jan. 20, 2025); *Japanese American Citizens League v. Musk,* No. 1:25-cv-00643 (D.D.C. Mar. 5, 2025).

[41] *New Mexico v. Musk,* No. 1:25-00429 (D.D.C. Feb. 18, 2025); *Judge declines to immediately block Elon Musk or DOGE from federal data or layoffs*, ABC (Feb. 18, 2025), https://abc7.com/post/white-house-claims-elon-musk-does-not-run-doge-new-filing/15925645/.

[42] *See, e.g.,* Letter from S. Comm. on Homeland Security & Governmental Affs. Ranking Member Gary Peters, Vice Chair on Appropriations Patty Murray, and Ranking Member Jeff Merkley to Russell Vought, Director, Office of Management and Budget (Feb. 12, 2025); Letter from S. Comm. on Homeland Security and Governmental Affairs to Charles Ezell, Acting Director, Office of Personnel Management and Susie Wiles, White House Chief of Staff, Executive Office of the President (Feb. 7, 2025); Letter from S. Comm. on Homeland Security and Governmental Affairs to Susie Wiles, White House Chief of Staff, Executive Office of the President, and David Warrington, Assistant to the President and Counsel to the President, White House Counsel's Office (Feb. 7, 2025).

[43] Letters from Permanent Subcomm. on Investigations Ranking Member, Richard Blumenthal to Tesla, SpaceX, X, xAI, The Boring Company, and Neuralink (Feb. 25, 2025), https://www.blumenthal.senate.gov/newsroom/press/release/blumenthal-hits-back-at-musk-companies-for-failing-to-manage-doge-leaders-glaring-conflicts-of-interest.

Agency Influence

The Subcommittee's research indicates that Mr. Musk's companies were recently or are currently being investigated by at least 11 federal agencies for potential violations of federal law or regulations. As discussed above, additional agencies have regulatory or other oversight responsibilities related to his companies.[44] Despite these extensive entanglements with numerous federal agencies, it appears that Mr. Musk, through his leadership at DOGE, has directed or been involved in funding and staffing decisions at many of those agencies. Neither the Trump Administration nor Mr. Musk has explained these glaring conflicts of interest.

Prior to joining the Trump Administration, Mr. Musk made his position on federal regulation of his companies clear. In September 2024, after the FAA proposed fines on SpaceX for failing to follow licensing requirements in 2023, Mr. Musk publicly criticized the FAA—a regulator of SpaceX—posting on X, "SpaceX will be filing suit against the FAA for regulatory overreach" and "[t]he fundamental problem is that humanity will forever be confined to Earth unless there is radical reform at the FAA!"[45] In October 2024, Mr. Musk publicly criticized the FDA—a key regulator of Neuralink—and urged the agency to grant his Brain-Computer Interface (BCI) devices expedited approvals to conduct trials, saying "Overregulation kills people[. S]imply expediting drug approvals at the F.D.A. [] will save millions of lives."[46] In November 2024, shortly after President Trump was elected, Mr. Musk publicly criticized the CFPB—a regulator of his subsequently announced X Money payment platform—writing in a post on X, "Delete CFPB. There are too many duplicative regulatory agencies."[47] On January 14, 2025, after the Securities and Exchange Commission (SEC)—a regulator of X—filed a lawsuit against Mr. Musk alleging violations of securities laws, Mr. Musk posted on X, "Totally broken organization. They spend their time on shit like this when there are so many actual crimes that go unpunished."[48]

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[44] These agencies include DOD, NASA, CFPB, FDA, FTC, PHTMSA, and FWS. NLRB, NHTSA, and OFCCP will be discussed further in this report.

[45] Elon Musk (@elonmusk), X (Sept. 17, 2024, 7:15 p.m.), https://x.com/elonmusk/status/1836182108412481871; Elon Musk, Elon Musk (@elonmusk), X (Sept. 17, 2024, 1:37 p.m.), https://x.com/elonmusk/status/1836097185395666955; Press Release, Fed. Aviation Admin., FAA Proposes $639,009 in Civil Penalties Against SpaceX (Sept. 17, 2024), https://www.faa.gov/newsroom/faa-proposes-633009-civil-penalties-against-spacex.

[46] *Elon Musk bungles his criticism of U.S. drug regulators*, STAT NEWS (Oct. 24, 2024), https://www.statnews.com/2024/10/24/elon-musk-bungles-his-criticism-of-u-s-drug-regulators/; *From A.I. to Musk's Brain Chips, the F.D.A.'s Device Unit Faces Rapid Change*, N.Y. TIMES (Nov. 1, 2024), https://www.nytimes.com/2024/11/01/health/fda-ai-elon-musk-medical-devices.html.

[47] *'Delete CFPB': Musk calls for elimination of consumer bureau*, POLITICO (Nov. 27, 2024), https://www.politico.com/live-updates/2024/11/27/congress/delete-cfpb-musk-calls-for-elimination-of-consumer-bureau-00191994; Elon Musk (@elonmusk), X (Nov. 27, 2024, 12:35 a.m.), https://x.com/elonmusk/status/1861644897490751865.

[48] *SEC sues Elon Musk, alleging failure to properly disclose Twitter ownership*, CNBC (Jan. 14, 2025), https://www.cnbc.com/2025/01/14/sec-sues-musk-alleges-failure-to-properly-disclose-twitter-ownership.html. Elon Musk (@elonmusk), X (Jan. 14, 2025, 7:18 p.m.), https://x.com/elonmusk/status/1879322286291054653; *Sec.& Exch. Comm'n v. Musk,* No. 1:25-cv-105 (D.D.C. Jan. 14, 2025).

Since President Trump took office, he has weakened the federal entities that oversee, regulate, and (in some cases) have active investigations into Mr. Musk's companies. Just days into his second term in office, President Trump fired 19 inspectors general.[49] At least two of these fired officials—the inspectors general for the U.S. Agency for International Development and the U.S. Department of Agriculture—oversaw offices with active investigations involving Mr. Musk's companies.[50] These early firings began a pattern of dismissal or closure of investigations into Mr. Musk's companies that shows no signs of letting up.[51]

At times, DOGE and Mr. Musk himself appear to be leading the meddling into agencies where he and his companies face ongoing or potential investigations. At the CFPB, which has oversight and enforcement authority over Tesla's auto lending and the recently-announced "X Money" platform, Mr. Musk appears to have been directly involved in the agency's recent dismantling: He reportedly accessed CFPB's headquarters and computer systems, and several hours later posted "CFPB RIP" with an emoji of a gravestone on his X account; CFPB's official account on the Musk-owned platform was subsequently deleted.[52] At the SEC, which has at least one current investigation into Musk and potentially several others, DOGE has overseen layoffs and the closure of regional headquarters that observers say are likely to weaken the Commission's abilities to carry out enforcement actions.[53] DOGE employees have also reportedly been granted access to confidential Commission data.[54] In late February, DOGE staff arrived at the FAA's Washington D.C. headquarters and reportedly told employees hesitant to adopt changes to the Agency's telecommunications systems that they would be reported to Mr. Musk.[55] In March, Catherine Eshbach, who previously represented SpaceX as an attorney in private practice, was appointed as Director of the Office of Federal Contract Compliance Programs (OFCCP), a

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[49] *Government watchdogs fired by Trump sue to get their jobs back,* CNN (last updated Feb. 12, 2025), https://www.cnn.com/2025/02/12/politics/inspector-general-lawsuit-fired-trump/index.html.

[50] *Exclusive: Musk's Neuralink faces federal probe, employee backlash over animal tests,* REUTERS (Dec. 6, 2022), https://www.reuters.com/technology/musks-neuralink-faces-federal-probe-employee-backlash-over-animal-tests-2022-12-05/; U.S. Agency for Int'l Dev. Off. of Inspector Gen., *Project Announcement: Inspection of USAID's Oversight of Starlink Terminals Provided to the Government of Ukraine* (May 14, 2024), https://oig.usaid.gov/node/6814. The Subcommittee chose not to include the USAID OIG investigation in its calculation of Mr. Musk's potential exposure because the little information that was available suggests that it was US AID's contracting practices, rather than Starlink itself, under review.

[51] *See, e.g.,* General Statement, Fed. Aviation Admin., SpaceX Starship Flight 7 Mishap Investigation (Mar. 31, 2025), https://www.faa.gov/newsroom/statements/general-statements (last visited Apr. 11, 2025) (announcing the closure of the investigation); News Release, U.S. Dep't of Labor, US Department of Labor to Cease and Desis All Investigative and Enforcement Activity under Rescinded Executive Order 11246 (Jan. 24, 2025), https://www.dol.gov/newsroom/releases/osec/osec20250124; *Tesla discrimination probe killed as Trump axes watchdog agency,* SAN FRANCISCO STANDARD (Feb. 6, 2025), https://sfstandard.com/2025/02/06/trump-order-stops-tesla-discrimination-investigation/; *A lawyer who represented SpaceX looks to downsize federal contracting watchdog*, NPR (Mar. 27, 2025), https://www.npr.org/2025/03/27/nx-s1-5341559/lawyer-represented-musk-spacex-downsize-federal-contractors-watchdog; *United States v. Space Expl. Techs. Corp*., 18 OCAHO no. 1499b*.,* (Order Confirming Dismissal, Feb. 24, 2025).

[52] *National Treasury Employees Union v. Vought,* No. 1:25-cv-381 (D.D.C.) (Amended Complaint filed Feb. 13, 2025).

[53] *DOGE Is Hunting for Cuts at the SEC,* BARRON'S (Apr. 2, 2025), https://www.barrons.com/articles/doge-sec-cuts-1cbe7443.

[54] *Id*.

[55] *How Elon Musk Muscled His Way Into the FAA,* BLOOMBERG (Mar. 5, 2025), https://www.bloomberg.com/news/features/2025-03-05/after-elon-musk-lands-at-faa-his-starlink-business-stands-to-gain-business.

division of the Department of Labor (DOL) tasked with ensuring that federal contractors, including Mr. Musk's companies, comply with nondiscrimination laws.[56] In an email introducing herself to staff, Eschbach told employees to expect a "reduced scope of mission" and reductions-in-force "consistent with the administration-wide DOGE agenda."[57]

Mr. Musk's repeated abuse of his influence over agencies with regulatory oversight of his companies underscores the need for careful examination of federal investigations and litigation involving these entities. The subsequent sections of this report will detail the Subcommittee's review of these actions to better understand the potential financial exposure they face and the benefits they stand to gain from weakened or preferential enforcement.

Exposure from Federal Government Investigations and Litigation

Following reports about Mr. Musk's attempts to gut federal agencies with regulatory responsibilities over his companies, PSI sought to understand the full scope of federal oversight that Mr. Musk faced before President Trump took office in order to discern the extent to which he and his companies may stand to immediately benefit. PSI determined that at least 40 specific cases—including litigation, investigations, and enforcement actions—pending against Mr. Musk and five of his companies across eight federal agencies as of January 20, 2025, reflected potential liabilities of over $2.37 billion in potential exposure to criminal fines and civil penalties (see Figure 1). PSI was not able to reasonably calculate the potential cost of an additional 25 potential regulatory actions—including employee complaints, audits, and auto recalls—by three other agencies that existed at the time. An appendix is attached to provide a detailed list of the cases summarized here. The sections that follow detail the Subcommittee's findings.

[56] Press Release, U.S. Dep't of Lab., US Department of Labor appoints Catherine Eschbach as director of the Office of Federal Contract Compliance Programs (Mar. 24, 2025), https://www.dol.gov/newsroom/releases/ofccp/ofccp20250324; *A lawyer who represented SpaceX looks to downsize federal contracting watchdog*, supra note 51.

[57] *A lawyer who represented SpaceX looks to downsize federal contracting watchdog*, supra note 51.

Figure 1: Summary of Potential Exposure by Investigations and Litigation

Figure 2: Summary of Matters Not Reasonably Estimated

Potential Costs of Investigations and Litigation

Methodology

To assess Mr. Musk and his companies' potential financial exposure to costs associated with federal investigations, enforcement actions, and other complaints, the Subcommittee conducted a comprehensive review of publicly available information on ongoing, potential, and pending federal enforcement actions and investigations against Mr. Musk or his companies. The Subcommittee used publicly available information to compile a list of actions that are either reported to still be active—or otherwise not confirmed to have been closed—in or around January 2025.[58] The Subcommittee identified publicly reported active investigations, enforcement actions, complaints or other related matters against Mr. Musk in his personal capacity as well as each of the following companies that he has a controlling interest or majority stake in: Neuralink, SpaceX, Tesla, The Boring Company, and xAI (which includes X as of March 28, 2025).[59]

After identifying these publicly reported investigations, enforcement actions, and other matters, the Subcommittee ascertained which statutes and regulations they may implicate to determine the potential range of penalties, fines, fees, or other financial exposure. The Subcommittee then calculated the estimated potential financial exposure for each potential statutory or regulatory violation by analyzing publicly available information about each matter. The Subcommittee's findings below describe the process used to determine each estimate. For certain matters where statutes or regulations did not provide clear guidance on the potential exposure, or where necessary facts were not available, the Subcommittee concluded that no estimate could be determined.

