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*Multiple conflicts of interest:*

## **Elon Musk's dalliance in government may cost him and investors billions in federal contracts**

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Investors in powerful companies competing for government contracts know that having a close working relationship with government officials is important. That's why Fortune 500 companies spend millions of dollars on lobbyists and analysts to help navigate the complexities of the nation's capital. Investors also know that, if relationships between government officials and business leaders become overly intimate, competitors or watchdog agencies might cry "foul" and financial losses may follow.

By directing a high-powered federal agency working to alter the size and nature of the federal workforce, Elon Musk may be jeopardizing the ability of companies he owns and directs, including SpaceX and Tesla, to contract with the federal government. Musk is the richest person on Earth. His multiple conflicts of interest include having donated almost \$300 million to President Trump's campaign.

Would Musk object if the president appointed a rival CEO vying for DoD or NASA contracts to influence the hiring and firing of federal employees and the shape of whole federal departments? Would his companies' directors and investors complain if competitors could access confidential personal information about them and their employees from government agencies?

A lawsuit just [filed](#) by an advocacy group and two unions is seeking to halt Musk and his Department of Government Efficiency (DOGE) team's access to the Treasury Department's payment system. The suit alleges that the disclosure of hundreds of millions of personal financial records in the system is unlawful.

As the DOGE takes a wrecking ball to the federal workforce, American taxpayers, federal purchasing agents, and investors would be wise to exercise

caution and take a careful look at what's happening and who is being impacted. The wrecking ball is tearing through webs of business interests including those of Musk's competitors and possibly his own companies and their contractors and business partners.

For now, the DOGE bureau chief's ego may be blocking his capacity to realize that one way to improve government efficiency is driving harder bargains with federal contractors like himself, keeping competition for contracts fair, and fending off profiteers. Americans will soon wake up to the fact that Musk has an unfair advantage on the business playing field if he also is a referee.

Musk's frenetic pace and conflicts of interest likely will lead to friction with the White House. The role Trump has assigned him in purging the bureaucracy can only amplify criticism that the federal government has become a plutocracy captured by the wealthy. At some point Trump, who has questionable billionaire pedigree himself, may well pick a fight with Musk. Publicly firing the world's biggest and boldest billionaire could give the president's ego a charge. It may already be brewing in the back of his mind.

However it may end, Musk's time in government must end if he continues doing business with the government.

Karl Polzer is founder of the [Center on Capital & Social Equity](#), which explores inequality, capitalism and market dynamics, and advocates for the 'bottom 50%'.