The purpose of this analysis is to estimate the scope of yet another conflict of interest from Mr. Musk's multiple roles: the potential financial risk Mr. Musk and his companies faced from open federal investigations at the time President Trump took office. This figure sheds light on the potential rewards Mr. Musk's companies may now gain from the absence of federal enforcement capacity as a result of cuts made by DOGE, or influence exerted on enforcement agencies by Mr. Musk or those acting on his behalf.

The Subcommittee's analysis is not meant to evaluate the likely outcome of any individual investigation, enforcement action, or complaint, nor does it consider factors such as evidentiary shortcomings, prosecutorial discretion, or legal constraints that may have otherwise impacted the outcome of these matters. As further discussed below in *The Hidden Costs of Federal Enforcement*, it also does not account for additional types of costs and damages not reasonably subject to measurement, such as legal fees, compensatory damages, stock price declines, and

[58] As will be discussed further below, the Occupational Safety and Health Administration (OSHA) also issued four citations after January 20, 2025. These citations, however, were related to investigation started before that date.

[59] *Musk's social media firm X bought by his AI company, valued at $33 billion*, supra note 8.

other factors.[60] Therefore, although the analysis is designed to measure *potential* financial exposure, the total amount calculated is likely far less than the full exposure risk Mr. Musk and his companies faced before President Trump took office. Key facts about certain cases were not available in order to enable the Subcommittee to make estimates, and many factors related to potential enforcement risk are not reasonably subject to measurement.

Department of Justice (DOJ)

SpaceX's Discriminatory Hiring Practices against Asylees and Refugees

Alleged Facts:

On August 24, 2023, the Department of Justice (DOJ) filed a complaint with the Executive Office for Immigration Review alleging that Mr. Musk and SpaceX engaged in a yearslong campaign to intentionally discriminate against asylees and refugees in hiring.[61] Specifically, from 2018 to 2022, the company allegedly actively discouraged, failed to consider, and refused to hire qualified applicants based on their citizenship status.[62] According to the complaint, SpaceX banned asylees and refugees from working at the company—publicly stating that it believed export control laws and regulations barred it from doing so despite there being no such restrictions and the fact that the company regularly conducted export compliance assessments.[63]

On February 21, 2025, DOJ dropped the case against Mr. Musk and SpaceX by filing a notice of dismissal, which was granted with prejudice on February 24, 2025. [64]

Statutes and/or Regulations at Issue:

Pursuant to the Immigration and Nationality Act of 1965, companies are barred from "discriminat[ing] against any individual [] other than an unauthorized alien" with respect to hiring, recruiting for a fee, or discharge on the basis of his or her national origin or citizenship status.[65] Civil monetary penalties are set based on the level at the date the penalty is assessed, not the date the violation occurred.[66] Because the alleged violations of the Immigration and Nationality Act—along with all other conduct leading to potential liability addressed in this report—occurred after the date of those amendments, the most current figure for civil monetary penalties, where available, is appropriate.[67] After February 12, 2024, unfair immigration-related

[60] This report does not consider Mr. Musk's potential benefits from influence over federal contracts, access to or use of federal data, changes in regulations, or the absence of future enforcement of regulatory violations that may have taken place but not yet been reported, or that may occur in the future.

[61] Press Release, U.S. Dep't of Just., Justice Department Sues SpaceX for Discriminating Against Asylees and Refugees in Hiring (Aug. 24, 2023), https://www.justice.gov/archives/opa/pr/justice-department-sues-spacex-discriminating-against-asylees-and-refugees-hiring.

[62] *Id.*

[63] Complaint, *United States v. Space Expl. Techs. Corp*., 18 OCAHO no. 1499 (Aug. 23, 2023); *see also* 22 C.F.R. § 120.62; 15 C.F.R. pt. 772.

[64] Order Confirming Dismissal*, United States v. Space Expl. Techs. Corp*., 18 OCAHO no. 1499b (Feb. 24, 2025).

[65] 8 U.S.C. § 1324b.

[66] 31 C.F.R. pt. 1010 (2025).

[67] *See id*.

practices committed by first-time offenders of 8 U.S.C. § 1324b carry a maximum civil penalty of $4,610 per individual discriminated against.[68]

Estimate of Maximum Potential Damages (prior to dismissal) Based on Available Facts:
Because the case was dismissed with prejudice, the public may never know the full extent of the discrimination. DOJ's complaint stated that SpaceX hired more than 10,000 employees during this period.[69] Each of these hirings could constitute a violation based on the allegation of universal discrimination in the company's hiring practices.[70] Using the 2024 civil monetary penalty rate of $4,610, PSI estimated SpaceX's maximum monetary exposure had it been found liable for all 10,000 violations.[71] As such, the company may have avoided civil monetary penalties of up to **$46,100,000** through DOJ's February 2025 dismissal.

Tesla's Allegedly False or Misleading Statements about Autopilot and Full-Self Driving (FSD) Features

Alleged Facts:
In or about 2021, DOJ launched a criminal investigation into Tesla related to potentially false or misleading claims about its Autopilot and Full-Self Driving (FSD) made by Mr. Musk and Tesla since as early as 2016.[72] Tesla's annual SEC filings for fiscal year 2022 reported that the company had "received requests from the DOJ for documents related to Tesla's Autopilot and FSD features."[73] Tesla's FY 2023 and 2024 10-Ks contained a similar statement about complying with DOJ requests more broadly, and public reporting in May 2024 indicated that DOJ's investigation into Mr. Musk and his company's alleged overstatements about the capability of Tesla's technology and resulting risks to both drivers and investors was ongoing at that time.[74]

Statutes and/or Regulations at Issue:
Tesla's alleged conduct implicates a number of federal criminal statutes, including those prohibiting wire fraud and securities fraud.[75] Violators of these statutes can face up to $500,000 in criminal fines or "twice the gross gain" associated with the offense, whichever is greater.[76] As a result of DOJ's investigation, Tesla, and potentially Mr. Musk, could face criminal charges, fines, and civil penalties.

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[68] Civil Monetary Penalties Inflation Adjustments for 2024, 89 Fed. Reg. 9,764 (Feb. 12, 2024).
[69] Complaint, *United States v. Space Expl. Techs. Corp.,* 18 OCAHO no. 1499 (Aug. 23, 2023).
[70] *Id.*
[71] Civil Monetary Penalties Inflation Adjustments for 2024, supra note 68.
[72] *Exclusive: Tesla faces U.S. criminal probe over self-driving claims*, REUTERS (Oct. 27, 2022), https://www.reuters.com/legal/exclusive-tesla-faces-us-criminal-probe-over-self-driving-claims-sources-2022-10-26/.
[73] Tesla, Inc., Annual Report (Form 10-K) (Dec. 31, 2022).
[74] *Id.*
[75] 18 U.S.C. §§ 1343 and 1348.
[76] 18 U.S.C § 3571(d).

Estimate of Maximum Potential Damages Based on Available Facts:
Estimating the precise amount of potential gain from Tesla's alleged misstatements since 2016 is a highly complex task that would likely require internal information regarding Tesla's revenue related to its Autopilot and FSD throughout the time period in question. However, Tesla did not publicly report FSD-specific revenue until fiscal year 2024, when it reported $596 million in FSD revenue.[77] The lack of publicly available information makes it difficult to estimate FSD revenue in any year prior to 2024, or the extent to which any such revenue is attributable to any false or misleading statements. Industry estimates for FSD adoption rates indicate that Tesla consumers' adoption of FSD technology has been declining in recent years.[78] The adoption rate of 53 percent in 2019 went down to seven percent in 2021, and approximately two percent in 2024.[79]

Although Tesla's alleged conduct may go back as far as 2016, without information about FSD-related revenue from earlier years, the Subcommittee used Tesla's reported 2024 revenue of $596 million to estimate FSD-related gain. Doubling this amount, as provided in 18 U.S.C § 3571(d), would result in a criminal fine of **$1,192,000,000**.

There is ample precedent for criminal fines of this magnitude against car manufacturers. In 2014, DOJ charged Toyota Motor Corporation with one count of wire fraud and entered into a Deferred Prosecution Agreement in which Toyota agreed to pay $1.2 billion and admitted it "misled U.S. consumers by concealing and making deceptive statements about two safety issues affecting its vehicles."[80]

For both DOJ matters that were ongoing as of January 2025, Mr. Musk's companies' maximum potential estimated exposure stood at **$1,228,950,000,** until the SpaceX matter was dismissed shortly after President Trump took office.

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[77] Tesla, Inc., Annual Report (Form 10-K) (Dec. 31, 2024).

[78] *Elon Musk's Tesla Faces FSD Uptake Challenge as Only 2% of Free Trial Users Subscribe, Gary Black Terms the Figure 'Disappointing'*, BENZINGA (May 13, 2024), https://www.benzinga.com/markets/equities/24/05/38805961/elon-musks-tesla-faces-fsd-uptake-challenge-as-only-2-of-free-trial-users-subscribe-gary-black-t; *Tesla's Low FSD Take Rate Offers Growth Opportunity*, TORQUE NEWS (Mar. 28, 2022), https://www.torquenews.com/1083/teslas-low-fsd-take-rate-offers-growth-opportunity.

[79] *Id*.

[80] *Toyota Agreement Showcases New DOJ Enforcement Model*, LAW360 (Apr. 21, 2014), https://www.law360.com/articles/530302/toyota-agreement-showcases-new-doj-enforcement-model; Press Release, U.S. Dep't of Just., Justice Department Announces Criminal Charge Against Toyota Motor Corporation and Deferred Prosecution Agreement with $1.2 Billion Financial Penalty (Mar. 19, 2024), https://www.justice.gov/archives/opa/pr/justice-department-announces-criminal-charge-against-toyota-motor-corporation-and-deferred.

Environmental Protection Agency (EPA)

Reported Violations of the Clean Water Act at Tesla's Austin Facility

Alleged Facts:

In 2024, a whistleblower at Tesla's Austin facility wrote a memorandum to the Environmental Protection Agency (EPA) alleging that the company "repeatedly asked [the individual] to lie to the government so that they could operate without paying for proper environmental controls[.]"[81] In the memorandum filed with the EPA, the whistleblower also included "hundreds of pages of state regulatory documents, as well as photos and videos" related to Tesla's alleged environmental violations, including dumping thousands of gallons of polluted wastewater into city sewer systems in June 2024.[82] Reporting indicated that these actions followed a series of similar incidents going back to 2022 and that the EPA's criminal enforcement division opened a preliminary inquiry into the whistleblower's allegations in November 2024.[83] The EPA's website did not indicate whether any enforcement action at the Austin facility had taken place as of the date of this report.[84]

Statutes and/or Regulations at Issue:

The whistleblower's allegations implicate the Clean Water Act based on the alleged discharge of hazardous wastewater.[85] The Clean Water Act regulates the discharge of pollutants into the nation's waters, giving the EPA the ability to establish pollution control programs like wastewater standards.[86] Section 307(b) of the Act, in part, requires the EPA to set regulatory standards for pretreating wastewater introduced into sewage collection systems.[87] The EPA is authorized to "commence a civil action for appropriate relief, including a permanent or temporary injunction," as well as a maximum civil penalty of $68,445 per day for each violation.[88] Additionally, knowing violations of these pretreatment standards may result in criminal fines of up to $50,000 per day.[89]

Estimate of Maximum Potential Damages Based on Available Facts:

The limited public reporting makes it difficult to determine the number and duration of potential violations of the EPA's pretreatment standards, making the calculation of penalties and fines difficult. Assuming Tesla's alleged violation in June 2024 was done knowingly—as suggested by the report of multiple citations concerning the same issues and multiple attempts to influence

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[81] *Musk Says He Wants to Save the Planet. Tesla's Factories Are Making It Dirtier*, WALL ST. J. (Nov. 24, 2024), https://www.wsj.com/business/autos/elon-musk-tesla-environment-1263cd60.

[82] *Id*.

[83] *Id*.

[84] Enforcement and Compliance History Online, ENVTL. PROT. AGENCY, https://echo.epa.gov/ (follow hyperlink; then insert the following facility identification numbers into the Facility Name/ID search bar "110071408012" and "110071248934"; select the search button.).

[85] 33 U.S.C. §1251 et seq.

[86] Environmental Protection Agency, *Summary of the Clean Water Act*, (Jun. 12, 2024), https://www.epa.gov/laws-regulations/summary-clean-water-act (last visited Apr. 16, 2025).

[87] 33 U.S.C. § 1317; 40 C.F.R. Part 403.

[88] 33 U.S.C. § 1319(b) and (d); Civil Monetary Penalty Inflation Adjustment, 90 Fed. Reg. 1,375 (Jan. 8, 2025).

[89] 33 U.S.C. § 1319(c)(2).

regulators to downplay the violations' severity[90]—and represented only one violation on one day, Tesla could face at least $68,445 in civil penalties and $50,000 in criminal fines, totaling **$118,445**.

Equal Employment Opportunity Commission (EEOC)

Reported Severe or Pervasive Racial Harassment and Retaliation at Tesla's Fremont Facility

Alleged Facts:

In September 2023, the Equal Employment Opportunity Commission (EEOC) filed a lawsuit against Tesla seeking compensatory and punitive damages as well as back pay for employees who allegedly faced years of "severe or pervasive racial harassment" and retaliation at the company's Fremont facility.[91] The complaint—which followed attempts to resolve the matter administratively—alleges that since at least May 2015, Black Tesla employees were subjected to frequent, repeated racial slurs and stereotyping from coworkers, including managers, and were forced to work in locations covered in racist graffiti including displays of swastikas, nooses, support for the KKK, and death threats.[92] The complaint alleged that Tesla management not only failed to investigate or intercede despite their knowledge of these activities, but also retaliated against and fired employees who reported, or simply complained aloud about, these working conditions.[93]

Statutes and/or Regulations at Issue:

The practices alleged in EEOC's complaint violate Sections 703(a) and Section 704(a) of Title VII of the Civil Rights Act of 1964.[94] Section 703(a) forbids employers from "discriminat[ing] against any individual with respect to his [or her] compensation, terms, conditions, or privileges of employment, because of such individual's race, color, religion, sex, or national origin," including engaging in racial harassment so severe or pervasive that it alters the conditions of employment.[95] Section 704(a) of the Act further forbids retaliation against employees or applicants for opposing workplace discrimination.[96] The EEOC may impose injunctive relief, award back pay with interest, front pay, and any other equitable relief, as well as assess compensatory and punitive damages, all of which the Commission sought in its complaint.[97] Such damages for a company the size of Tesla could include up to $300,000 in punitive damages

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[90] *Musk Says He Wants to Save the Planet. Tesla's Factories Are Making It Dirtier*, WALL ST. J. (Nov. 24, 2024), https://www.wsj.com/business/autos/elon-musk-tesla-environment-1263cd60.

[91] Complaint, *EEOC v. Tesla, Inc.*, 727 F. Supp. 3d 875 (N.D. Cal. 2024); *see also* Press Release, U.S. Equal Emp. Opportunity Comm'n, EEOC Sues Tesla for Racial Harassment and Retaliation (Sept. 28, 2023), https://www.eeoc.gov/newsroom/eeoc-sues-tesla-racial-harassment-and-retaliation.

[92] Complaint, *EEOC v. Tesla, Inc.*, 727 F. Supp. 3d 875 (N.D. Cal. 2024); Exhibit F, *EEOC v. Tesla, Inc.*, 727 F. Supp. 3d 875 (N.D. Cal. 2024).

[93] *Id.*

[94] Complaint, *EEOC v. Tesla, Inc.*, 727 F. Supp. 3d 875 (N.D. Cal. 2024); 42 U.S.C. § 2000e-2(a); 42 U.S.C. § 2000e-3(a).

[95] 42 U.S.C. § 2000e-2(a).

[96] 42 U.S.C. § 2000e-3(a).

[97] Complaint, *EEOC v. Tesla, Inc.*, 727 F. Supp. 3d 875 (N.D. Cal. 2024); 42 U.S.C. §§ 1981a(a)(1), (b), and 2000e-5(g).

per complaining party and compensatory damages for "future pecuniary losses, emotional pain, suffering, inconvenience, mental anguish, loss of enjoyment of life, and other nonpecuniary losses."[98] Back pay and interest is only available up to two years prior to the date of the EEOC charge.[99] The Civil Rights Act provides that punitive damages are available when employers act "with malice or with reckless indifference."[100]

Estimate of Maximum Potential Damages Based on Available Facts:
According to a March 2024 federal court opinion denying Tesla's motion to dismiss the EEOC's complaint, "the aggrieved persons include all Black employees who were employed at [Tesla's] Fremont, CA facilities at any time since May 29, 2015, to the present, who have been adversely affected by such unlawful employment practices."[101] The complaint and subsequent court filings do not specify the number of workers who suffered harm as a result of the conditions described. However, in 2024, current and former Black employees alleging substantially similar claims of "pervasive race harassment at the [Tesla Fremont] factory" sought class certification for a California civil suit originally filed in 2017.[102] According to Tesla, the EEOC's finding also "closely parallels" a February 2022 civil complaint filed by the California Civil Rights Division, formerly the Department of Fair Employment and Housing, against Tesla "alleging systemic race discrimination, hostile work environment and pay equity claims," among other allegations.[103] The plaintiffs in the civil suit "submitted declarations of over 500 Tesla workers who experienced or observed what could be described as race harassment" and proposed a class size of 5,977 people.[104] The judge who certified the class in this civil action cited a declaration from a Tesla human resources official to conclude that "there were approximately 1,540 Tesla workers between 2016 and 2022 who identified as Black or African American."[105] The Subcommittee therefore used 1,540 as the number of employees affected by the conduct alleged in the EEOC's complaint. Applying the statutory $300,000 penalty to the figure of 1,540 Black employees derived from the declaration of a Tesla human resources official—rather than the nearly 6,000 proposed by the Black workers pursuing litigation—indicates that the manufacturer could be liable for up to **$462,000,000** for violations of the Civil Rights Act.

The EEOC's complaint also sought back pay, compensation for employees' pecuniary and non-pecuniary losses, and injunctive relief.[106] Given the difficulty of estimating the costs of instituting policy and practice changes at Tesla, as well as compensatory damages and back pay for hundreds if not thousands of employees working in different roles and paid at different rates, the Subcommittee was not able to calculate the potential cost of these types of damages. As a

[98] 42 U.S.C. §§ 1981a(a)(1), (b), and 2000e-5(g).
[99] *Id.*
[100] 42 U.S. Code § 1981a(b)(1).
[101] *Equal Emp. Opportunity Comm'n v. Tesla, Inc.*, 727 F. Supp. 3d 875, 887 (N.D. Cal. 2024).
[102] *Vaughn v. Tesla, Inc*, No. RG17-882082, 2024 WL 2786025, at *3 (Cal.Super. May 17, 2024).
[103] Tesla, Inc., Annual Report (Form 10-K) (Dec. 31, 2024).
[104] *Vaughn v. Tesla, Inc*, No. RG17-882082, 2024 WL 2786025, at *17 (Cal.Super. May 17, 2024).
[105] *Id.*
[106] Complaint, *EEOC v. Tesla, Inc.*, 727 F. Supp. 3d 875 (N.D. Cal. 2024).

result, the estimated statutory ceiling of $462,000,000 in punitive damages is a reasonable, even conservative, means of assessing Tesla's potential liability for its alleged conduct.

Federal Aviation Administration (FAA)

SpaceX's Multiple Reported Failures to Follow License Requirements in 2023 Launches

Alleged Facts:

In September 2024, the FAA proposed multiple penalties totaling $633,009 against SpaceX for violations of its licensing requirements during two rocket launches in June and July 2023.[107] The FAA alleged deviations from established safety protocols (specifically the use of an unauthorized launch control facility), failure to perform the pre-launch readiness assessment ("T-2 hour poll"), and use of an unapproved rocket propellant.[108]

Statutes and/or Regulations at Issue:

Commercial space launch activities are covered by 51 U.S.C. Chapter 509.[109] Pursuant to 51 U.S.C. § 50917(c), the FAA may impose civil penalties per violation as well as a separate violation for each day the violation continues.[110]

Estimate of Maximum Potential Damages Based on Available Facts:

The FAA has already assessed the penalty for SpaceX's licensing and safety protocol violations, proposing fines against SpaceX of **$633,009** in 2024.

However, SpaceX may indeed avoid this liability. After the proposed penalties were announced, SpaceX sent a letter to Congress denying any wrongdoing and criticizing the FAA.[111] Mr. Musk wrote on X that the company would sue to challenge the fines and repeatedly called for the FAA Administrator to resign, even though his term did not end until 2028.[112]

Former FAA Administrator Michael Whitaker did so on the day of President Trump's inauguration.[113] As of the date of this report, the FAA has not publicly released any updates on

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[107] Fed. Aviation Admin., supra note 45.

[108] FED. AVIATION ADMIN., Notice of Proposed Civil Penalty, Space Exploration Technologies, Case No. 2023WA990028 (Sept. 17, 2024), https://www.faa.gov/sites/faa.gov/files/afn-foia-20240917-case-2023WA990028.pdf; FED. AVIATION ADMIN., Notice of Proposed Civil Penalty, Space Exploration Technologies, Case No. 2023WA990031 (Sept. 17, 2024), https://www.faa.gov/sites/faa.gov/files/afn-foia-20240917-case-2023WA990031_0.pdf.

[109] *See* 51 U.S.C. § 50901 et seq.

[110] 51 U.S.C. § 50917(c).

[111] *SpaceX blasts proposed FAA fines in complaint letter to Congress*, SPACE (Sept. 19, 2024), https://www.space.com/spacex-letter-congress-contest-faa-fines.

[112] *FAA Administrator Quit on Jan. 20 After Elon Musk Told Him to Resign*, DAILY BEAST (Jan. 30, 2025), https://www.yahoo.com/news/faa-administrator-quit-jan-20-045322293.html.

[113] *FAA Leader Quit Before D.C. Plane Crash—Thanks to Elon Musk*, supra note 3.

the matter, including on its electronic "reading room" website where the penalty proposals are maintained.[114]

Federal Election Commission (FEC)

Alleged Illegal Corporate Contributions for Virtual Campaign Rally on X Spaces

Alleged Facts:

On August 12, 2024, X held a virtual campaign rally for then-presidential candidate Donald Trump hosted by Mr. Musk during which, for over an hour, Mr. Musk repeatedly endorsed Mr. Trump for president and advocated against Vice President Kamala Harris.[115] The following day, a political action committee filed a complaint with the Federal Election Committee (FEC) alleging that the rally—and the resources expended to broadcast and moderate it—constituted a considerable and unlawful corporate in-kind contribution to Donald Trump's election campaign.[116] By law, all FEC enforcement cases are confidential until they are closed.[117] Because the FEC has not to date published the complaint's disposition to either its Enforcement Search System or as part of its "Weekly Digests," the case is likely still open.[118]

Statutes and/or Regulations at Issue:

Federal campaign finance law prohibits contributions and expenditures by corporations "in connection with any" federal election, defining contributions and expenditures such as "anything of value made [] for the purpose of influencing any election for Federal office."[119] For contributions offered free of charge or at a discount ("in-kind contribution"), the value is "the amount that would have been paid under the prevailing commercial rate at the time the services are rendered."[120] Corporations that have made prohibited contributions face civil penalties up to $5,000 or an amount equal to the contribution, but if the violation was knowing and willful, the penalties increase to $10,000 or an amount equal to 200 percent of the contribution, whichever is greater.[121]

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[114] *FAA Electronic Reading Room*, FED. AVIATION ADMIN., https://www.faa.gov/foia/electronic_reading_room (last visited Apr. 11, 2025).

[115] Elon Musk (@elonmusk), X (Aug 13, 2024, 3:03 AM), https://x.com/elonmusk/status/1823254086126608862.

[116] *See* Press Release, End Citizens United, End Citizens United Files FEC Complaint Against Trump Campaign and X Over Illegal Corporate Contribution (Aug. 13, 2024), https://endcitizensunited.org/latest-news/press-releases/end-citizens-united-files-fec-complaint-against-trump-campaign-and-x-over-illegal-corporate-contribution/.

[117] *Enforcing federal campaign finance law*, FED. ELECTION COMM'N, https://www.fec.gov/legal-resources/enforcement/ (last visited Apr. 11, 2025).

[118] *Audit Reports*, FED. ELECTION COMM'N, https://www.fec.gov/legal-resources/enforcement/audit-search/ (last visited Apr. 11, 2025); *Latest Updates*, FED. ELECTION COMM'N, https://www.fec.gov/updates/?update_type=weekly-digest (last visited Apr. 11, 2025).

[119] 52 U.S.C. §§ 30118(a), 30101(8)(A), and 30101(9)(A).

[120] *See* FED. ELECTION COMM'N, CAMPAIGN GUIDE FOR CORPORATIONS AND LABOR ORGANIZATIONS, 16, (Jan. 2018), https://www.fec.gov/resources/cms-content/documents/policy-guidance/colagui.pdf; *see also* 11 C.F.R. 100.52(d)(2); 11 C.F.R. 100.111(e)(2).

[121] 52 U.S.C. § 30109(a)(6).

Estimate of Maximum Potential Damages Based on Available Facts:
Given the difficulty of estimating the value of Mr. Musk's potential contribution, which would require estimating the value of his time and resources provided by X, the statutory amount of **$5,000** appears to be the most reasonable estimate of X's likely financial exposure for allegedly violating federal campaign finance law.

Occupational Safety and Health Administration (OSHA)

SpaceX's Serious Medical Referrals at the Washington Facility

Alleged Facts:
A 2023 investigation by Reuters of SpaceX injury data documented a history of "serious or disabling" workplace injuries dating back to 2016 across its multiple facilities, including "crushed limbs, amputations, electrocutions, head and eye wounds and one death."[122] In November 2024, OSHA filed two complaints against SpaceX's Washington Facility, which resulted in $18,000 in fines, which SpaceX has yet to pay.[123] On January 21, 2025, one proceeding resulted in two citations totaling $12,000 in fines for failing to follow labor laws requiring certain emergency response plans and employee training.[124] On February 13, 2025, the second proceeding resulted in a $6,000 citation for multiple violations arising from the company's failure to conduct exposure evaluations, keep food free from toxic substances, and keep surfaces free from lead accumulation.[125]

The Boring Company's Contested Violation at Las Vegas Site, Fines Exceeding $112k

Alleged Facts:
In June 2023, OSHA opened an investigation into The Boring Company's Las Vegas site and concluded that more than a dozen employees were forced to work in tunnels described as being

[122] *At SpaceX, worker injuries soar in Elon Musk's rush to Mars*, REUTERS (Nov. 10, 2023), https://www.reuters.com/investigates/special-report/spacex-musk-safety/.

[123] OSHA Inspection Detail 1790526.015 - Wa317983383 - Space Exploration Technologies Corp (opened Nov. 22, 2024), https://www.osha.gov/ords/imis/establishment.inspection_detail?id=1790526.015 (last visited Apr. 4, 2025); OSHA Inspection Detail 1787938.015 - Wa317983230 - Space Exploration Technologies Corp (opened Nov. 14, 2024), https://www.osha.gov/ords/imis/establishment.inspection_detail?id=1787938.015 (last visited Apr. 4, 2025).

[124] OSHA Inspection Detail: 1787938.015 - Wa317983230 - Space Exploration Technologies Corp (opened Nov. 14, 2024), https://www.osha.gov/ords/imis/establishment.inspection_detail?id=1787938.015 (last visited Apr. 4, 2025); WASH. ADMIN. CODE § 296-824-20005; WASH. ADMIN. CODE § 296-824-30005.

[125] OSHA Inspection Detail 1790526.015 - Wa317983383 - Space Exploration Technologies Corp (opened Nov. 22, 2024), https://www.osha.gov/ords/imis/establishment.inspection_detail?id=1790526.015 (last visited Apr. 4, 2025); WASH. ADMIN. CODE § 296-62-07521; WASH. ADMIN. CODE § 296-841-20005; WASH. ADMIN. CODE § 296-800-23040.

"packed with chemical sludge" without proper protective equipment.[126] On October 31, 2023, OSHA issued fines for eight violations at $14,063 per violation, totaling $112,504.[127]

Tesla's 26 Contested OSHA Violations at Multiple Facilities, Fines Exceeding $500k

Alleged Facts:

Tesla currently faces 26 ongoing OSHA proceedings, the oldest of which dates back to 2020.[128] These proceedings have resulted in citations and fines on a range of issues related to serious, and sometimes repeated, workplace injuries. In one instance, on January 31, 2025, OSHA cited and fined Tesla $49,650 for the electrocution death of an employee conducting an inspection at its Austin facility—a potentially preventable death caused by the company's failure to ensure the worker was wearing protective equipment and that equipment at the inspection site had been de-energized.[129]

Statutes and/or Regulations at Issue:

The Occupational Safety and Health Act provides for a wide range of penalties for workplace safety and health violations based on factors such as "the knowledge and intent of the employer, the seriousness of the violation, and the employer's compliance history, which may impact the ultimate amount of the penalty."[130] OSHA investigates and enforces violations of the Act and is authorized to issue fines for violations of the Act.[131] The final penalty amount will fall within a specified range based on individualized assessments performed by OSHA on each violation.[132]

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[126] OSHA Inspection Detail 1677194.015 - Tbc The Boring Company (opened Jul. 15, 2023), https://www.osha.gov/ords/imis/establishment.inspection_detail?id=1677194.015 (last visited Apr. 4, 2025); *Elon Musk's Vegas Tunnel Project Has Been Racking Up Safety Violations*, BLOOMBERG (Feb. 26, 2024), https://www.bloomberg.com/news/features/2024-02-26/elon-musk-las-vegas-loop-tunnel-has-construction-safety-issues/ (last updated on Feb. 27, 2024).

[127] OSHA Inspection Detail 1677194.015 - Tbc The Boring Company (opened Jul. 15, 2023), https://www.osha.gov/ords/imis/establishment.inspection_detail?id=1677194.015 (last visited Apr. 4, 2025).

[128] Occupational Safety and Health Administration, https://www.osha.gov/ords/imis/inspectionNr.html (follow hyperlink; then insert the following inspection numbers in the search bar "1454931.015, 1498332.015, 1513294.015, 1518504.015, 1523622.015, 1526992.015, 1537575.015, 1539967.015, 1552002.015, 1556213.015, 1566582.015, 1597846.015, 1603753.015, 1609730.015, 1632314.015, 1662190.015, 1697213.015, 1698772.015, 1715570.015, 1718063.015, 1732013.015, 1737821.015, 1763341.015, 1765188.015, 1766557.015, 1798179.015"; select the search button).

[129] *See Feds fine Tesla nearly $50K after worker's death at Austin gigafactory*, KUT NEWS (Mar. 6, 2024), https://www.kut.org/transportation/2025-03-06/elon-musk-tesla-gigafactory-worker-death-osha-fine-fines-austin-texas; OSHA Violation Detail 1766557.015 – Standard Cited: A Criteria for personal protective equipment. (issued Jan. 31, 2025) https://www.osha.gov/ords/imis/establishment.violation_detail?id=1766557.015&citation_id=01001 (last visited Apr. 4, 2025); OSHA Inspection Detail 1766557.015 - Tesla Giga Factory (opened Aug. 1, 2024) https://www.osha.gov/ords/imis/establishment.inspection_detail?id=1766557.015 (last visited Apr. 4, 2025).

[130] CONG. RSCH. SERV., R48292, THE OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970 (OSH ACT): A LEGAL OVERVIEW (2024), https://www.crs.gov/Reports/R48292; Occupational Safety and Health Act of 1970, 29 U.S.C. § 651 et seq. (1970).

[131] 29 U.S. Code § 666.

[132] U.S. OCCUPATIONAL SAFETY & HEALTH ADMIN., 2024 ANNUAL ADJUSTMENTS TO OSHA CIVIL PENALTIES (Jan. 8, 2024), https://www.osha.gov/memos/2024-01-08/2024-annual-adjustments-osha-civil-penalties.

Estimate of Maximum Potential Damages Based on Available Facts:
Twenty-eight of 29 open investigations conducted by OSHA at SpaceX, Tesla, and The Boring Company are recorded as "contested" by the respective companies.[133] All 29 investigations remain open on OSHA's public webpage as of the date of this report.[134] To date:

- SpaceX had two open cases with fines totaling $18,000;
- The Boring Company had one open case with fines totaling $112,504; and
- Tesla had 26 open cases with fines totaling $582,610.

The total potential fines and penalties previously assessed by OSHA across these three companies is **$713,114.**

Securities and Exchange Commission (SEC)

Allegations of Mr. Musk's Failure to Timely Disclose Beneficial Ownership Report

Alleged Facts:
On January 14, 2025, the SEC brought a complaint against Mr. Musk alleging that he had netted over $150 million by failing to publicly disclose his acquisition of more than five percent beneficial ownership of the common stock of Twitter, Inc. (now X) in March 2022.[135] By delaying this report, Mr. Musk was allegedly able to purchase a significant amount of Twitter stock at a discounted price—once Mr. Musk finally disclosed his acquisitions publicly, the price of Twitter stock rose substantially. Ultimately, these purchases—actions which "resulted in substantial economic harm to investors" by depriving them of "material information"[136]—gave Mr. Musk the leverage to purchase the company later that year.[137]

Statutes and/or Regulations at Issue:
The SEC charged Mr. Musk with violating Section 13(d) of the Securities Exchange Act of 1934, which requires persons who acquire beneficial ownership of more than five percent of a public company's equity securities to file a Schedule 13D with the SEC within ten days of crossing the

[133] One citation issued to Tesla on February 10, 2025, is listed as "open," with the latest event as "issued." OSHA Inspection Detail 1798179.015 – Tesla Energy Operations, Inc. (opened Jan. 16, 2025), https://www.osha.gov/ords/imis/establishment.inspection_detail?id=1798179.015 (last visited Apr. 4, 2025).

[134] Occupational Safety and Health Administration, https://www.osha.gov/ords/imis/inspectionNr.html (follow hyperlink; then insert the following inspection numbers in the search bar "1454931.015, 1498332.015, 1513294.015, 1518504.015, 1523622.015, 1526992.015, 1537575.015, 1539967.015, 1552002.015, 1556213.015, 1566582.015, 1597846.015, 1603753.015, 1609730.015, 1632314.015, 1662190.015, 1697213.015, 1698772.015, 1715570.015, 1718063.015, 1732013.015, 1737821.015, 1763341.015, 1765188.015, 1766557.015, 1798179.015"; select the search button).

[135] Complaint, *Securities and Exchange Commission, Plaintiff, v. Elon Musk, c/o Quinn Emanuel Urquhart & Sullivan, LLP, Defendant.,* 2025 WL 105317.

[136] *Id*. at 46.

[137] *A timeline of Elon Musk's takeover of Twitter*, NBC NEWS (Nov. 17 2022), https://www.nbcnews.com/business/business-news/twitter-elon-musk-timeline-what-happened-so-far-rcna57532.

five-percent threshold.[138] The maximum civil penalty for violating Section 13(d) is $11,823 per violation, disgorgement, and any equitable relief that may be deemed appropriate.[139] The amount of the penalty may be increased under the Act based on aggravating factors, such as "fraud, deceit, manipulation, or deliberate or reckless disregard of a regulatory requirement" and "substantial losses [] to other persons."[140]

Estimate of Maximum Potential Damages Based on Available Facts:
The estimated disgorgement value of $150 million is based on the amount alleged by the SEC. For one violation, the additional civil penalty of $11,823 results in maximum potential damages of **$150,011,823**.[141]

Neuralink's Alleged False or Misleading Statement about Product Risks
Alleged Facts:
In or around September 2023, the SEC opened an investigation into Neuralink's business practices following a complaint from the Physicians Committee for Responsible Medicine (PCRM) alleging that Mr. Musk knowingly made false or misleading statements about the safety of the company's product.[142] During a critical fundraising period for Neuralink, when it raised $280,274,981 from investors, Mr. Musk allegedly made false statements regarding animal testing outcomes, including in a social media post made on September 10, 2023.[143] On December 12, 2024, Neuralink's counsel indicated the SEC "reopened an investigation into Neuralink," and

[138] 15 U.S.C. § 78m(d).

[139] 15 U.S.C. § 78u(d)(3); U.S. SEC. & EXCH. COMM'N, INFLATION ADJUSTMENTS TO THE CIVIL MONETARY PENALTIES ADMINISTERED BY THE SECURITIES AND EXCHANGE COMMISSION (as of January 15, 2025), https://www.sec.gov/enforce/civil-penalties-inflation-adjustments (last visited Apr. 11, 2025).

[140] 15 U.S.C. § 78u(d)(3)(ii) and (iii).

[141] The SEC's complaint against Mr. Musk does not specifically address fraud, deceit, manipulation, or deliberate or reckless disregard of a regulatory requirement, but it does allege that, *inter alia*, 1) Mr. Musk "understood that the federal securities laws required certain owners of more than five percent of a public company's common stock to publicly disclose their ownership stake to the public by filing a report with the SEC[,]" 2) Mr. Musk ignored repeated suggestions to seek legal advice as to his reporting obligations, and 3) Mr. Musk continued purchasing Twitter stock after he knew he crossed the threshold for requiring public disclosure. See *Securities and Exchange Commission, Plaintiff, v. Elon Musk, c/o Quinn Emanuel Urquhart & Sullivan, LLP, Defendant.,* 2025 WL 105317, at 17, 19, 20, 24, 26, 28, 29, 32, 33, 35, 37. The Subcommittee chose to use the lowest tiered penalty at 15 U.S.C. § 78u(d)(3)(i) in its calculation while acknowledging the possibility that Mr. Musk's conduct may warrant higher penalties due to aggravating factors.

[142] Letter from Ryan Merkley, Director of Research Advocacy, Physicians Comm. for Responsible Med., & Deborah Dunbow Press, Assoc. Gen. Couns., Physicians Comm. for Responsible Med., to Gurbir Grewal, Division Director, Securities, & Nicole Kelly, Chief of Office of the Whistleblower, U.S. Sec. & Exch. Comm'n. (Sep. 20, 2023), https://pcrm.widen.net/s/qwg2svzh9n/sec-request-for-investigation-of-neuralink-2023.09.20; Press Release, Physicians Comm. for Responsible Med., SEC Reopens Investigation Into Elon Musk's Neuralink Likely Launched by Medical Ethics Group's Complaint About Monkey Deaths (Dec. 13, 2024), https://www.pcrm.org/news/news-releases/sec-reopens-investigation-elon-musks-neuralink-likely-launched-medical-ethics

[143] Neuralink Corp., Notice of Exempt Offering of Securities (Form D) (Aug. 8, 2023); Elon Musk (@elonmusk), X (Sep. 10, 2023, 6:57 AM) https://x.com/elonmusk/status/1700825786326896950.

raised the prospect that the decision was "improperly motivated."[144] It is unclear whether the SEC's investigation into Neuralink remains active.

Statutes and/or Regulations at Issue:
If the SEC's investigation remains active, it appears based on public reporting that Neuralink's alleged conduct may implicate Section 10(b) of the Securities Exchange Act of 1934 and Sections 17(a)(2) and 17(a)(3) of the Securities Act of 1933. Section 10(b) makes it unlawful to "use or employ, in connection with the purchase or sale of any security registered on a national securities exchange or any security not so registered, or any securities-based swap agreement any manipulative or deceptive device or contrivance in contravention" of SEC rules.[145] Section 17(a)(2) makes it unlawful to, "in the offer or sale of any securities [] by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly [] obtain money or property by means of any untrue statement of a material fact or any omission[.]"[146] Section 17(a)(3) further makes it unlawful to "engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser" under the same conditions.[147] The Securities Act permits the SEC to seek disgorgement and "any equitable relief that may be appropriate or necessary for the benefit of investors," levying civil penalties of up to $1,182,251 per violation when such violations "resulted in substantial losses or created a significant risk of substantial losses to other persons."[148]

Estimate of Maximum Potential Damages Based on Available Facts:
The potential maximum penalty Neuralink could face is disgorgement of the funding raised in 2023 ($280,274,981) and civil penalties of $1,182,251 for a single violation, totaling **$281,457,232**.

<u>Tesla's Alleged Failure to Disclose Solar Panel Risks to Shareholders</u>
Alleged Facts:
In 2021, Tesla was reported to be subject to an ongoing SEC investigation stemming from a whistleblower claim filed in 2019 alleging that the company failed to disclose fire risks related to its solar panel systems—a failure that may have exposed shareholders to substantial undisclosed liabilities over multiple years.[149]

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[144] Physicians Comm. for Responsible Med., supra note 142; Elon Musk (@elonmusk), X (Dec 12, 2024, 6:54 PM) https://x.com/elonmusk/status/1867357433493872874/.

[145] 15 U.S.C. § 78j(b).

[146] 15 U.S.C. § 77q(a)(2).

[147] 15 U.S.C. § 77q(a)(3).

[148] 15 U.S.C. § 78u; U.S. SEC. & EXCH. COMM'N., supra note 139.

[149] *Exclusive: SEC probes Tesla over whistleblower claims on solar panel defects,* REUTERS (Dec. 6, 2021), https://www.reuters.com/markets/commodities/exclusive-sec-probes-tesla-over-whistleblower-claims-solar-panel-defects-2021-12-06/.

Although more than three years passed between the first reporting of the SEC's investigation and January 20, 2025, the absence of statements from the SEC does not indicate that the case has been closed.[150] While it is not uncommon for SEC investigations to take many years, the SEC's practice is not to publicly report when an investigation that does not result in charges is closed.[151] A related civil suit filed by the same whistleblower in California state court in November 2020 remains active as of April 2025.[152]

Statutes and/or Regulations at Issue:
Tesla's alleged conduct appears to implicate the same provisions of the Securities Act and Securities Exchange Act as the allegations regarding Neuralink, with the addition of the reporting requirements of Section 13(a) of the Securities Act, which requires companies with registered securities to file complete and accurate periodic reports with the SEC.[153]

Estimate of Maximum Potential Damages Based on Available Facts:
Tesla may face disgorgement of the portion of its profits from solar panel systems attributable to any false claims. In terms of timing, it has been reported that in 2016, mere months before Tesla acquired SolarCity (a company which sold solar energy generation systems), a whistleblower told Tesla management that they needed to "shut down the fire-prone solar systems, report to safety regulators and notify consumers." [154] This could mean that disgorgement could go as far back as 2017.

[150] The SEC's enforcement manual contains numerous confidentiality provisions to protect the sensitive information that may be acquired during an investigation. *See, e.g.,* U.S. SEC. & EXCH. COMM'N., ENFORCEMENT MANUAL 78, 107 (Nov. 28, 2017), https://www.sec.gov/divisions/enforce/enforcementmanual.pdf. The manual states that "[a]n investigation that has resulted in an enforcement action cannot be closed until all enforcement actions in the case are complete," but that "[c]losing investigations where no enforcement action will be recommended can be a harder judgement call."; *Id.* at 26-27.

[151] Financial watchdogs that regularly file Freedom of Information Act (FOIA) requests with the SEC state that the commission "almost always refuses to release" these internal documents. *See, e.g., SEC Investigation Update,* PROBES REPORTER (May 18, 2022), https://probesreporter.com/sites/default/files/uploads/documents/TWTR%202022-0518-a.pdf. Practitioners who frequently defend entities facing SEC investigations note that investigations often last two or more years, and that "investigations lasting five years or longer are not unheard of." *See, e.g.,* LATHAM & WATKINS LLP, SEC INVESTIGATIONS: A GUIDE FOR PUBLIC COMPANY DIRECTORS, OFFICERS, AND IN-HOUSE COUNSEL 13 (2022), https://www.lw.com/admin/upload/SiteAttachments/SEC-Investigations-Guide-Second-Edition.pdf.

[152] *Henkes v. Tesla Energy, Inc.,* No. RG20080233 (pending before Cal. Super. Ct., Cnty. of Alameda) (on file with the Subcommittee).

[153] Securities Exchange Act of 1934 § 13(a), 15 U.S.C. § 78m(a); *see also* 17 C.F.R. §§ 240.13a-1 and § 240.15d-14.

[154] *Exclusive: SEC probes Tesla over whistleblower claims on solar panel defects*, supra note 149.

Table 1: Tesla's energy generation and storage segment revenue (Dollars in millions).[155]

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Revenue	181	1,116	1,555	1,531	1,994	2,789	3,909	6,035	10,086	**29,196**
Cost of Revenue	178	874	1,365	1,341	1,976	2,918	3,621	4,894	7,446	**24,613**
Profit	3	242	190	190	18	-129	288	1,141	2,640	**4,583**

Source: Tesla Form 10-K for fiscal years 2016-2024.[156]

Disclosing the risks identified by the whistleblower could have prevented or delayed SolarCity's acquisition or implicated portions of the $4.5 billion in profits since 2017. A conservative estimate of Mr. Musk's exposure related to this matter could include the change in profit between 2016 ($3,062,000) and 2017 ($241,728,000) in this segment, i.e., $238,666,000.[157]

Assuming that the case remains open, and that the company is assessed the maximum civil penalty on just one violation ($1,182,251) and faces disgorgement on the change in profit ($238,666,000), Tesla could face financial exposure of up to **$239,848,251**.

For all three SEC matters, the maximum potential estimated exposure for Mr. Musk and his companies stood at **$671,371,306** as of January 2025, assuming all three matters remained open at that time.

U.S. Department of Agriculture (USDA)

Neuralink's Alleged Violations of the Animal Welfare Act

Alleged Facts:

In or around February 2022, the USDA Office of Inspector General (OIG) received a complaint from the PCRM claiming that its independent investigation revealed that Neuralink's surgical methods, which allegedly resulted in the painful deaths of multiple animals between 2017 and

[155] "Energy generation and storage revenue includes sales and leasing of solar energy generation and energy storage products, financing of solar energy generation products, services related to such products and sales of solar energy systems incentives." Tesla, Inc., Annual Report (Form 10-K) (Dec. 31, 2024), at 38.

[156] Tesla, Inc., Annual Report (Form 10-K) (Dec. 31, 2024); Tesla, Inc., Annual Report (Form 10-K) (Dec. 31, 2023); Tesla, Inc., Annual Report (Form 10-K) (Dec 31, 2022); Tesla, Inc., Annual Report (Form 10-K) (Dec. 31, 2021); Tesla, Inc., Annual Report (Form 10-K) (Dec. 31, 2020); Tesla, Inc., Annual Report (Form 10-K (Dec. 31, 2019); Tesla, Inc., Annual Report (Form 10-K (Dec. 31, 2018); Tesla, Inc., Annual Report (Form 10-K) (Dec. 31, 2017); Tesla, Inc., Annual Report (Form 10-K) (Dec. 31, 2016)

[157] Tesla's 2016 revenue for this segment was $181,394,000, with a cost of revenue of $178,332,000, making the profit from this revenue $3,062,000. Tesla's 2017 revenue for this segment was $1,116,266,000, with a cost of revenue of $874,538,000, making the profit from this revenue $241,728,000. *See* Tesla, Inc., Annual Report (Form 10-K) (Dec. 31, 2018).

2020, violated the Animal Welfare Act.[158] Independent reporting alleged that at least four experiments involving 88 animals (86 pigs and two monkeys) were "marred [] by human errors."[159] Additional reporting found that as many as a dozen young monkeys were euthanized after experiencing gruesome side effects from having holes drilled into their skulls and electrodes implanted into their brains during experiments.[160] The referral from PCRM led to a probe from the USDA OIG, which was reportedly ongoing as of January 2025.[161]

Statutes and/or Regulations at Issue:
The Animal Welfare Act imposes standards for the humane treatment of animals used in scientific research and, under the Act, USDA is responsible for setting standards "to ensure that animal pain and distress are minimized.[162] Effective June 7, 2024, companies violating the Act faced civil penalties of up to $14,206 per violation.[163] An additional $200,000 in criminal fines may be charged if the alleged conduct is found to constitute a criminal violation of the Act.[164]

Estimate of Maximum Potential Damages Based on Available Facts:
Based on public reporting, Neuralink allegedly conducted inhumane experiments in violation of the Animal Welfare Act on at least 98 animals (86 pigs and 12 monkeys). The Subcommittee calculated Neuralink's potential financial exposure based on the 98 reported violations.[165] At the June 2024 rate of $14,206 per animal, Neuralink could face civil penalties of up to $1,392,188, plus an additional $200,000 in potential criminal fines for just one potential violation, for total civil and criminal penalties as high as approximately **$1,592,188**.

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[158] Press Release, Physicians Comm. for Responsible Med., Statement from the Physicians Committee on Neuralink's Purported Patient Implant (Jan. 30, 2024), https://www.pcrm.org/news/news-releases/statement-physicians-committee-neuralinks-purported-patient-implant; Animal Welfare Act, 7 U.S.C. § 2131 *et seq.*

[159] *Exclusive: Musk's Neuralink faces federal probe, employee backlash over animal tests*, supra note 50.

[160] *The Gruesome Story of How Neuralink's Monkeys Actually Died*, WIRED (Sept. 28, 2023), https://www.wired.com/story/elon-musk-pcrm-neuralink-monkey-deaths/?_sp=421c3d30-7b01-4951-b9dd-deb345053851.1743017469377; Physicians Comm. for Responsible Med., supra note 158.

[161] *Exclusive: USDA inspector general escorted out of her office after defying White House*, REUTERS (Jan. 29, 2025), https://www.reuters.com/world/us/usda-inspector-general-escorted-out-her-office-after-defying-white-house-2025-01-29/.

[162] 7 U.S.C. §§ 2131 and 2143.

[163] 7 U.S.C. § 2149(b); Civil Monetary Penalty Inflation Adjustments for 2024, 89 Fed. Reg. 48,495 (June 7, 2024).

[164] 18 U.S.C. § 3571; CONG. RSCH. SERV., R47179, THE ANIMAL WELFARE ACT: BACKGROUND AND SELECTED ISSUES (2023), https://www.congress.gov/crs-product/R47179.

[165] It is possible that the number of animals involved exceeded 98. For this analysis, the Subcommittee assumed that two monkeys reported on by Reuters are included in the 12 monkeys reported on by Wired. The assumption was made to provide a conservative figure for the total animals involved. Additionally, methodologies vary with regard to calculating the number of violation occurrences under the Animal Welfare Act, including use of "per day, per violation, per animal" assessment. Delcianna Winders & Varu Chilakamarri, *Animal Welfare Act: Enforcement,* 25 ANIMAL L. REV. 249, 251 (2019).

Potential Investigation and Litigation Exposure Not Reasonably Estimated

Beyond the agency and department liability detailed above, both SpaceX and Tesla face scrutiny from the National Labor Relations Board (NLRB). However, for the reasons described below, the Subcommittee was unable to estimate potential financial exposure related to these actions.

National Labor Relations Board (NLRB) Complaints Related to SpaceX and Tesla

Alleged Facts Regarding SpaceX

In November 2022, former SpaceX employees filed multiple charges with the NLRB related to unlawful investigations into and firings stemming from an open letter sent by SpaceX employees to executives detailing workplace concerns.[166] The eight charges were consolidated into one complaint in January 2024.[167] The complaint remains in limbo pending the outcome of a separate lawsuit filed by SpaceX challenging the constitutionality of the NLRB.[168]

Alleged Facts Regarding Tesla

In March 2021, the NLRB found—in a consolidated complaint of eight charges filed in 2017 and 2018[169]—that Tesla committed multiple violations of the National Labor Relations Act (NLRA) in its fight against a union organizing campaign at its Fremont facility, including one unlawful firing, multiple coercive interrogations of employees, threatening the loss of stock options if employees joined a union, and retaliating against organizers by promulgating new work rules meant to limit their ability to communicate with coworkers.[170] The case is pending the outcome of multiple court challenges brought by Tesla.[171]

Statutes and/or Regulations at Issue:

The NLRA in pertinent part prohibits employers from interfering with, restraining, or coercing employees in the exercise of their right to engage in collective bargaining or other concerted activities.[172] It further bestows broad powers on the NLRB to prevent unfair labor practices,

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[166] *SpaceX accused of unlawfully firing staff critical of Elon Musk*, BBC (Jan. 3, 2024), https://www.bbc.com/news/business-67878940; *Space Expl. Techs., Corp. v. Nat'l Lab. Rels. Bd*., 129 F.4th 906 (5th Cir. 2025).

[167] Order Consolidating Cases, Consolidated Complaint, and Notice of Hearing, Space Exploration Technologies Corp., Nos. 31-CA-307446, 31-CA-307532. 31-CA-307539, 31-CA-307546, 31-CA-307551, 31-CA-307555, 31-CA-307514, 31-CA-307525, (Jan. 3, 2024), available at https://apps.nlrb.gov/link/document.aspx/09031d4583c00986.

[168] *Launching into New Territory (Continued): SpaceX Wins Temporary Relief at Fifth Circuit*, NAT'L L. REV. (May 6, 2024), https://natlawreview.com/article/launching-new-territory-continued-spacex-wins-temporary-relief-fifth-circuit.

[169] *Tesla, Inc.,* 370 NLRB No. 101 (Mar. 25, 2021).

[170] *Id.*

[171] *See Tesla, Inc. v. Nat'l Lab. Rels. Bd*., 120 F.4th 433 (5th Cir. 2024); *Tesla, Inc. v. Nat'l Lab. Rels. Bd*., 86 F.4th 640 (5th Cir. 2023).

[172] 29 U.S.C. § 158.

including but not limited to cease-and-desist orders, employee reinstatement and backpay, and any direct or foreseeable pecuniary harm resulting from the practice.[173]

Analysis

In the case of the multiple charges and complaints against SpaceX and Tesla that remain pending with the NLRB, the Subcommittee's ability to calculate potential financial exposure is limited by the highly individualized factors not easily discernable at this time, such as salary, benefits, expenses related to job searches, interim employment, credit card debt, withdrawals from retirement accounts, late fees for car or mortgage payments, childcare, medical bills, and any other relief that would make the complainants whole.[174] While the total potential exposure from these matters is not included in PSI's estimate, the existence of these pending investigations and actions demonstrates that Mr. Musk's actual financial exposure from potential federal enforcement actions is even higher than estimated.

Other Agencies with Enforcement Authority over Musk Companies

Tesla faces multiple investigations from the National Highway Traffic Safety Administration (NHTSA) and had faced an audit by a Department of Labor watchdog before a recent Executive Order rendered it moot. While these and other agencies may have otherwise conducted enforcement actions against Mr. Musk and his companies, his sway over the federal government may limit future action.

National Highway Traffic Safety Administration (NHTSA)

Since 2020, Tesla has experienced over 60 documented recalls with the National Highway Traffic Safety Administration involving multiple design deficiencies with their vehicles and equipment.[175] There are currently eight open investigations with the agency ranging from unexpected braking or acceleration, to steering wheel detachment, to crash reports involving Tesla's FSD or Smart Summon technology (see Table 2).[176] In the case of the FSD collision investigation, one crash involved a vehicle fatally striking a pedestrian.[177] Recent reporting

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[173] *See* 29 U.S.C. § 160; *Thryv, Inc*., 372 NLRB No. 22 (2022); *Int'l Union of Operating Eng'rs, Stationary Eng'rs, Loc. 39 v. Nat'l Lab. Rels. Bd*., 127 F.4th 58 (9th Cir. 2025).

[174] *Thryv, Inc*., 372 NLRB No. 22 (2022); *Int'l Union of Operating Eng'rs, Stationary Eng'rs, Loc. 39 v. Nat'l Lab. Rels. Bd*., 127 F.4th 58 (9th Cir. 2025).

[175] *NHTSA Recalls by Manufacturer*, U.S. DEPT. OF TRANSP., (Apr. 7, 2025), https://datahub.transportation.gov/Automobiles/NHTSA-Recalls-by-Manufacturer/mu99-t4jn (search manufacturer field for "Tesla, Inc." and report received date field for "From 01/01/2020").

[176] *NHTSA Investigations by Manufacturer*, U.S. DEPT. OF TRANSP., https://data.transportation.gov/stories/s/NHTSA-Investigations-by-Manufacturer/auu6-iy49 (last visited Apr. 11, 2025), (search action number field for "PE22002", "PE23003", "DP23001", "DP23002", "EA24001", "RQ24009", "PE24031", and "PE24033").

[177] *Track recalls & safety issues by NHTSA ID*, NAT'L HIGHWAY TRAFFIC SAFETY ADMIN., https://www.nhtsa.gov/recalls?nhtsaId=PE24031 (search NHTSA safety issue ID field for "PE24031"; then click hyperlink "Download as PDF").

indicates that, in February, DOGE staff cut 30 NHTSA workers, many of whom worked on evaluating the safety of automated driving.[178]

Table 2: Tesla Vehicles under NHTSA Investigation by Make and Years

Make	Years	Investigations
CYBERTRUCK	2023-2024	PE24031; RQ24009
MODEL 3	2017-2025	DP23001; DP23002; EA24001; PE22002; PE24031; PE24033; RQ24009
MODEL S	2012-2025	DP23001; DP23002; PE24031; PE24033; RQ24009
MODEL X	2015-2025	DP23001; DP23002; PE24031; PE24033; RQ24009
MODEL Y	2019-2025	DP23001; DP23002; EA24001; PE22002; PE23003; PE24031; PE24033; RQ24009

Source: https://www.nhtsa.gov/recalls (Retrieved April 11, 2025)

The National Traffic and Motor Vehicle Safety Act gives NHTSA the authority to require manufacturers to initiate recalls of defective or substandard automobiles.[179] The decision to issue a recall is traditionally a multi-step process that involves data collection and analysis by NHTSA's Office of Defects Investigation (ODI).[180] ODI's methodology is sequential and risk-based.[181] ODI advances to the formal investigation stage when there is "sufficient evidence of a potential safety-related defect"—initiating an involuntary recall when there is evidence of the defect and, despite the "regular cadence" of data and other feedback, the manufacturer has not initiated the recall itself.[182]

Recalls can be enormously expensive for manufacturers, with multiple examples reaching into the billions in recent years.[183] The two primary factors influencing the cost of a recall are the number of vehicles impacted, and the per-vehicle remediation cost. While the average recall fix over the past decade has been about $500 per vehicle, some, such as a recent fix to fire-prone batteries in a line of Hyundai electric cars, are vastly higher.[184]

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[178] *Musk's DOGE fired self-drive car safety experts at agency that regulates Tesla,* FINANCIAL TIMES (April 10, 2025), https://www.ft.com/content/ede5b41d-4b97-494f-b8ce-4f13b11f9ad1.

[179] NAT'L HIGHWAY TRAFFIC SAFETY ADMIN., DOT HS 808 795, MOTOR VEHICLE SAFETY DEFECTS AND RECALLS: WHAT EVERY VEHICLE OWNER SHOULD KNOW (Nov. 2024), https://www.nhtsa.gov/sites/nhtsa.gov/files/2024-11/MVSDefectsandRecalls-Update_112124_v1a_tag.pdf.

[180] NAT'L HIGHWAY TRAFFIC SAFETY ADMIN., DOT HS 812 984, RISK-BASED PROCESSES FOR SAFETY DEFECT ANALYSIS AND MANAGEMENT OF RECALLS, 10 (Nov. 2020), https://www.nhtsa.gov/sites/nhtsa.gov/files/documents/14895_odi_defectsrecallspubdoc_110520-v6a-tag.pdf.

[181] *Id.*

[182] *Id.* at 9-11.

[183] *The auto industry's growing recall problem—and how to fix it*, ALIX PARTNERS (Jan. 2018), https://www.alixpartners.com/media/14438/ap_auto_industry_recall_problem_jan_2018.pdf.

[184] *Hyundai's Recall Of 82,000 Electric Cars Is One Of The Most Expensive In History*, CBS NEWS (Feb. 26, 2021), https://www.cbsnews.com/baltimore/news/hyundais-recall-of-82000-electric-cars-is-one-of-the-most-expensive-in-history/.

Because there is no current indication that any of the eight open investigations will lead to a new recall, and because the costs of such a recall would depend on factors that cannot be assessed based on publicly available information, the Subcommittee cannot reasonably estimate Tesla's potential liability from recalls ordered by NHTSA.

Department of Labor, Office of Federal Contract Compliance Programs (OFCCP)

The Office of Federal Contract Compliance Programs (OFCCP) is the Department of Labor's contractor watchdog.[185] In 2024, the OFCCP listed Tesla and its facility in Fremont on its Corporate Scheduling Announcement List as "a courtesy notification to an establishment selected to undergo a compliance evaluation."[186] As discussed above, employees at Tesla's Fremont facility have allegedly experienced severe or pervasive harassment and retaliation. On January 24, 2025, President Trump issued an Executive Order, *Ending Illegal Discrimination and Restoring Merit-Based Opportunity,* directing the office to "immediately cease" several actions.[187] The Department of Labor subsequently ordered the OFCCP to "cease and desist all investigative enforcement activity" under the President's Executive Order.[188] The investigation into Tesla was reportedly still pending when the OFCCP's responsibilities were drastically curtailed.[189]

Prior to the January 24 Executive Order, the OFCCP established rules and enforcement procedures to prevent discrimination and promote affirmative action requirements for federal contractors and subcontractors by responding to complaints and conducting "proactive compliance evaluations."[190] Companies selected for an OFCCP audit face demanding and time-sensitive deadlines to compile and submit extensive data for review, with the potential that violations may be handled administratively with the OFCCP, up to and including referrals to the

[185] CONG. RSCH. SERV., IF12941, THE HISTORY AND STATUS OF THE OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS (OFCCP) (2025), https://www.congress.gov/crs_external_products/IF/PDF/IF12941/IF12941.1.pdf.

[186] U.S. DEP. OF LAB., OFFICE OF FED. CONT. COMPLIANCE PROGRAMS, FY 2024 CSAL SUPPLY & SERVICE SCHEDULING LIST, RELEASE – 1 (2024), https://www.dol.gov/sites/dolgov/files/OFCCP/scheduling/files/FY2024-CSAL-SupplyAndService-SchedulingList-Release1.xlsx; *Corporate Scheduling Announcement Lists*, U.S. DEP. OF LAB., OFFICE OF FED. CONT. COMPLIANCE PROGRAMS, https://www.dol.gov/agencies/ofccp/foia/library/corporate-scheduling-announcement-lists (last visited Apr. 11, 2025).

[187] Exec. Order No. 14173, 90 Fed. Reg. 8633 (Jan. 21, 2025), https://www.whitehouse.gov/presidential-actions/2025/01/ending-illegal-discrimination-and-restoring-merit-based-opportunity/.

[188] *Id.*; Press Release, U.S. Dept. of Lab., US Department of Labor to cease and desist all investigative and enforcement activity under rescinded Executive Order 11246 (Jan. 24, 2025), https://www.dol.gov/newsroom/releases/osec/osec20250124; *Tesla discrimination probe killed as Trump axes watchdog agency* (Feb. 6, 2025), THE SAN FRANCISCO STANDARD, https://sfstandard.com/2025/02/06/trump-order-stops-tesla-discrimination-investigation/.

[189] *Tesla discrimination probe killed as Trump axes watchdog agency,* supra note 188.

[190] CONG. RSCH. SERV., LSB11268, RESCISSION OF EXECUTIVE ORDER 11246, "EQUAL EMPLOYMENT OPPORTUNITY": LEGAL IMPLICATIONS (2025), https://www.crs.gov/Reports/LSB11268.

DOJ.[191] Enforcement within the OFCCP may result in conciliation agreements between the Office and the company where violations and remedies are identified.[192] Recent agreements with firms such as LinkedIn and Google documented instances of discriminatory employment practice, resulting in millions of dollars in back pay and interest as well as enhanced compliance reviews to include the filing of progress reports and, in the case of Google, establishing a dedicated cash reserve to review salary procedures over a five-year period.[193]

The Hidden Costs of Federal Enforcement

Mr. Musk's myriad business interests may also benefit from avoiding direct and indirect costs associated with potential regulatory oversight that are more difficult to calculate. These costs generally fall into three categories:

- **Legal and compliance costs**: Costs associated with litigation, settlements, remediation, and internal adjustments to remain compliant.
- **Risks to federal licenses and contracts**: Costs associated with the suspension or revocation of federal permits and licenses and contract termination or debarment.
- **Reputational and market impact costs**: Potential losses in market value, consumer trust, and brand perception.

Legal and Compliance Costs

The federal government's abandonment of long-term investigations into Mr. Musk's business interests would likely save him millions of dollars in legal fees and compliance costs. Complex regulatory and criminal investigations can last for years and generally require engaging top-tier legal counsel that can cost millions of dollars annually, particularly when liability is disputed. One recent survey of 2023 litigation trends found that "employment/labor" and "regulatory/investigations" topped the list of corporate litigation, with claims of discrimination and harassment and challenges related to data privacy and AI remaining prominent concerns across industries.[194] It further found that companies with annual revenues exceeding $1 billion spent an average of $3.9 million on litigation in 2024.[195]

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[191] *What Financial Institutions May Be Missing in Their Compliance Portfolio – OFCCP Compliance*, HUNTON (Aug. 6, 2024), https://www.hunton.com/hunton-employment-labor-perspectives/what-financial-institutions-may-be-missing-in-their-compliance-portfolio-ofccp-compliance; 41 C.F.R. § 60-1.26.

[192] *Conciliation Agreements*, U.S. DEP. OF LAB., OFFICE OF FED. CONT. COMPLIANCE PROGRAMS, https://www.dol.gov/agencies/ofccp/foia/library/conciliation-agreements (last visited Apr. 11, 2025).

[193] Conciliation Agreement Between U.S. Dept. of Lab. and LinkedIn Corp. (Apr. 27, 2022), https://www.dol.gov/sites/dolgov/files/OFCCP/foia/files/2022-04-27LinkedInCA-%20PA-Redacted.pdf; Early Resolution Conciliation Agreement Between U.S. Dept. of Lab. and Google LLC (Jan. 15, 2021), https://www.dol.gov/sites/dolgov/files/OFCCP/foia/files/2021-01-15_Google_ERCA_PA_Redacted.pdf.

[194] NORTON ROSE FULBRIGHT, 2024 ANNUAL LITIGATION TRENDS SURVEY: PERSPECTIVES FROM CORPORATE COUNSEL 6-7 (2024), https://www.nortonrosefulbright.com/-/media/files/nrf/nrfweb/knowledge-pdfs/norton-rose-fulbright---2024-annual-litigation-trends-survey.pdf.

[195] *Id.* at 29.

Companies facing scrutiny may find it necessary to conduct internal investigations, hire compliance officers and subject matter experts, update policies, implement new training programs, and upgrade systems to meet existing requirements. Internal investigations and compliance audits can be particularly resource intensive for large multinational organizations ranging from several millions to tens of millions of dollars annually.[196]

Federal agencies may impose additional compliance monitoring obligations as part of settlement agreements or enforcement actions. In the case of a $5 billion settlement between the Federal Trade Commission (FTC) and Facebook (now Meta) from 2019, the FTC required sweeping changes to overhaul how the company handles user data to ensure greater accountability.[197] Similarly, X (then Twitter) remains under heightened scrutiny from the FTC through 2031 due to a 2011 settlement addressing deceptive acts related to user data privacy.[198] In the instance of X, breaching the settlement terms could carry penalties of up to $16,000 per violation on a platform with approximately 600 million monthly active users.[199]

Risks to Federal Licenses and Contracts

Mr. Musk's involvement in government may also allow him and his businesses to skirt the regulatory oversight that would ordinarily result in millions or billions of dollars of potential liability due to license suspensions, revocations, or denials. To take one example, the FAA holds the authority to suspend or revoke operating licenses for safety or environmental violations, and SpaceX faces ongoing scrutiny over its launch safety protocols.[200] A suspension of its launch licenses, akin to the Boeing 737 Max grounding, could result in billions of dollars of lost revenue from delayed missions and contract terminations.[201]

Similarly, the Food and Drug Administration is responsible for overseeing Neuralink's medical devices, providing any special designations, and eventually permitting devices to be marketed to consumers. Human trials were approved for Neuralink's brain-computer interface, Telepathy, following an investigational device exemption in 2023, and its experimental implant, Blindsight,

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[196] GLOBALSCAPE, THE TRUE COST OF COMPLIANCE WITH DATA PROTECTION REGULATIONS 16 (2017), https://static.fortra.com/globalscape/pdfs/guides/gs-true-cost-of-compliance-data-protection-regulations-gd.pdf.

[197] Press Release, U.S. Fed. Trade Comm'n, FTC Imposes $5 Billion Penalty and Sweeping New Privacy Restrictions on Facebook (July 24, 2019), https://www.ftc.gov/news-events/news/press-releases/2019/07/ftc-imposes-5-billion-penalty-sweeping-new-privacy-restrictions-facebook.

[198] *In the Matter of Twitter, Inc., A Corp.,* No. 92-3093, 2011 WL 914034 (MSNET Mar. 2, 2011) (available at https://www.ftc.gov/sites/default/files/documents/cases/2011/03/110311twitterdo.pdf).

[199] Press Release, U.S. Fed. Trade. Comm'n, FTC Accepts Final Settlement with Twitter for Failure to Safeguard Personal Information (Mar. 11, 2011), https://www.ftc.gov/news-events/news/press-releases/2011/03/ftc-accepts-final-settlement-twitter-failure-safeguard-personal-information; *Musk Says X Has 600 Million Monthly Active Users,* BLOOMBERG (May 23, 2024), https://news.bloomberglaw.com/tech-and-telecom-law/musk-says-x-has-600-million-monthly-active-users.

[200] 51 U.S.C. § 50908(c).

[201] *New Report Puts Impact of Boeing 737 MAX Grounding at $4.1 Billion,* FORBES (Aug. 10, 2019), https://www.forbes.com/sites/tedreed/2019/08/10/new-report-puts-impact-of-boeing-737-max-grounding-at-41-billion/.

was given a breakthrough device designation last year, allowing for limited human trials.[202] These products remain under the FDA's review, and FDA approval of their safety and marketing is critical for their eventual commercial viability.[203]

SpaceX faces unique potential liability given that the majority of its funds come from government contracts with NASA and the Department of Defense, making any debarment or contract termination in the event of an adverse finding particularly devastating.[204] Mechanical failures with Boeing's Starliner spacecraft, for example, jeopardized its $4.2 billion contract with NASA.[205] Similar actions against SpaceX could lead to billions in lost government revenue and future contract opportunities.

Reputational and Market Impact Costs

Avoiding regulatory scrutiny also permits Mr. Musk's companies to evade the reputational and market costs that inevitably flow from such actions. First, civil penalties, criminal fines, or adverse findings often trigger stock price declines and can result in shareholder lawsuits. Facebook (now Meta) lost roughly $134 billion in market value after its data privacy violations became public and the FTC confirmed their investigation, leading to multiple lawsuits from shareholders who claimed the company breached their fiduciary duties.[206] Given the volatility of Tesla's stock—with trading focused more on Mr. Musk than company fundamentals—a similar decline following a high-profile enforcement action could impact the company, wiping out billions of dollars in market capitalization.[207]

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[202] *Elon Musk's Neuralink approved to recruit humans for brain-implant trial*, THE GUARDIAN (Sept. 19, 2023), https://www.theguardian.com/technology/2023/sep/19/elon-musk-neuralink-human-trials-brain-implant; *Musk's Neuralink gets FDA's breakthrough device tag for 'Blindsight' implant,* REUTERS (Sept. 18, 2024), https://www.reuters.com/business/healthcare-pharmaceuticals/musks-neuralink-receives-fdas-breakthrough-device-tag-brain-implant-2024-09-17/.

[203] *Device Approvals and Clearances,* U.S. FOOD & DRUG ADMIN., https://www.fda.gov/medical-devices/products-and-medical-procedures/device-approvals-and-clearances (last visited Apr. 11, 2025).

[204] *Elon Musk's Business Empire Is Built On $38 Billion in Government Funding,* supra note 11.

[205] *NASA Still Mulling Options for Boeing's Troubled Starliner Astronaut Capsule,* SPACE.COM (Mar. 19, 2025), https://www.space.com/space-exploration/international-space-station/nasa-still-mulling-options-for-boeings-troubled-starliner-astronaut-capsule; Press Release, Nat'l Aeronautics & Space Admin., NASA Chooses American Companies to Transport U.S. Astronauts to International Space Station (Sept. 16, 2024), https://www.nasa.gov/news-release/nasa-chooses-american-companies-to-transport-u-s-astronauts-to-international-space-station/.

[206] *Facebook Stock Recovers All $134B Lost After Cambridge Analytica Data Scandal,* CBS NEWS (May 10, 2018), https://www.cbsnews.com/news/facebook-stock-price-recovers-all-134-billion-lost-in-after-cambridge-analytica-datascandal/; *FTC Confirms It's Investigating Facebook For Possible Privacy Violations,* NPR (Mar. 26, 2018), https://www.npr.org/sections/thetwo-way/2018/03/26/597135373/ftc-confirms-its-investigating-facebook-for-possible-privacy-violations; *Facebook Faces Shareholder Lawsuit Over Cambridge Analytica Data Security Concerns,* EXPERT INSTITUTE (June 23, 2020), https://www.expertinstitute.com/resources/insights/facebook-faces-shareholder-lawsuit-over-cambridge-analytica-data-security-concerns/.

[207] *Why One Economist Says Elon Musk Has Turned Tesla Into a Meme Stock,* BUSINESS INSIDER (May 2, 2024), https://markets.businessinsider.com/news/stocks/tesla-outlook-meme-stock-elon-musk-ai-electric-vehicle-earnings-2024-5; *see also Tesla Stock Is Down As Musk's DOGE Role Changes Some Buyers' Minds*, FORBES (Mar. 7, 2025), https://www.forbes.com/sites/petercohan/2025/03/07/tesla-stock-is-down-as-musks-doge-role-changes-some-buyers-minds/.

Second, findings of liability or wrongdoing can lead to loss of public trust, negative media coverage, and consumer boycotts. In 2015, Volkswagen's emissions scandal immediately led to a substantial drop in share price—the equivalent of $17.6 billion—and brand reputation scores, calls for boycotts, and ultimately negative, long-term impacts on public perceptions of the company.[208]

Third, high-profile controversies can result in attrition from executives and company talent that seek to distance themselves from corporate scandals. Uber lost key executives and top talent following a series of public scandals—including a DOJ and EEOC investigation into allegations of sexual harassment—which contributed to hiring delays and other inefficiencies.[209]

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These costs, though more difficult to calculate, highlight the additional deterrents against harming the public interest that exists because of regulatory oversight. While penalties and fines serve as direct consequences for misconduct, the broader financial burdens demonstrate the real impact of enforcement actions. For individuals like Mr. Musk, who hold influential roles in government while managing a web of private business interests, these pressures underscore the importance of strong, impartial oversight to prevent conflicts of interest, ensure corporate accountability, and mitigate the risk of misconduct or regulatory evasion.

Conclusions

Having outlined the extensive concerns surrounding Mr. Musk and his network of companies—including the potential for unchecked influence, glaring conflicts of interest, and avenues for financial and legal exposure—it is essential to underscore that these risks are not theoretical or hypothetical. The potential for these problems and improprieties skewing agency oversight and action will continue unless something is affirmatively done to stop them.

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[208] *Volkswagen Drops 23% After Admitting Diesel Emissions Cheat,* BLOOMBERG (Sept. 21, 2015), https://www.bloomberg.com/news/articles/2015-09-21/volkswagen-drops-15-after-admitting-u-s-diesel-emissions-cheat; *Volkswagen Vows to 'Win Back Customer Trust' As Brand Hit by Emissions Scandal*, MARKETING WEEK (Sept. 22, 2015), https://www.marketingweek.com/volkswagens-brand-on-the-line-as-it-promises-to-win-back-customer-trust-following-emissions-scandal/; *Going Up in Fumes: Why the Volkswagen Scandal Is So Outrageous*, REPORTER MAGAZINE: ROCHESTER INST. TECH. (Oct. 3, 2015), https://reporter.rit.edu/5347/views/going-up-in-fumes-why-the-volkswagen-scandal-is-so-outrageous/; *Understanding Public Perception of VW Emissions: Trust, Betrayal, and Corporate Responsibility*, CARS TRUCKS ROADS (Nov. 12, 2024), https://carstrucksroads.com/public-perception-of-vw-emissions/.

[209] *Uber's Talent Exodus Isn't Over Yet*, VANITY FAIR (June 1, 2017), https://www.vanityfair.com/news/2017/06/uber-talent-exodus; *Uber to pay $4.4M over sexual harassment and retaliation charges*, CNET (Dec. 18, 2019), https://www.cnet.com/tech/mobile/uber-to-pay-4-4m-over-sexual-harassment-and-retaliation-charges-after-eeoc-investigation/; *Uber CEO Travis Kalanick resigns under investor pressure*, REUTERS (June 17, 2017), https://www.reuters.com/article/technology/uber-ceo-travis-kalanick-resigns-under-investor-pressure-idUSKBN19C0G6/.

The DOJ's unexplained dismissal of its case against SpaceX on February 21, 2025, was a windfall to the company and a warning to the American public. Without sustained, independent scrutiny, many of the cases discussed herein—including CFPB oversight, NLRB litigation, and FTC settlement supervision—could quietly disappear in much the same way: dismissed without explanation, deferred indefinitely, or resolved in any number of ways that prioritize Mr. Musk's private interests over that of public accountability.

Attentive oversight of companies like SpaceX and Tesla, in particular, is imperative due to the significant economic, public safety, and environmental impacts their operations may have. Failures in launch safety or autonomous driving technology can lead to costly flight disruptions and tragic accidents, as evidenced by SpaceX's Starship explosions and the numerous crashes linked to Tesla's systems.[210] The potential for environmental damage is also substantial, ranging from air pollution from rocket launches and satellite disintegration to habitat destruction and chemical leaks from ground operations.[211] The case of The Boring Company's alleged improper waste disposal further underscores these risks.[212]

The broader costs associated with these activities extend beyond immediate incidents. Environmental cleanup, as seen with the Deepwater Horizon spill, can result in multi-billion dollar settlements, but these figures may still fall short of capturing the full extent of the damage inflicted.[213] Robust and consistent oversight is not merely a regulatory burden, but a crucial necessity to mitigate potential economic losses, safeguard public well-being, and protect the environment from potentially irreversible harm, ensuring that profits do not come at an unacceptably high cost to society.

It is imperative that the President, the executive departments, and regulatory agencies, take coordinated action to address Elon Musk's threat to the integrity of federal governance. Specifically:

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[210] *SpaceX Starship Explosions Impacted Nearly 500 Flights, Cost Carriers Millions*, AVIATIONPROS (Mar. 18, 2025), https://www.aviationpros.com/airports/news/55275658/spacex-starship-explosions-impacted-nearly-500-flights-cost-carriers-millions; *Tesla Has the Highest Fatal Accident Rate of All Auto Brands, Study Finds*, ROAD & TRACK (Nov. 15, 2024), https://www.roadandtrack.com/news/a62919131/tesla-has-highest-fatal-accident-rate-of-all-auto-brands-study/.

[211] *How Much Did SpaceX's Starship Flight 7 Explosion Pollute the Atmosphere?,* SPACE (Feb. 2, 2025), https://www.space.com/space-exploration/how-much-did-spacexs-starship-flight-7-explosion-pollute-the-atmosphere; *Wildlife Protections Take a Back Seat to SpaceX's Ambitions,* N.Y. TIMES (July 7, 2024), https://www.nytimes.com/2024/07/07/us/politics/spacex-wildlife-texas.html; *FAA Orders Musk's SpaceX to Take 63 Corrective Actions on Starship, Keeps Rocket Grounded*, CNBC (Sept. 8, 2023), https://www.cnbc.com/2023/09/08/faa-starship-grounded-corrective-action.html.

[212] *Elon Musk's Boring Company Is Tunneling Beneath Las Vegas With Little Oversight*, PROPUBLICA (Jan. 8, 2025), https://www.propublica.org/article/elon-musk-boring-company-las-vegas-loop-oversight.

[213] The Deepwater Horizon spill resulted in a $20 billion settlement, with roughly $8 billion earmarked for natural resource damage alone. Nevertheless, BP estimated total costs of the oil spill disaster at over $54 billion—more than twice the cost born by the company. *BP Settles Final Gulf Oil Spill Claims for $20 Billion*, CNN (Oct. 6, 2015), https://money.cnn.com/2015/10/06/news/companies/deepwater-horizon-bp-settlement/index.html.

- Respond in full to Congressional letters and information requests related to Mr. Musk's federal entanglements.

- Direct all relevant agencies to conduct reviews of contracts, awards, or any communication with Mr. Musk or his affiliated companies to determine whether appropriate measures were/are in place to prevent undue influence.

- Initiate independent audits of major contracts and awards to Musk-affiliated companies, particularly those with Department of Defense and NASA.

No one individual, no matter how prominent or wealthy, is above the law. Anything less than decisive, immediate, and collective action risks America becoming a bystander to the surrender to modern oligarchy—public power in private hands.

Appendix

Table 3: Detailed List of Investigations and Litigation by Individual Case

Agency	Company	Description	Case Number	Possible Exposure
DOJ				**$1,238,100,000**
	SpaceX	Discriminatory Hiring Practices against Asylees and Refugees	2023B00082	$46,100,000
	Tesla	Allegedly False or Misleading Statements about Autopilot and Full-Self Driving (FSD) Features	Unknown	$1,192,000,000
EPA				**$118,445**
	Tesla	Reported Violations of the Clean Water Act at Austin Facility	Unknown	$118,445
EEOC				**$462,000,000**
	Tesla	Reported Severe or Pervasive Racial Harassment and Retaliation at Fremont Facility	4:23-cv-04984	$462,000,000
FAA				**$633,009**
	SpaceX	Multiple Reported Failures to Follow License Requirements in 2023 Launches	2023WA990028	$350,000
			2023WA990031	$283,009
FEC				**$5,000**
	X	Illegal Corporate Contributions for Virtual Campaign Rally on X Spaces	Unknown	$5,000
OSHA				**$713,114**
	SpaceX			**$18,000**
		Serious Health Referrals at the Washington Facility	1790526.015	$6,000
			1787938.015	$12,000
	The Boring Company			**$112,504**
		Contested Violation at Las Vegas Site	1677194.015	$112,504
	Tesla			**$582,610**
		26 Contested OSHA Violations at Multiple Facilities	1798179.015	$2,975
			1766557.015	$49,650
			1765188.015	$13,500
			1763341.015	$10,000
			1737821.015	$23,560
			1732013.015	$750
			1718063.015	$20,000
			1715570.015	$560
			1698772.015	$54,000
			1697213.015	$37,000
			1662190.015	$38,000

Agency	Company	Description	Case Number	Possible Exposure
	[redacted]		1632314.015	$45,000
			1609730.015	$2,100
			1603753.015	$3,000
			1597846.015	$36,920
			1566582.015	$26,500
			1556213.015	$23,000
			1552002.015	$24,500
			1539967.015	$13,000
			1537575.015	$26,285
			1526992.015	$1,700
			1523622.015	$25,650
			1518504.015	$36,000
			1513294.015	$37,685
			1498332.015	$23,625
			1454931.015	$7,650
SEC				**$671,317,306**
	Mr. Musk (Personal)	Allegations of Failure to Timely Disclose Beneficial Ownership Report	1:25-cv-00105	$150,011,823
	Neuralink	Alleged False or Misleading Statement about Product Risks	Unknown	$281,457,232
	Tesla	Alleged Failure to Disclose Solar Panel Risks to Shareholders	Unknown	$239,848,251
USDA				**$1,592,188**
	Neuralink	Alleged Violations of the Animal Welfare Act	Unknown	$1,592,188
NLRB				
	SpaceX	Consolidated Complaints Alleging Illegal Firings over Open Letter	31-CA-307446	
			31-CA-307514	
			31-CA-307525	
			31-CA-307532	
			31-CA-307539	
			31-CA-307546	
			31-CA-307551	
			31-CA-307555	
	Tesla	Consolidated Complaints Alleging Interference with Union Organizing Campaign at Fremont	32-CA-220777	
			32-CA-210879	
			32-CA-208614	
			32-CA-200530	
			32-CA-197197	
			32-CA-197091	

Agency	Company	Description	Case Number	Possible Exposure
			32-CA-197020	
			32-CA-197058	
NHTSA				
	Tesla	Crash incidents during Actually Smart Summon sessions	PE24033	
		FSD Collisions in Reduced Roadway Visibility Conditions	PE24031	
		Recall 23V838 Remedy Effectiveness	RQ24009	
		Loss of steering control	EA24001	
		Sudden Unintended Acceleration	DP23002	
		Shift Interlock Request	DP23001	
		Steering Wheel Detachment	PE23003	
		Unexpected Brake Activation	PE22002	
OFCCP				
	Tesla	Audit of Employment Practices at Fremont Facility	Unknown	
Grand Total				**$2,374,479,062**

Table 4: Total Active SpaceX (including Starlink) Contracts with the Federal Government as of April 5, 2025[214]

Department/Agency	Contract Actions	Total Obligations
National Aeronautics and Space Administration	473	$7,857,257,719.44
Department of Defense[215]	159	$2,216,740,086.77
General Services Administration	31	$0.00[216]
Department of the Interior	4	$88,261.99
Department of Transportation	2	$36,000.00
Department of State	2	-$500.00[217]
Department of Veterans Affairs	1	$216,000.00
Department of Homeland Security	1	$3,000
Grand Total	**673**	**$10,074,340,568.20**

[214] SpaceX, which includes Starlink and Starshield, has at least 673 contract actions with a potential award valuation of up to $47 billion. Analysis on file with the Subcommittee. *See, e.g.,* USA Spending, Recipient Profile: Space Exploration Technologies Corp. (https://www.usaspending.gov/recipient/8a3a5525-3218-a488-db0e-4823241ceb90-P/all) (last visited Apr. 11, 2025); Federal Procurement Data System, SpaceX UEI-1 Search Results (https://www.fpds.gov/ezsearch/search.do?indexName=awardfull&templateName=1.5.3&s=FPDS.GOV&q=C6M7C2FLKER5) (last visited Apr. 11, 2025); Federal Procurement Data System, SpaceX UEI-2 Search Results (https://www.fpds.gov/ezsearch/fpdsportal?indexName=awardfull&templateName=1.5.3&s=FPDS.GOV&q=UWSJVJQGB2X5&x=0&y=0) (last visited Apr. 11, 2025); Federal Procurement Data System, SpaceX UEI-3 Search Results (https://www.fpds.gov/ezsearch/fpdsportal?indexName=awardfull&templateName=1.5.3&s=FPDS.GOV&q=H5JUPMRB3KX6&x=0&y=0) (last visited Apr. 11, 2025).

[215] On April 4, 2025, the United States Space Force announced an additional award to SpaceX for the anticipated amount of $5,923,580,297, which once finalized, would push Department of Defense contracts over $8.1 billion and the grand total to just under $16 billion. Press Release, U.S. Space Force, Space Systems Command awards National Security Space Launch Phase 3 Lane 2 contracts (Apr. 4, 2025), https://www.spaceforce.mil/News/Article-Display/Article/4146459/space-systems-command-awards-national-security-space-launch-phase-3-lane-2-cont/.

[216] The General Services Administration's contract is an Indefinite Delivery Indefinite Quantity (IDIQ) vehicle that other agencies use to order.

[217] This negative value reflects an adjustment in the value of the contract.